



البنك العربي المتحد
UNITED ARAB BANK

Basel III Pillar 3 Disclosures

30 SEPTEMBER 2023





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1. KM1: Overview of Risk Management, Key Prudential Metrics and RWA

AED 000s

		30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1,597,911	1,577,572	1,506,060	1,486,444	1,383,030
1a	Fully loaded ECL accounting model	1,597,911	1,577,572	1,506,060	1,486,444	1,383,030
2	Tier 1	2,146,194	2,125,855	2,054,568	1,486,444	1,383,030
2a	Fully loaded ECL accounting model Tier 1	2,146,194	2,125,855	2,054,568	1,486,444	1,383,030
3	Total capital	2,280,249	2,259,804	2,186,112	1,616,112	1,512,888
3a	Fully loaded ECL accounting model total capital	2,280,249	2,259,804	2,186,112	1,616,112	1,512,888
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	11,528,288	11,513,842	11,325,775	11,171,151	11,201,723
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.9%	13.7%	13.3%	13.3%	12.4%
5a	Fully loaded ECL accounting model CET1 (%)	13.9%	13.7%	13.3%	13.3%	12.4%
6	Tier 1 ratio (%)	18.6%	18.5%	18.1%	13.3%	12.4%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.6%	18.5%	18.1%	13.3%	12.4%
7	Total capital ratio (%)	19.8%	19.6%	19.3%	14.5%	13.5%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.8%	19.6%	19.3%	14.5%	13.5%
	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 (%)	0.0%	0.0%	0.0%	0.0%	0.0%
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 (%)	6.9%	6.7%	6.3%	4.0%	3.0%
	Leverage Ratio					
13	Total leverage ratio measure	16,636,222	16,137,718	16,485,880	16,261,118	16,162,354
14	Leverage ratio (%) (row 2 / row 13)	12.9%	13.2%	12.5%	9.1%	8.6%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A / row 13)	12.9%	13.2%	12.5%	9.1%	8.6%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.9%	13.2%	12.5%	9.1%	8.6%



AED 000s

		30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022
	Liquidity Coverage Ratio					
15	Total HQLA	3,168,863	3,362,497	3,465,340	2,991,747	2,877,501
16	Total net cash outflow	2,724,705	2,201,010	2,504,293	2,524,912	2,084,202
17	LCR ratio (%)	116.3%	152.8%	138.4%	118.5%	138.1%
	Net Stable Funding Ratio					
18	Total available stable funding	9,955	9,829,241	6,992,046	6,371,774	6,926,440
19	Total required stable funding	8,919	8,661,188	6,155,906	6,947,855	7,546,566
20	NSFR ratio (%)	111.6%	113.5%	113.6%	91.7%	91.8%
	ELAR					
21	Total HQLA	2,237,539	2,254,805	2,575,566	2,193,241	2,184,653
22	Total liabilities	12,496,077	12,238,680	12,274,036	12,494,130	12,583,272
23	Eligible Liquid Assets Ratio (ELAR) (%)	17.9%	18.4%	21.0%	17.6%	17.4%
	ASRR					
24	Total available stable funding	10,855,327	9,493,209	9,581,935	9,193,735	9,573,610
25	Total Advances	7,973,813	7,752,839	7,682,117	7,991,641	8,408,128
26	Advances to Stable Resources Ratio (%)	73.5%	81.7%	80.2%	86.9%	87.8%

Note 1: "Fully Loaded" means bank's regulatory capital compared with a situation where the transitional arrangement had not been applied. CBUAE introduced transitional arrangements as per circular no. 04 / 2020 "Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements". UAB has not used the transitional arrangement.



1.1. OV1: Overview of Risk Weighted Assets

AED 000s

	Risk Weighted Assets		Minimum Capital Requirements		
	30 Sep 2023	30 Jun 2023	30 Sep 2023	30 Jun 2023	
1	Credit risk (excluding counterparty credit risk)	10,601,829	10,381,612	1,113,192	1,090,069
2	Of which: standardised approach (SA)	10,601,829	10,381,612	1,113,192	1,090,069
3	Of which: foundation internal ratings-based (F-IRB) approach				
4	Of which: supervisory slotting approach				
5	Of which: advanced internal ratings-based (A-IRB) approach				
6	Counterparty credit risk (CCR)	101,793	269,203	10,688	28,266
7	Of which: standardised approach for counterparty credit risk	101,793	269,203	10,688	28,266
8	Of which: Internal Model Method (IMM)				
9	Of which: other CCR				
10	Credit valuation adjustment (CVA)	20,740	65,105	2,178	6,836
11	Equity positions under the simple risk weight approach				
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	Of which: securitisation internal ratings-based approach (SEC-IRBA)				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk	9,128	3,125	958	328
21	Of which: standardised approach (SA)	9,128	3,125	958	328
22	Of which: internal models approach (IMA)				
23	Operational risk	794,797	794,797	83,454	83,454
24	Amounts below thresholds for deduction (subject to 250% risk weight)				
25	Floor adjustment				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	11,528,288	11,513,842	1,210,470	1,208,953

*The minimum capital requirements applied is 10.5%



2. Leverage Ratio

2.1. LR1: Summary Comparison of Accounting Assets Vs Leverage Ratio Exposure

		AED 000s	
		30 Sep 2023	30 Jun 2023
1	Total consolidated assets as per published financial statements	14,736,370	14,448,248
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	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	48,188	206,467
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,851,664	1,483,003
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	-	-
13	Leverage ratio exposure measure	16,636,222	16,137,718



