



البنك العربي المتحد
UNITED ARAB BANK

Basel III Pillar 3 Disclosures

30 JUNE 2024





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1. Introduction

This document provides Pillar 3 disclosures for United Arab Bank PJSC ("UAB" or "the Bank") as at 30 June 2024 with the objective of allowing market participants to assess key information on the Bank's capital, risk exposures and risk assessment process.

The Bank is regulated by the Central Bank of UAE ("CBUAE") and follows the Pillar 3 disclosure requirements as stated in the CBUAE guidelines on the implementation of Basel III standards, issued in November 2020 with subsequent updates in December 2022. The Pillar 3 disclosures contain both quantitative and qualitative information and are to be read in conjunction with the Audited Financial Statements as at 30 June 2024.

The Basel Committee on Banking Supervision (BCBS) Basel III Capital Adequacy Framework consists of three pillars. Pillar 1 provides a framework for measuring minimum capital requirements for credit, market and operational risks faced by banks. Pillar 2 allows banks and supervisors to take a view on whether the bank should hold additional capital to cover the three Pillar 1 risks and additionally to cover other material risks, where required. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

The report is prepared as per the enhanced Pillar 3 Disclosure requirements guidelines issued by CBUAE in November 2020 with subsequent updates in December 2022 and are effective for the year ended 31 December 2022. The enhanced Pillar 3 disclosures focus on regulatory measures required under Pillar 1 of the Basel framework for measuring credit, market and operational risks and their associated resulting risk-weighted assets (RWA) and capital requirements. In some instances, Pillar 3 also requires supplementary information to be disclosed to improve the understanding of underlying risks.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Total Capital. Additional capital buffers include Capital Conservation Buffer and Countercyclical Capital Buffer, with a maximum up to 2.5% for each buffer, over and above the minimum CET1 requirement of 7.0% and minimum Total Capital Ratio of 10.5%.

The purpose of Pillar 3, Market Discipline, is to complement the minimum capital requirements and the supervisory review process. The CBUAE supports the enhanced market discipline through a set of disclosure requirements which will allow market participants to assess key information regarding capital adequacy of the Bank through various views such as the scope of application, capital, risk exposure and risk assessment process.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures include qualitative and quantitative information on the Bank's risk management objectives and policies, risk assessment processes, capital management and capital adequacy.

The Pillar 3 Disclosures for H1 2024 have been appropriately reviewed by the management and internal audit.



2. About the Bank

United Arab Bank P.J.S.C. (the “Bank”) was incorporated in 1975 as a Private Joint Stock Company in the Emirate of Sharjah. The legal form of the Bank was converted to a public company with limited liability in 1982 by a decree of His Highness The Ruler of Sharjah and has been registered as a Public Joint Stock Company under the UAE Commercial Companies Law No. (8) of 1984 (as amended). The Bank’s registered office is located in the Emirate of Sharjah, United Arab Emirates.

The address of the registered office is PO Box 25022, Sharjah, United Arab Emirates. The Bank carries out the business of commercial banking through its offices and branches in the United Arab Emirates. The Bank also carries out Islamic banking operations through Islamic banking windows at selected branches. The Bank does not have any subsidiaries and accordingly there is no consolidation.

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

30 Jun 2024		AED 000s				
	Available capital (amounts)	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023
1	Common Equity Tier 1 (CET1)	1,844,728	1,775,187	1,731,234	1,597,911	1,577,572
1a	Fully loaded ECL accounting model	1,844,728	1,775,187	1,731,234	1,597,911	1,577,572
2	Tier 1	2,395,603	2,326,062	2,279,460	2,146,194	2,125,855
2a	Fully loaded ECL accounting model Tier 1	2,395,603	2,326,062	2,279,460	2,146,194	2,125,855
3	Total capital	2,562,194	2,483,545	2,428,919	2,280,249	2,259,804
3a	Fully loaded ECL accounting model total capital	2,562,194	2,483,545	2,428,919	2,280,249	2,259,804
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	14,244,382	13,510,113	12,805,366	11,528,288	11,513,842
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	13.0%	13.1%	13.5%	13.9%	13.7%
5a	Fully loaded ECL accounting model CET1 (%)	13.0%	13.1%	13.5%	13.9%	13.7%
6	Tier 1 ratio (%)	16.8%	17.2%	17.8%	18.6%	18.5%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.8%	17.2%	17.8%	18.6%	18.5%
7	Total capital ratio (%)	18.0%	18.4%	19.0%	19.8%	19.6%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.0%	18.4%	19.0%	19.8%	19.6%
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 (%)	6.0%	6.1%	6.5%	6.9%	6.7%
Leverage Ratio						
13	Total leverage ratio measure	22,189,127	19,696,429	19,507,908	16,636,222	16,137,718
14	Leverage ratio (%) (row 2 / row 13)	10.8%	11.8%	11.7%	12.9%	13.2%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A / row 13)	10.8%	11.8%	11.7%	12.9%	13.2%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.8%	11.8%	11.7%	12.9%	13.2%



