



CAPABILITIES OVERVIEW | 2026

Financial Risk, Compliance & Governance Services

End-to-End Advisory for GCC Financial Institutions

IFRS 9 | ICAAP | Stress Testing | Model Governance | ICOFR | Internal Audit | Corporate Governance

About Riskwise

Riskwise enables financial institutions across the GCC to develop, strengthen and validate integrated risk frameworks. We work with financial institutions including banks, NBFCs and fintechs to build regulatory-ready capabilities across credit risk, capital adequacy, model governance, internal controls, internal audit and corporate governance.

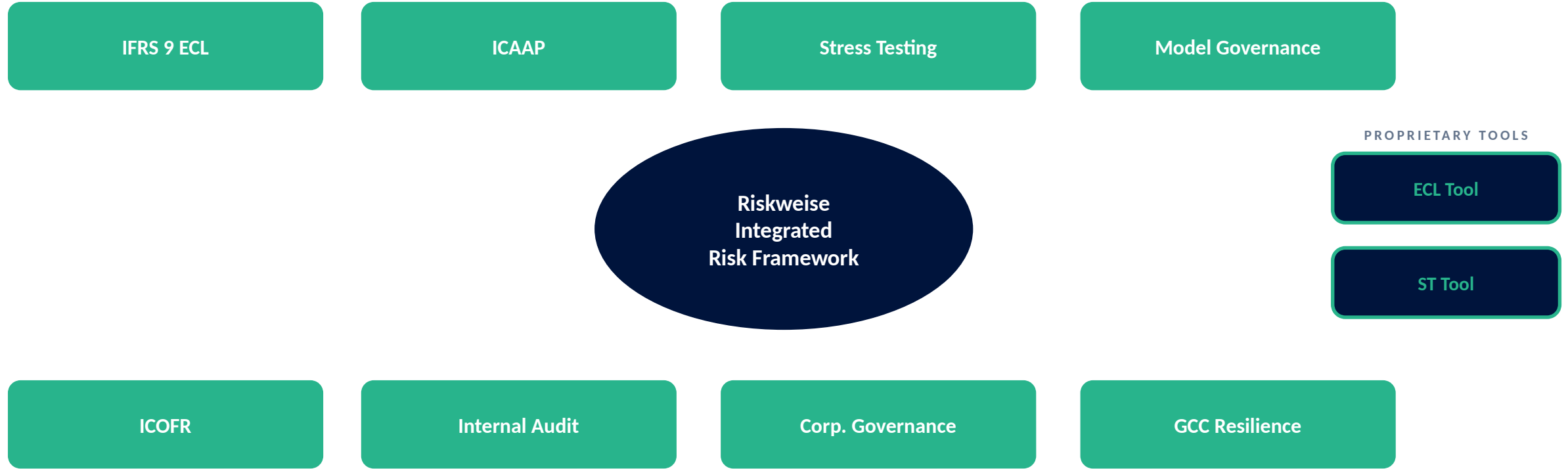
<p>IFRS 9 & ECL</p> <p>Model development, staging, macro overlay, provisioning</p>	<p>ICAAP & Stress Testing</p> <p>Capital adequacy, Pillar II quantification, scenario simulation</p>	<p>Model Governance</p> <p>MMS/MMG compliance, validation, monitoring, data lineage</p>	<p>ICOFR</p> <p>Internal controls over financial reporting, testing, remediation</p>
<p>Internal Audit</p> <p>Risk-based audit, co-sourcing, regulatory exam preparation</p>	<p>Corporate Governance</p> <p>Board frameworks, risk appetite, 3LoD, governance reporting</p>	<p>GCC Resilience Support</p> <p>Operationalizing central bank directives at bank level</p>	<p>Proprietary Tools</p> <p>ECL engine and stress testing model for rapid deployment</p>

OUR POSITIONING

We combine deep domain expertise with hands-on execution. Our team has delivered IFRS 9 ECL models, ICAAP frameworks, stress testing toolkits, model validation programs, ICOFR implementations, internal audit mandates and corporate governance frameworks for financial institutions across the UAE, Saudi Arabia, Kuwait, Qatar, Bahrain and Oman. We bring the same rigour to a fintech preparing for its first regulatory audit as to a financial institution navigating a central bank resilience package.