2.2. LR2: Leverage Ratio Common Disclosure Template

		AED 000s	
		30 Sep 2023	30 Jun 2023
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	14,642,557	14,367,236
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)	(17,454)	(7,887)
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)	(12,586)	(13,378)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	14,612,518	14,345,971
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)	67,112	49,905
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	55,773	170,626
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 (1.4 x (rows 8+9) + sum of rows 10 to 12)	172,040	308,744
Securities financing transactions			
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	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	4,729,076	2,165,978
20	(Adjustments for conversion to credit equivalent amounts)	(2,877,412)	(682,975)
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)	1,851,664	1,483,003
Capital and total exposures			
23	Tier 1 capital	2,146,194	2,125,855
24	Total exposures (sum of rows 7, 13, 18 and 22)	16,636,222	16,137,718
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	12.9%	13.2%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	12.9%	13.2%
26	CBUAE minimum leverage ratio requirement	3.0%	3.0%
27	Applicable leverage buffers	9.9%	10.2%



3. Liquidity Risk Management

3.1. LIQ1: Liquidity Coverage Ratio (LCR)

AED 000s

		30 Sep 2023		30 Jun 2023	
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets					
1	Total HQLA		3,168,863		3,362,497
Cash outflows					
2	Retail deposits and deposits from small business customers, of which:	2,061,796	103,931	1,962,507	93,268
3	Stable deposits	-	-	-	-
4	Less stable deposits	2,061,796	103,931	1,962,507	93,268
5	Unsecured wholesale funding, of which:	4,744,446	-	4,264,209	-
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	30,935	-	99,229	-
7	Non-operational deposits (all counterparties)	4,713,511	-	4,164,981	-
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding		-		-
10	Additional requirements, of which:	-	-	-	-
11	Outflows related to derivative exposures and other collateral requirements	-	-	-	-
12	Outflows related to loss of funding of debt products	-	-	-	-
13	Credit and liquidity facilities	-	-	-	-
14	Other contractual funding obligations	-	-	-	-
15	Other contingent funding obligations	528,092	26,405	201,059	10,053
16	TOTAL CASH OUTFLOWS		130,335		2,424,168
Cash inflows					
17	Secured lending (e.g. reverse repo)			-	-
18	Inflows from fully performing exposures	103,335	52,995	290,686	146,377
19	Other cash inflows	83,839	83,839	76,780	76,780
20	TOTAL CASH INFLOWS	187,174	136,834	367,466	223,157
			Total adjusted value		Total Adjusted Value
21	Total HQLA		3,168,863		3,362,497
22	Total net cash outflows		2,724,705		2,201,010
23	Liquidity coverage ratio (%)		116.3%		152.8%



3.2. ELAR: Eligible Liquid Assets Ratio

AED 000s

		30 Sep 2023		30 Jun 2023	
		Nominal amount	Eligible Liquid Asset	Nominal amount	Eligible Liquid Asset
1	High Quality Liquid Assets				
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,738,491		1,760,555	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	1,738,491	1,738,491	1,760,555	1,760,555
1.3	UAE local governments publicly traded debt securities	756,750		710,697	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Sub Total (1.3 to 1.4)	756,750	499,048	710,697	494,250
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-	-	-
1.6	Total	2,495,241	2,237,539	2,471,252	2,254,805
2	Total liabilities		12,496,077		12,238,680
3	Eligible Liquid Assets Ratio (ELAR)		17.9%		18.4%



3.3. ASRR: Advances to Stable Resources Ratio

		AED 000s	
	Items	30 Sep 2023	30 Jun 2023
1	Computation of Advances		
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	7,015,046	6,941,769
1.2	Lending to non-banking financial institutions	132,539	141,022
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	82,266	95,418
1.4	Interbank Placements	743,962	574,630
1.5	Total Advances	7,973,813	7,752,839
2	Calculation of Net Stable Resources		
2.1	Total capital + general provisions	2,475,666	2,437,093
	Deduct:		
2.1.1	Goodwill and other intangible assets	-	-
2.1.2	Fixed Assets	244,091	361,307
2.1.3	Funds allocated to branches abroad	-	-
2.1.5	Unquoted Investments	542	542
2.1.6	Investment in subsidiaries, associates and affiliates	-	-
2.1.7	Total deduction	244,633	361,849
2.2	Net Free Capital Funds	2,231,033	2,075,244
2.3	Other stable resources		
2.3.1	Funds from the head office	-	-
2.3.2	Interbank deposits with remaining life of more than 6 months	532,609	73,400
2.3.3	Refinancing of Housing Loans	-	-
2.3.4	Borrowing from non-Banking Financial Institutions	232,312	291,337
2.3.5	Customer Deposits	7,859,373	7,053,228
2.3.6	Capital market funding / term borrowings maturing after 6 months from reporting date	-	-
2.3.7	Total other stable resources	8,624,294	7,417,965
2.4	Total Stable Resources (2.2 + 2.3.7)	10,855,327	9,493,209
3	Advances TO STABLE RESOURCES RATIO (1.6 / 2.4)	73.5%	81.7%