	Liquidity Coverage Ratio					
15						
16						
17						
	Net Stable Funding Ratio					
18						
19						
20						
	ELAR					
21	Total HQLA	3,316,883	2,419,114	3,061,138	2,237,539	2,254,805
22	Total liabilities	17,292,964	15,462,440	15,268,617	12,496,077	12,238,680
23	Eligible Liquid Assets Ratio (ELAR) (%)	19.2%	15.6%	20.0%	17.9%	18.4%
	ASRR					
24	Total available stable funding	13,924,708	12,822,243	12,815,694	10,855,327	9,493,209
25	Total Advances	10,512,129	9,719,848	9,704,860	7,973,813	7,752,839
26	Advances to Stable Resources Ratio (%)	75.5%	75.8%	75.7%	73.5%	81.7%

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.

4. OV1: Overview of Risk Weighted Assets

		Risk Weighted Assets		Minimum Capital Requirements
		30 Jun 2024	31 Mar 2024	30 Jun 2024
1	Credit risk (excluding counterparty credit risk)	12,916,942	12,502,485	1,356,279
2	Of which: standardised approach (SA)	12,916,942	12,502,485	1,356,279
3				
4				
5				
6	Counterparty credit risk (CCR)	119,005	58,960	12,495
7	Of which: standardised approach for counterparty credit risk	119,005	58,960	12,495
8				
9				
10	Credit valuation adjustment (CVA)	291,340	37,223	30,591
11				
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				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	5,931	14,800	623
21	Of which: standardised approach (SA)	5,931	14,800	623
22				
23	Operational risk	911,164	896,645	95,672
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	14,244,382	13,510,113	1,495,660

*The minimum capital requirements applied is 10.5%

5. Linkages between financial statements and regulatory exposures

5.1. Summary of differences between Pillar 3 disclosures and disclosures in the audited financial statements

Topic	Risk review in the audited annual financial statements	Pillar 3 disclosures
Basis of requirements	The Bank's audited annual financial statements is prepared in accordance with the requirements of IFRS and UAE Federal Law No. 2 of 2015.	The Bank's Pillar 3 disclosures provide details on risk from a regulatory perspective as required by the Basel 3 Standardized approach requirements, which have been implemented in the UAE through the Central Bank of the UAE standards / guidelines issued in November 2020 with subsequent updates in December 2022. The capital supply is determined based on Basel 3 requirements, which have been implemented in the UAE through the Central Bank of the UAE guidelines issued in February 2017 and standards / guidance issued in December 2022.
Basis of preparation	The disclosures in the credit risk management section are set out based on IFRS. Loans and advances are reported net of impairments and interest in suspense. Off balance sheet exposures are reported without applying CCF.	Provides details from a regulatory perspective on credit, market and operational risk. The capital calculation and the disclosures are based on the Standardized approach as required by the Central Bank of the UAE. Loans and advances are reported at gross levels and off balance sheet exposures are disclosed at post-CCF levels. Market risk and operational risk disclosures are based on the capital required.