Integrated Service Architecture

Our nine service pillars form an integrated framework. Each pillar feeds into the next, creating a comprehensive risk and governance capability that satisfies regulators, boards and external auditors.



DESIGN PRINCIPLE: Each pillar is available standalone. But the real value emerges when they connect: ECL models feed ICAAP. ICAAP scenarios feed stress testing. Stress results inform capital planning. Model governance wraps it all. ICOFR ensures controls. Internal audit verifies. Corporate governance holds the board accountable.

IFRS 9 ECL Implementation

PD, LGD & EAD Modelling

Statistical and expert-based models calibrated to portfolio performance, rating migration and collateral recovery. Retail scorecards, corporate through-the-cycle PDs, and segment-specific LGD/EAD.

ECL Policy & Methodology

Definition of provisioning logic, staging thresholds (SICR triggers), write-off policy and management overlay governance. Aligned with IFRS 9, CBUAE, SAMA, CBK and QCB expectations.

Macroeconomic Overlay

Integration of forward-looking variables and probability-weighted scenarios. GDP, unemployment, oil price, real estate indices. Multiple scenario design with governance around weight assignment.

Segmentation & Staging Logic

Differentiation by asset class, credit quality, behavioral patterns. Stage 1/2/3 migration logic, backstop criteria, cure rate definitions and staging override governance.

KEY DELIVERABLES

- PD, LGD, EAD model documentation with full methodology papers
- ECL computation engine (Excel or Python-based)
- Staging policy with SICR trigger calibration
- Macroeconomic scenario framework with scenario weightings
- Management overlay policy and governance framework
- Model validation-ready documentation package
- Board and audit committee reporting templates

WHO THIS IS FOR

Financial institutions implementing IFRS 9 for the first time. Institutions needing model revamp after regulatory feedback. NBFCs and fintechs building credit provisioning frameworks for licensing or growth. Financial institutions preparing for CBUAE MMS model inventory requirements. Institutions needing zero-default methodology for GCC retail/SME portfolios.

ICAAP Framework Development

<p>Risk Identification & Materiality</p> <p>Quantification of Pillar II risks: liquidity, IRRBB, concentration, reputation, strategic risk. Materiality mapping against capital base.</p>	<p>Capital Adequacy Methodology</p> <p>Economic capital computation, buffer design, stress integration. Multi-year capital projections under baseline and adverse conditions.</p>	<p>Governance & Documentation</p> <p>Policy design, internal oversight, Board approval alignment. ICAAP report and Board pack with standardized templates for submissions.</p>	<p>Capital Planning Integration</p> <p>Linkage with strategic planning, profitability, risk appetite. Integration with stress testing and recovery planning frameworks.</p>	<p>SREP & Supervisory Readiness</p> <p>Template preparation, narrative documentation, regulator engagement. Gap assessment against Basel III/IV and local supervisory expectations.</p>

EXPECTED OUTCOME: Enhanced capital management discipline, regulatory compliance, strategic alignment, and Board-level visibility into capital adequacy under normal and stressed conditions.

KEY DELIVERABLES

- ICAAP / Pillar II Policy
- ICAAP Methodology Guidelines
- ICAAP Tool / Model
- Capital Planning Framework
- Risk Appetite Linkage
- ICAAP Report and Board Pack
- SREP Submission Templates
- Integration with Stress Testing

Stress Testing Framework

Enterprise-wide stress testing covering credit, market, liquidity and operational risk. From framework design and scenario development through to automated tooling and Board reporting.

Scenario Development

Baseline, adverse, severely adverse macro paths. Oil price, GDP, unemployment, real estate, interest rate scenarios calibrated to GCC economies.

Credit Risk Stress

Counterparty concentration failure, Stage 2/3 migration, IFRS 9 macro scenario weight shifts. PD/LGD shocks across retail, corporate and SME.

Market Risk Stress

IRRBB (parallel, steepener, flattener), FX shock, equity portfolio price decline. Subsidiary valuation and FI portfolio IR sensitivity.

