



البنك العربي المتحد
UNITED ARAB BANK

Basel III Pillar 3 Disclosures

31 MARCH 2024



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

AED 000s

		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1,775,187	1,731,234	1,597,911	1,577,572	1,506,060
1a	Fully loaded ECL accounting model	1,775,187	1,731,234	1,597,911	1,577,572	1,506,060
2	Tier 1	2,326,062	2,279,460	2,146,194	2,125,855	2,054,568
2a	Fully loaded ECL accounting model Tier 1	2,326,062	2,279,460	2,146,194	2,125,855	2,054,568
3	Total capital	2,483,545	2,428,919	2,280,249	2,259,804	2,186,112
3a	Fully loaded ECL accounting model total capital	2,483,545	2,428,919	2,280,249	2,259,804	2,186,112
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	13,510,113	12,805,366	11,528,288	11,513,842	11,325,775
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.1%	13.5%	13.9%	13.7%	13.3%
5a	Fully loaded ECL accounting model CET1 (%)	13.1%	13.5%	13.9%	13.7%	13.3%
6	Tier 1 ratio (%)	17.2%	17.8%	18.6%	18.5%	18.1%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.2%	17.8%	18.6%	18.5%	18.1%
7	Total capital ratio (%)	18.4%	19.0%	19.8%	19.6%	19.3%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.4%	19.0%	19.8%	19.6%	19.3%
	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 (%)	6.1%	6.5%	6.9%	6.7%	6.3%
	Leverage Ratio					
13	Total leverage ratio measure	19,696,429	19,507,908	16,636,222	16,137,718	16,485,880
14	Leverage ratio (%) (row 2 / row 13)	11.8%	11.7%	12.9%	13.2%	12.5%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A / row 13)	11.8%	11.7%	12.9%	13.2%	12.5%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.8%	11.7%	12.9%	13.2%	12.5%



AED 000s

		31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023
	Liquidity Coverage Ratio					
15	Total HQLA					
16	Total net cash outflow					
17	LCR ratio (%)					
	Net Stable Funding Ratio					
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					
	ELAR					
21	Total HQLA	2,419,114	3,061,138	2,237,539	2,254,805	2,575,566
22	Total liabilities	15,462,440	15,268,617	12,496,077	12,238,680	12,274,036
23	Eligible Liquid Assets Ratio (ELAR) (%)	15.6%	20.0%	17.9%	18.4%	21.0%
	ASRR					
24	Total available stable funding	12,822,243	12,815,694	10,855,327	9,493,209	9,581,935
25	Total Advances	9,719,848	9,704,860	7,973,813	7,752,839	7,682,117
26	Advances to Stable Resources Ratio (%)	75.8%	75.7%	73.5%	81.7%	80.2%

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	
		31 Mar 2024	31 Dec 2023	31 Mar 2024	31 Dec 2023
1	Credit risk (excluding counterparty credit risk)	12,502,485	11,856,223	1,312,761	1,244,903
2	Of which: standardised approach (SA)	12,502,485	11,856,223	1,312,761	1,244,903
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)	58,960	84,358	6,191	8,858
7	Of which: standardised approach for counterparty credit risk	58,960	84,358	6,191	8,858
8	Of which: Internal Model Method (IMM)				
9	Of which: other CCR				
10	Credit valuation adjustment (CVA)	37,223	16,124	3,908	1,693
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	14,800	6,507	1,554	683
21	Of which: standardised approach (SA)	14,800	6,507	1,554	683
22	Of which: internal models approach (IMA)				
23	Operational risk	896,645	842,154	94,148	88,426
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)	13,510,113	12,805,366	1,418,562	1,344,563

*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	
		31 Mar 2024	31 Dec 2023
1	Total consolidated assets as per published financial statements	17,907,197	17,647,848
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	17,504	21,533
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)	1,771,727	1,838,527
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	19,696,429	19,507,908

2.2. LR2: Leverage Ratio Common Disclosure Template

		AED 000s	
		31 Mar 2024	31 Dec 2023
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	17,840,803	17,590,366
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)	(10,993)	(1,700)
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)	(10,013)	(10,285)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	17,819,797	17,578,382
	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)	48,281	4,283
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	26,650	60,716
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)	104,904	91,000
	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	4,737,045	4,776,857
20	(Adjustments for conversion to credit equivalent amounts)	(2,965,317)	(2,938,330)
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)	1,771,727	1,838,527
	Capital and total exposures		
23	Tier 1 capital	2,326,062	2,281,931
24	Total exposures (sum of rows 7, 13, 18 and 22)	19,696,429	19,507,908
	Leverage ratio		
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.8%	11.7%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.8%	11.7%
26	CBUAE minimum leverage ratio requirement	3.0%	3.0%
27	Applicable leverage buffers	8.8%	8.7%

3. Liquidity Risk Management

3.1. LIQ1: Liquidity Coverage Ratio (LCR)

We are not subject to the Liquidity Coverage Ratio (LCR) reporting requirements mandated by CBUAE. The LCR is a regulatory measure designed to ensure that financial institutions maintain sufficient liquid assets to cover short-term liquidity needs during times of financial stress. However, due to our status as a small bank, we are exempt from this requirement. However, we remain committed to maintaining prudent liquidity management practices to safeguard the stability and resilience of our operations.



3.2. ELAR: Eligible Liquid Assets Ratio

AED 000s

		31 Mar 2024		31 Dec 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	1,870,854		2,420,609	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	1,870,854	1,870,854	2,420,609	2,420,609
1.3	UAE local governments publicly traded debt securities	870,448		782,037	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Sub Total (1.3 to 1.4)	870,448	548,260	782,037	640,529
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-	-	-
1.6	Total	2,741,302	2,419,114	3,202,646	3,061,138
2	Total liabilities		15,462,440		15,268,617
3	Eligible Liquid Assets Ratio (ELAR)		15.6%		20.0%

3.3. ASRR: Advances to Stable Resources Ratio

			AED 000s	
		Items	31 Mar 2024	31 Dec 2023
1		Computation of Advances		
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	7,981,969	8,303,654
	1.2	Lending to non-banking financial institutions	310,670	236,809
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	45,380	112,390
	1.4	Interbank Placements	1,381,829	1,052,007
	1.5	Total Advances	9,719,848	9,704,860
2		Calculation of Net Stable Resources		
	2.1	Total capital + general provisions	2,649,880	2,589,904
		Deduct:		
	2.1.1	Goodwill and other intangible assets	-	-
	2.1.2	Fixed Assets	240,305	240,331
	2.1.3	Funds allocated to branches abroad	-	-
	2.1.5	Unquoted Investments	-	-
	2.1.6	Investment in subsidiaries, associates and affiliates	542	542
	2.1.7	Total deduction	240,847	240,873
	2.2	Net Free Capital Funds	2,409,033	2,349,031
	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	899,848	1,292,057
	2.3.3	Refinancing of Housing Loans	-	-
	2.3.4	Borrowing from non-Banking Financial Institutions	258,278	354,311
	2.3.5	Customer Deposits	9,255,084	8,820,295
	2.3.6	Capital market funding / term borrowings maturing after 6 months from reporting date	-	-
	2.3.7	Total other stable resources	10,413,210	10,466,663
	2.4	Total Stable Resources (2.2 + 2.3.7)	12,822,243	12,815,694
3		Advances TO STABLE RESOURCES RATIO (1.6 / 2.4)	75.8%	75.7%