6. CC1: Composition of Capital

AED 000s

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,062,550	A
2	Retained earnings	(218,675)	B
3	Accumulated other comprehensive income (and other reserves)	24,514	
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory deductions	1,868,389	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	15,730	
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	7,931	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	



22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	Total regulatory adjustments to Common Equity Tier 1	23,661	
25	Common Equity Tier 1 capital (CET1)	1,844,727	
Additional Tier 1 capital: instruments			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	550,875	
27	<i>Of which: classified as equity under applicable accounting standards</i>	550,875	
28	<i>Of which: classified as liabilities under applicable accounting standards</i>	-	
29	Directly issued capital instruments subject to phase-out from additional Tier 1	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
32	Additional Tier 1 capital before regulatory adjustments	550,875	
Additional Tier 1 capital: regulatory adjustments			
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	Additional Tier 1 capital (AT1)	550,875	
39	Tier 1 capital (T1= CET1 + AT1)	2,395,603	
Tier 2 capital: instruments and provisions			
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	Directly issued capital instruments subject to phase-out from Tier 2	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
44	Provisions	166,591	
45	Tier 2 capital before regulatory adjustments	166,591	
Tier 2 capital: regulatory adjustments			
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	

48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	Total regulatory adjustments to Tier 2 capital	-	
51	Tier 2 capital (T2)	166,591	
52	Total regulatory capital (TC = T1 + T2)	2,562,194	
53	Total risk-weighted assets	14,244,382	
Capital ratios and buffers			
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	13.0%	
55	Tier 1 (as a percentage of risk-weighted assets)	16.8%	
56	Total capital (as a percentage of risk-weighted assets)	18.0%	
57	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.5%	
58	Of which: capital conservation buffer requirement	2.5%	
59	Of which: bank-specific countercyclical buffer requirement	0.0%	
60	Of which: higher loss absorbency requirement (e.g. DSIB)	0.0%	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	6.0%	
The CBUAE Minimum Capital Requirement			
62	Common Equity Tier 1 minimum ratio	7.0%	
63	Tier 1 minimum ratio	8.5%	
64	Total capital minimum ratio	10.5%	
Amounts below the thresholds for deduction (before risk weighting)			
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	
66	Significant investments in common stock of financial entities	-	
67	Mortgage servicing rights (net of related tax liability)	-	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
Applicable caps on the inclusion of provisions in Tier 2			
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	338,901	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	166,591	

6.1. CC2: Reconciliation of regulatory capital to balance sheet

The following table enables users to identify the differences between the scope of accounting balance sheet and the scope of regulatory balance sheet, and to show the link between the bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1. Variances between the financial and regulatory balance sheets are consistent with LI1 disclosure.



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AED 000s

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference (CC1)
Assets			
Cash and balances at central banks	2,530,439	2,530,439	
Items in the course of collection from other banks	-	-	
Financial Investments	5,196,023	5,196,023	
<i>Of which: Available for sale (FVOCI)</i>	4,091,617	4,091,617	
<i>Of which: Designated at amortized cost, net</i>	1,103,864	1,103,864	
<i>Of which: Equity</i>	542	542	
Derivative financial instruments	62,713	62,713	
Loans and advances to banks	640,795	640,795	
Loans and advances to customers	10,434,611	10,434,611	
Reverse repurchase agreements / other similar secured lending	-	-	
Current and deferred tax assets	-	-	
Prepayments, accrued income and other assets	768,764	768,764	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	25,464	25,464	
<i>Of which: goodwill</i>	-	-	
<i>Of which: intangibles (excluding MSRs)</i>	25,464	25,464	
<i>Of which: MSRs</i>	-	-	
Property, plant and equipment	154,664	154,664	
Total assets	19,813,473	19,813,473	
Liabilities			
Deposits from banks	2,283,598	2,283,598	
Customer accounts	12,128,916	12,128,916	
Repurchase agreements and other similar secured borrowing	1,368,193	1,368,193	
Derivative financial instruments	8,876	8,876	
Debt securities in issue	734,600	734,600	
Accruals, deferred income and other liabilities	749,276	749,276	
Provisions	109,120	109,120	
Retirement benefit liabilities	19,564	19,564	
Total liabilities	17,402,143	17,402,143	
Shareholders' equity			
Paid-in share capital eligible for CET1	2,062,550	2,062,550	A
Additional Tier 1 instrument	550,875	550,875	
Accumulated Losses	(218,675)	(218,675)	B
Accumulated other comprehensive income	(109,768)	(109,768)	
Special Reserve	48,022	48,022	
Statutory Reserve	76,946	76,946	
General Reserve	9,311	9,311	
Treasury Shares	(7,931)	(7,931)	
Total shareholders' equity	2,411,330	2,411,330	

6.2. CCA: Main features of regulatory capital instruments

The authorized paid up share capital of the Bank is 2,750,067,532 (2023: 2,750,067,532) shares of AED 1 each. The issued and fully paid up share capital of the Bank comprises 2,062,550,649 (2023: 2,062,550,649) shares of AED 1 each.