Liquidity Risk Stress

Top depositor withdrawal, total deposit run, correspondent bank failure, Wakalah funding cost shock. LCR/NSFR impact assessment.

Reverse Stress Testing

Identification of conditions leading to capital breach events. Working backwards from failure to determine plausible trigger scenarios.

Governance & Reporting

Board-approved escalation protocols, dashboard reporting, integration with ICAAP and recovery planning. Regulatory submission templates.

EXPECTED OUTCOME: Strengthened capital planning, proactive risk oversight, and full audit trail from scenario assumption to P&L and capital impact.

ECL Model Validation

VALIDATION SCOPE

- Conceptual soundness review of PD, LGD, EAD and ECL models
- Data quality and representativeness assessment
- Assumption testing and sensitivity analysis
- Benchmarking and challenger model development
- Outcome analysis and backtesting
- Stress and sensitivity testing of model outputs
- Zero-default methodology assessment for GCC retail/SME portfolios
- Governance review and three-lines-of-defense alignment
- Validation reports aligned with SR 11-7 and CBUAE MMS expectations

ONGOING MONITORING

- Performance metrics dashboards (KS, Gini, AUC, PSI)
- Model drift analysis and early warning triggers
- Override tracking and escalation protocols
- Threshold breach reporting to model risk committee
- Periodic revalidation scheduling and execution

WE PROVIDE BOTH

Execution support (we perform the validation for you) and framework design (we build the validation methodology and tools for your team to run independently). Our approach covers the full model lifecycle: development validation, annual revalidation, and triggered reviews following material changes.

MMS / MMG Compliance & Model Governance

CBUAE's Model Management Standards represent a major shift in supervisory expectations. We deliver end-to-end support covering all key requirements.

Model Inventory & Classification

Enterprise-wide identification and tiering of all quantitative tools. Coverage across credit, market, ALM, IRRBB, FTP, RAROC, compliance and pricing models.

Model Risk Management Framework

MRMF covering governance, ownership, three-lines-of-defense, approval workflows, change control, and decommissioning protocols.

Documentation Framework

Standard templates for model development, validation and monitoring. Ensures transparency, reproducibility and audit evidence across all models.

Limit Framework

Quantitative thresholds (stability, discrimination, accuracy, backtesting) and qualitative thresholds (usage, process adherence, override limits).

Governance Structures

Model Oversight Committee, Board committee alignment, escalation paths. Designed for audit-readiness and regulatory scrutiny.

Data Management & Lineage

Data taxonomy, lineage mapping (source to transformation to model input to output), quality rules, and traceability for regulator reviews.

ALIGNMENT: Our approach aligns with CBUAE MMS, SR 11-7, ECB TRIM, and Basel Committee principles on model risk. Applicable to SAMA, CBK, QCB, CBB and CBO regulatory environments.

ICOFR Implementation & Testing

1 Framework Design

- Risk and control environment assessment
- Financial reporting process mapping
- Control identification and classification (entity-level, process-level, IT general)
- Risk-control matrix development
- ICOFR policy and governance documentation

2 Control Testing

- Design effectiveness testing (walkthroughs)
- Operating effectiveness testing (sampling)
- Deficiency identification and severity classification
- Remediation action tracking and re-testing
- Testing documentation and evidence management

3 Governance & Reporting

- Management assessment and attestation support
- Audit committee reporting frameworks
- External auditor coordination and readiness
- Ongoing monitoring program design
- Annual ICOFR cycle planning and execution

APPLICABLE TO: Listed entities, financial institutions, NBFCs and fintechs subject to external audit attestation requirements. Aligned with COSO 2013 framework and local regulatory expectations across the GCC.

Internal Audit Services

WHAT WE DELIVER

- Risk-based internal audit planning aligned to institutional risk profile
- Co-sourced and outsourced internal audit execution
- IFRS 9 / ECL model-specific audit and assurance
- ICAAP and stress testing audit engagements
- Regulatory examination preparation and mock audits
- Audit committee reporting and presentation support
- Thematic reviews (credit underwriting, ALM, treasury, compliance)
- Follow-up and remediation tracking across audit cycles
- Quality assurance reviews of existing internal audit function

Co-Sourced Model

We supplement your existing internal audit team with specialist resources for specific engagements (credit risk, model risk, IFRS 9, treasury). Your team leads; we provide the technical depth.