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AED 000s

	Issuer	United Arab Bank P.J.S.C	United Arab Bank P.J.S.C
1	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	AEU000601010	XS2575866699
3	Governing law(s) of the instrument	UAE Law	English Law
	Regulatory treatment		
4	Transitional arrangement rules (i.e. grandfathering)	N/A	N/A
5	Post-transitional arrangement rules (i.e. grandfathering)	N/A	N/A
6	Eligible at solo/group/group and solo	Solo	Solo
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares	Equity
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 2,062	USD 150
9	Nominal amount of instrument	N/A	USD 150
9a	Issue price	N/A	USD 150
9b	Redemption price	As per Market Value	USD 150
10	Accounting classification	Shareholder's Equity	Additional Tier 1 Capital
11	Original date of issuance	N/A	30-Mar-2023
12	Perpetual or dated	N/A	Perpetual
13	Original maturity date	N/A	N/A
14	Issuer call subject to prior supervisory approval	N/A	Yes
15	Optional call date, contingent call dates and redemption amount	N/A	30-Mar-2028
16	Subsequent call dates, if applicable	N/A	N/A
	Coupons / dividends		
17	Fixed or floating dividend/coupon	N/A	Fixed for first 5 years
18	Coupon rate and any related index	N/A	0.0806
19	Existence of a dividend stopper	N/A	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Full discretionary	Full discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Full discretionary	Full discretionary
21	Existence of step-up or other incentive to redeem	N/A	N/A
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	N/A	Non-convertible
24	Writedown feature	N/A	Yes
25	If writedown, writedown trigger(s)	N/A	Non viability event
26	If writedown, full or partial	N/A	Full
27	If writedown, permanent or temporary	N/A	Full
28	If temporary write-own, description of writeup mechanism	N/A	N/A
28a	Type of subordination	N/A	Junior Subordinated
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A	Junior to all senior obligations
30	Non-compliant transitioned features	N/A	N/A
31	If yes, specify non-compliant features	N/A	N/A

7. Macro Prudential

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

AED 000s

Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk-weighted assets		
United Arab Emirates	0.00%	8,967,921	7,429,416		
United Kingdom	2.00%	61,072	61,072		
France	1.00%	3	3		
Sum		9,028,996	7,490,491		
Total		23,769,816	14,244,382	0.01%	2,108

8. Leverage Ratio

The Basel 3 leverage ratio is calculated by dividing the tier 1 capital by the leverage ratio exposure. The Leverage Ratio Exposure consists of IFRS on-balance sheet assets and off-balance sheet items. Derivative exposures are calculated by including replacement value, Potential Future Exposures (PFE) and eligible cash variation margin netting, the current exposure method add-on and net notional amounts for written credit derivatives. The table on the next page shows the difference between total IFRS assets per IFRS consolidation scope and the BCBS total on balance sheet exposures. Those exposures are the starting point for calculating the BCBS Leverage Ratio Exposure, as shown in the LR2 table. The difference is due to the application of the regulatory scope of consolidation for the purpose of the BCBS calculation. In addition, carrying amounts for derivative financial instruments and securities financing transactions (SFTs) are deducted from IFRS total assets. They are measured differently under BCBS leverage ratio rules and are therefore added back in separate exposure line items in the LR2 table.

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

		30 Jun 2024
1	Total consolidated assets as per published financial statements	19,813,473
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	146,187
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	291,116
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,938,351
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	22,189,127



8.2. LR2: Leverage Ratio Common Disclosure Template

		AED 000s	
		30 Jun 2024	31 Mar 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	19,750,760	17,840,803
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)	(1,999)	(10,993)
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)	(15,730)	(10,013)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	19,733,031	17,819,797
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)	45,047	48,281.48
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	116,830	26,650.27
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)	226,629	104,904
Securities financing transactions			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	1,659,309	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	1,368,193	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	291,116	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	4,904,791	4,737,044.53
20	(Adjustments for conversion to credit equivalent amounts)	(2,966,440)	(2,965,317)
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)	1,938,351	1,771,727
Capital and total exposures			
23	Tier 1 capital	2,395,603	2,326,062
24	Total exposures (sum of rows 7, 13, 18 and 22)	22,189,127	19,696,429
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.8%	11.8%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.8%	11.8%
26	CBUAE minimum leverage ratio requirement	3.0%	3.0%
27	Applicable leverage buffers	7.8%	8.8%

9. Liquidity Risk Management

9.1. ELAR: Eligible Liquid Assets Ratio

30 Jun 2024

AED 000s

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,619,613	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	2,619,613	2,619,613
1.3	UAE local governments publicly traded debt securities	866,737	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub Total (1.3 to 1.4)	866,737	697,270
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	Total	3,486,350	3,316,883
2	Total liabilities		17,292,964
3	Eligible Liquid Assets Ratio (ELAR)		19.2%

31 Dec 2023

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,420,609	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	2,420,609	2,420,609
1.3	UAE local governments publicly traded debt securities	782,037	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub Total (1.3 to 1.4)	782,037	640,529
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	Total	3,202,646	3,061,138
2	Total liabilities		15,268,617
3	Eligible Liquid Assets Ratio (ELAR)		20.0%

9.2. ASRR: Advances to Stable Resources Ratio

AED 000s

		Items	30 Jun 2024	31 Dec 2023
1		Computation of Advances		
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	8,653,683	8,303,654
	1.2	Lending to non-banking financial institutions	291,533	236,809
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	47,322	112,390
	1.4	Interbank Placements	1,519,591	1,052,007
	1.5	Total Advances	10,512,129	9,704,860
2		Calculation of Net Stable Resources		
	2.1	Total capital + general provisions	2,692,403	2,589,904
		Deduct:		
	2.1.1	Goodwill and other intangible assets	0	0
	2.1.2	Fixed Assets	234,608	240,331
	2.1.3	Funds allocated to branches abroad	0	0
	2.1.5	Unquoted Investments	542	0
	2.1.6	Investment in subsidiaries, associates and affiliates	0	542
	2.1.7	Total deduction	235,150	240,873
	2.2	Net Free Capital Funds	2,457,253	2,349,031
	2.3	Other stable resources:		
	2.3.1	Funds from the head office	0	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	855,600	1,292,057
	2.3.3	Refinancing of Housing Loans	0	0
	2.3.4	Borrowing from non-Banking Financial Institutions	870,904	354,311
	2.3.5	Customer Deposits	9,740,952	8,820,295
	2.3.6	Capital market funding / term borrowings maturing after 6 months from reporting date	0	0
	2.3.7	Total other stable resources	11,467,456	10,466,663
	2.4	Total Stable Resources (2.2+2.3.7)	13,924,708	12,815,694
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	75.5%	75.7%

10. Credit Risk

10.1. CR1: Credit quality of assets

30 June 2024

AED 000s

		Gross carrying values of		Allowances / Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a + b - c)
		Defaulted exposures	Non- defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	501,227	10,557,828	624,444	343,323	281,121	10,434,612
2	Debt securities	-	5,197,723	31,502	-	31,502	5,166,221
3	Off-balance sheet exposures	100,724	2,488,946	109,120	83,193	25,928	2,480,550
	Off-balance sheet exposures: Commitments	-	2,315,121	-	-	-	2,315,121
4	Total	601,951	20,559,619	765,066	426,516	338,550	20,396,504

10.2. CR2: Changes in stock of defaulted loans and debt securities

30 June 2024

AED 000s

1	Defaulted loans and debt securities at the end of the previous reporting period	496,662
2	Loans and debt securities that have defaulted since the last reporting period	14,682
3	Returned to non-default status	(2,923)
4	Amounts written off	(7,194)
5	Other changes	-
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	501,227

10.3. CR3: Credit risk mitigation techniques – overview

30 June 2024

AED 000s

		Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	8,451,795	1,716,093	945,950	266,723	56,898	-	-
2	Debt securities	5,195,481	-	-	-	-	-	-
3	Total	13,647,276	1,716,093	945,950	266,723	56,898	-	-
4	Of which defaulted	157,903	-	-	95,498	6,333	-	-