Outsourced Model

We serve as your internal audit function. Full ownership of the annual audit plan, execution, reporting and audit committee interface. Ideal for NBFCs and fintechs without a full-time IA team.

Advisory Model

Gap assessments, methodology reviews, and quality assurance of your existing IA function. We help your team improve without taking over their mandate.

Corporate Governance Services

Board & Committee Frameworks

Board charter design, committee structures (audit, risk, remuneration, nomination), terms of reference, meeting governance and effectiveness reviews.

Risk Appetite Framework

RAF design linking strategic objectives to quantitative risk limits. KRI dashboards, escalation protocols, breach management, and Board reporting integration.

Three Lines of Defense

Implementation of the 3LoD model across risk, compliance, and internal audit. Role clarity, accountability mapping, and reporting line design.

Governance Gap Assessment

Assessment against central bank corporate governance regulations, Basel principles, and local listing authority requirements. Remediation roadmap.

Board Training & Capacity

Tailored training for board members and senior management on risk governance, IFRS 9 implications, capital adequacy, and regulatory expectations.

Corporate Governance Reporting

Annual governance reports, regulatory disclosures, Pillar III reporting, and governance sections for annual reports. Policy and charter drafting.

REGULATORY ALIGNMENT

Our governance advisory is aligned with CBUAE Corporate Governance Regulation, SAMA Principles for Corporate Governance, CBK Instructions on Corporate Governance, QCB Corporate Governance Guidelines, CBB High-Level Controls Module, CBO Banking Law requirements, Basel Committee Corporate Governance Principles, and relevant listing authority requirements across GCC stock exchanges.

GCC Resilience Support

When GCC central banks issue resilience packages, financial institutions face an immediate execution challenge. We help translate regulatory directives into operational reality.

1 Strategic Alignment

- Translate directives into bank policies
- Define deferral eligibility criteria
- Map IFRS 9 staging implications
- Establish governance frameworks

2 Execution & Tracking

- Deploy standardized tracking templates
- Automate request-to-approval workflow
- Track liquidity and capital impacts
- Core banking integration

3 Monitoring & Reporting

- Executive dashboards for Board/ExCo
- Regulatory compliance reporting
- IFRS 9 SICR and ECL monitoring
- Audit trail documentation

PROVEN CAPABILITY

Tested with financial institutions operating under the CBUAE Resilience Package (March 2026). Adaptable to SAMA, CBK, QCB, CBB and CBO directives. We have prepared a detailed GCC-wide briefing covering the regulatory response across all six GCC central banks -- available as a separate leave-behind for your risk and treasury teams.

Our Proprietary ECL Tool

A fully automated IFRS 9 ECL computation engine deployable for financial institutions, NBFCs and fintechs. Reduces implementation timelines from months to weeks.

PD Model Integration

Supports statistical PD models (logistic regression, survival analysis) and expert-based approaches. Through-the-cycle and point-in-time calibration.

LGD & EAD Computation

Segment-specific LGD with collateral haircuts and cure rate adjustments. EAD with CCF estimation for off-balance sheet exposures.

Staging Engine

Automated Stage 1/2/3 classification with configurable SICR triggers (quantitative and qualitative). Backstop criteria and override governance.

Macro Overlay Module

Multiple scenario integration (Good/Base/Bad) with configurable probability weights. Scenario-weighted ECL aggregation at portfolio and segment level.

Reporting Suite

Automated generation of ECL schedules, staging migration matrices, vintage analysis, and regulatory returns. Board and audit committee dashboards.

Audit Trail

Full version control, assumption documentation, and change log. Designed to withstand external audit and regulatory examination scrutiny.

DEPLOYMENT: Excel-based for rapid deployment, with Python/SQL upgrade path for institutions requiring database integration. Can be deployed standalone or as part of a full IFRS 9 implementation engagement.

Our Proprietary Stress Testing Tool

A comprehensive, Board-ready stress testing model with centralized scenario calibration. Covers credit, market, liquidity and operational risk across Minor, Moderate and Major severity levels.

RISK CATEGORY	STRESS SCENARIO	MINOR	MODERATE	MAJOR
Credit Risk	Counterparty concentration failure	Top 4	Top 7	Top 10
	Stage 2 & 3 migration	+15%	+25-30%	+50%
	IFRS 9 macro scenario weight shift	30/40/30	10/40/50	0/25/75
Market Risk	IRRBB (parallel shift)	+/-100bp	+/-200bp	+/-400bp
	Foreign exchange shock	5%	10%	15%
	Equity portfolio price decline	10%	15%	25%
Liquidity Risk	Top depositor withdrawal	Top 2 @ 50%	Top 4 @ 75%	Top 6 @ 100%
	Total deposit run	5%	10%	20%
Other	Correspondent bank failure / Wakalah / FI portfolio / Subsidiary / Other income	Calibrated	Calibrated	Calibrated

FEATURES: Centralized Stress Control Dashboard for scenario calibration | Balance sheet and P&L integration | Automated P&L and capital impact summary | Color-coded input/formula/validation fields | Board-ready output format | Deployable in 2-4 weeks

Reference Projects

IFRS 9 ECL

- ECL Model Development, policy governance, audit support and CB query resolution (Bahrain Fintech)
- PD, LGD, EAD and ECL models for Retail, Corporate and Investment portfolios with full automation (Bahrain Bank)
- IFRS 9 model review for personal loans and SME portfolios (Regional Bank)
- Independent quantitative and qualitative model validation (Multiple institutions)
- IFRS 9 model suite revamp for accuracy, robustness and regulatory alignment (GCC Bank)

ICAAP & Stress Testing

- ICAAP framework review and enhancement aligned with revised Basel III requirements
- Full ICAAP implementation: risk identification, capital adequacy, governance structure
- Pillar II risk quantification: concentration, IRRBB, strategic risk methodology
- Macroeconomic and idiosyncratic scenario design with ICAAP and Recovery Plan integration
- Enterprise-wide stress testing framework: credit, market, liquidity, operational
- Credit portfolio stress testing: PD/LGD staging and capital impact modelling

Other

- IFRS 16 treatment: PPE and lease end-of-life provisioning
- Assurance on sustainability-linked loan documentation
- Board-level training on ICAAP, capital risk, provisioning and IFRS 9

In addition to our core financial risk and governance services, our parent ESGwise operates two complementary practices that serve the broader needs of GCC financial institutions and corporates.

Institutional Training & Capacity Building

- Board and senior management training on risk governance, IFRS 9, capital adequacy, and regulatory expectations
- Risk committee and audit committee workshops
- IFRS 9 ECL technical training for risk and finance teams
- ICAAP and stress testing methodology workshops
- Model risk management awareness sessions
- ICOFR and internal controls training for process owners
- Corporate governance best practices for board members
- Customized programs aligned to institutional maturity level

ESG & Sustainability Advisory

- Sustainability reporting frameworks aligned with GCC regulatory requirements and international standards (GRI, ISSB, CSRD)
- ESG risk integration into enterprise risk management frameworks
- Sustainability-linked finance structuring and assurance
- Carbon footprint assessment and climate risk analysis
- ESG data management, metrics design and disclosure support
- Board-level ESG governance and oversight frameworks

PROPRIETARY ESG PLATFORM

ESGwise One -- ESGwise's proprietary sustainability reporting software for GCC corporates and financial institutions. Automates ESG data collection, metric computation, and regulatory disclosure generation. A dedicated capabilities deck is available on request.

Major Team Credentials

Our team has delivered engagements across leading financial institutions in the GCC:

First Abu Dhabi Bank (FAB)	National Bank of Fujairah (NBF)	Saudi National Bank (SNB)
SAB (SABB)	BSF Capital	FLOOSS (Bahrain Fintech)
Al Ahli Bank of Kuwait	Marafiq	Apparel Group
Emirates Global Aluminium (EGA)	Warba Bank	Habib Bank Limited (HBL)
Small-Medium FIs (Bahrain)	NBFCs (UAE & KSA)	Training Institutions (GCC-wide)



THANK YOU

At Riskwise, we help GCC financial institutions build risk frameworks that work.

LET'S TALK

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