10.4. CR4: Standardized approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

30 June 2024

AED 000s

	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	6,299,413	16,800	6,299,413	16,800	1,492,009	11.4%
2	Public Sector Entities	2,278,841	-	2,278,841	-	1,367,784	10.5%
3	Multilateral development banks	427,563	-	427,563	-	419,319	3.2%
4	Banks	2,802,177	1,362,200	2,802,177	477,844	2,222,621	17.0%
5	Securities firms	1,999	802,280	1,999	287,888	65,414	0.5%
6	Corporates	4,950,975	4,573,291	4,020,025	1,232,493	4,940,490	37.9%
7	Regulatory retail portfolios	405,529	347	405,529	193	310,284	2.4%
8	Secured by residential property	960,950	-	960,950	0	443,331	3.4%
9	Secured by commercial real estate	1,191,977	-	1,176,977	0	1,176,977	9.0%
10	Equity Investment in Funds (EIF)	-	-	0	0	-	0.0%
11	Past-due loans	643,729	56,948	22,343	56,948	76,125	0.6%
12	Higher-risk categories	-	-	0	0	-	0.0%
13	Other assets	810,608	3,529	810,608	3,155	521,592	4.0%
14	Total	20,773,760	6,815,394	19,206,425	2,075,320	13,035,947	100.0%

10.5. CR5: Standardized approach - exposures by asset classes and risk weights

30 June 2024

AED 000s

	Risk Weight	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Asset Class										
1	Sovereigns and their central banks	4,658,815	240,363	-	-	-	1,363,233	53,802	-	6,316,213
2	Public Sector Entities	547,391	197,026	-	412,090	-	1,122,334	-	-	2,278,841
3	Multilateral development banks	-	-	-	16,487	-	411,075	-	-	427,563
4	Banks	715,669	351,768	-	1,829,422	-	1,235,775	1,188	-	3,418,152
5	Securities firms	652,524	34,878	-	116,878	-	-	-	-	151,756
6	Corporates	1,204,104	117,210	-	145,247	-	4,581,432	-	309,403	5,252,518
7	Regulatory retail portfolios	-	-	-	-	381,751	23,971	-	-	405,722
8	Secured by residential property	-	-	796,336	-	-	164,614	-	-	960,950
9	Secured by commercial real estate	15,000	-	-	-	-	1,176,977	-	-	1,176,977
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	6,333	-	72,958	-	-	79,291
12	Higher-risk categories	-	-	-	-	-	-	-	-	-
13	Other assets	162,398	162,215	-	-	-	489,149	-	-	813,763
14	Total	7,955,901	1,103,460	796,336	2,526,457	381,751	10,641,518	54,990	309,403	21,281,745

11. Counterparty Credit Risk

11.1. CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

30 June 2024

AED 000s

	Replacement cost	Potential future exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR (for derivatives)	62,665	116,830	1.4	251,294	119,005
Total					119,005

11.2. CCR3: Standardized approach - CCR exposures by regulatory portfolio and risk weights

30 June 2024

AED 000s

Risk weight	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory Portfolio								
Sovereigns	16,800	-	-	-	-	-	-	16,800
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral Development Banks	-	-	-	-	-	-	-	-
Banks	-	23,934	181,763	-	15,985	-	-	221,683
Securities firms	-	-	10,920	-	-	-	-	10,920
Corporates	-	-	-	-	1,891	-	-	1,891
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by Commercial Real Estate	-	-	-	-	-	-	-	-
Equity Investment in Funds	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	16,800	23,934	192,683	-	17,876	-	-	251,294

11.3. CCR5: Composition of collateral for CCR exposure

30 June 2024

AED 000s

	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	-	-	-
Cash - other currencies	-	17,665	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	1,659,309
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	17,665	-	-	-	1,659,309

11.4. CCR6: Credit derivative exposures

This disclosure is not applicable as the Bank does not have any exposure to credit derivatives.

11.5. CCR8: Exposures to central counterparties

This disclosure is not applicable as the Bank does not have any exposure to central counterparties.



12. Securitization

This disclosure is not applicable as the Bank does not hold any securitisation positions.

13. Market Risk

13.1. MR1: Market risk under the Standardized approach (SA)

30 June 2024		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	5,931
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	
8	Securitisation	-
9	Total	5,931