



البنك العربي المتحد  
UNITED ARAB BANK

## Basel III - Market Disclosures Pillar 3 Reporting – 30 June 2022



**Capital Adequacy & Risk Management**

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**Half yearly Pillar 3 Reports as per the revised CBUAE requirements:**

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## 1. Introduction

This report provides Pillar 3 disclosures for United Arab Bank PJSC referred to as “UAB” or the “Bank”. The disclosures consist of both quantitative and qualitative information in compliance with the requirements of Central Bank of UAE (CBUAE).

The Basel Committee on Banking Supervision (BCBS) Basel 3 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 risk types and/or to cover other risks. Pillar 3 requires banks to publish a range of disclosures, mainly covering risk, capital, leverage, liquidity and remuneration.

The capital requirements are computed using the Basel III framework of the Basel Committee on Banking Supervision (Basel Committee), after applying the amendments advised by the CBUAE, within national discretion. The Basel framework is structured around three ‘pillars’, with the Pillar 1 minimum capital requirements and Pillar 2 supervisory review process complemented by Pillar 3 market discipline.

The reports is prepared as per the enhanced Pillar 3 Disclosure requirements guidelines issued by CBUAE in November 2020 and are effective from 31st December 21. 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 (Capital Conservation Buffer and Countercyclical Capital Buffer - maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

In November 2020, CBUAE issued revised standards and guidelines for Capital Adequacy in UAE. The new version to the Standards also includes additional Guidance on the topics of Credit Risk, Market Risk, and Operational Risk.

Following are the changes in the revised standards which have been adopted either prior to or during 2021:

- The Tier Capital Supply Standard
- Tier Capital Instruments Standard
- Pillar 2 Standard: Internal Capital Adequacy Assessment Process (ICAAP)
- Credit Risk, Market Risk and Operational Risk
- Equity Investment in Funds, Securitization, Counterparty Credit Risk, Leverage Ratio

In addition, Credit Value Adjustment (CVA) for Pillar 1 and 3 is effective from 30 June 2022.

CBUAE requires the Pillar 2 - Supervisory Review Process to focus on each bank’s Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar 1 Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

The purpose of Pillar 3 - Market Discipline is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The CBUAE supports the enhanced market discipline by developing a set of disclosure requirements which will allow market participants to assess key information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the Bank.

The revised Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Bank, and provide a consistent and understandable disclosure framework that enhances transparency and improves comparability and consistency.

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.

## 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 therefore there is no consolidation required.

## 3. Overview of Risk Management, Key prudential metrics and Risk Weighted Assets (RWA)

Risk is inherent in all of the Bank's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to their responsibilities.

Risk Management covers all risks including credit, liquidity, market and operational risk, and processes from origination to approval and ongoing control, review, maintenance and reporting of exposures. It also covers the high level organization, roles and responsibilities of Board and management level committees, and authorities and processes relating to risk management, internal controls, compliance and internal audit functions.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. These are monitored through the Bank's strategic planning process.

## UAB's Approach to Pillar 1

Pillar 1 Risks	Approach
Credit Risk	The Bank uses the <b>Standardized Approach</b> for calculating regulatory capital requirements for Credit Risk. This approach allows the use of external ratings from designated credit-rating agencies wherever available in determining the appropriate risk weights. The risk weights are determined by the asset class and the external rating of the counterparty. The net exposure incorporates off-balance-sheet exposures after applying the credit conversion (CCF) and credit risk mitigation (CRM) factors.
Market Risk	The Bank uses the <b>Standardized Approach</b> for calculating regulatory capital requirements for Market Risk.
Operational Risk	The Bank uses the <b>Basic Indicator Approach</b> for calculating regulatory capital requirements for Operational Risk.

## KM1: Key Metrics for the Bank

Key prudential regulatory metrics related to regulatory capital, leverage ratio and liquidity standards have been included in the following table:

		AED 000s		
No	Key Metrics	30-Jun-2022	31-Mar-2022	31-Dec-2021
1	Common Equity Tier 1 (CET1)	1,401,594	1,500,581	1,507,681
1a	Fully loaded ECL accounting model (Note 1)	1,401,594	1,500,581	1,507,681
2	Tier 1	1,401,594	1,500,581	1,507,681
2a	Fully loaded ECL accounting model Tier 1	1,401,594	1,500,581	1,507,681
3	Total capital	1,536,921	1,633,494	1,644,239
3a	Fully loaded ECL accounting model total capital	1,536,921	1,633,494	1,644,239
<b>4</b>	<b>Total risk-weighted assets (RWA)</b>	<b>11,673,757</b>	<b>11,444,483</b>	<b>11,924,386</b>
5	Common Equity Tier 1 ratio (%)	12.01%	13.11%	12.64%
5a	Fully loaded ECL accounting model CET1 (%)	12.01%	13.11%	12.64%
6	Tier 1 ratio (%)	12.01%	13.11%	12.64%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	12.01%	13.11%	12.64%
7	Total capital ratio (%)	13.17%	14.27%	13.79%
7a	Fully loaded ECL accounting model total capital ratio (%)	13.17%	14.27%	13.79%
8	Capital conservation buffer requirement (2.5% from 2019) (%) (Note 2)	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	2.67%	3.77%	3.29%
13	Total leverage ratio measure	16,806,624	16,171,153	17,138,289
<b>14</b>	<b>Leverage ratio (%) (row 2/row 13)</b>	<b>8.34%</b>	<b>9.28%</b>	<b>8.79%</b>
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	8.34%	9.28%	8.79%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.34%	9.28%	8.79%



15	Total HQLA	2,994,849	2,934,746	3,077,935
16	Total net cash outflow	2,379,342	2,799,669	3,216,771
<b>17</b>	<b>LCR ratio (%)</b>	<b>125.87%</b>	<b>104.82%</b>	<b>95.68%</b>
18	Total available stable funding	7,203,724	6,926,440	7,582,284
19	Total required stable funding	7,514,756	7,546,566	8,838,073
<b>20</b>	<b>NSFR ratio (%)</b>	<b>95.86%</b>	<b>91.78%</b>	<b>85.79%</b>
21	Total HQLA	2,030,972	2,008,422	2,588,923
22	Total liabilities	13,248,446	12,426,425	13,573,003
<b>23</b>	<b>Eligible Liquid Assets Ratio (ELAR) (%)</b>	<b>15.33%</b>	<b>16.16%</b>	<b>19.07%</b>
24	Total available stable funding	10,754,456	10,495,562	10,962,743
25	Total Advances	8,901,444	8,442,147	8,843,830
<b>26</b>	<b>Advances to Stable Resources Ratio (%)</b>	<b>82.77%</b>	<b>80.44%</b>	<b>80.67%</b>

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 have not used transitional arrangement.

### OV1: Overview of Risk Weighted Assets

The following table provides an overview of total RWAs forming the denominator of the risk-based capital requirements. Further breakdown of RWAs are presented in subsequent parts.

		AED 000s		
		Risk Weighted Assets 30-Jun-22	Risk Weighted Assets 31-Dec-21	Minimum Capital Requirements* 30-Jun-22
1	Credit risk (excluding counterparty credit risk)	10,761,585	10,838,749	1,129,966
2	Of which: Standardized approach (SA)	10,761,585	10,838,749	1,129,966
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)	64,603	85,852	6,783
7	Of which: Standardized approach for counterparty credit risk	64,603	85,852	6,783
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
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	Securitization exposures in the banking book	-	-	-
17	Of which: Securitization internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: Securitization external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: Securitization Standardized approach (SEC-SA)	-	-	-
20	Market risk	39,547	2,835	4,152
21	Of which: Standardized approach (SA)	39,547	2,835	4,152
22	Of which: internal models approach (IMA)	-	-	-
23	Operational risk	808,022	996,951	84,842
24	Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>11,673,757</b>	<b>11,924,386</b>	<b>1,225,744</b>

\*The minimum capital requirements applied is 10.5%

#### 4. Composition of Capital

##### CCI: Composition of Capital

AED 000s

	<b>Common Equity Tier 1 capital: instruments and reserves</b>	<b>Amounts</b>
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,062,550
2	Retained earnings	(527,313)
3	Accumulated other comprehensive income (and other reserves)	(133,643)
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	0
5	Common share capital issued by third parties (amount allowed in group CET1)	0
6	<b>Common Equity Tier 1 capital before regulatory deductions</b>	<b>1,401,594</b>
	<b>Common Equity Tier 1 capital regulatory adjustments</b>	
7	Prudent valuation adjustments	0
8	Goodwill (net of related tax liability)	0
9	Other intangibles including mortgage servicing rights (net of related tax liability)	0
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	0
11	Cash flow hedge reserve	0
12	Securitization gain on sale	0
13	Gains and losses due to changes in own credit risk on fair valued liabilities	0
14	Defined benefit pension fund net assets	0
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	0
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	0





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)	0
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)	0
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0
20	Amount exceeding 15% threshold	0
21	Of which: significant investments in the common stock of financials	0
22	Of which: deferred tax assets arising from temporary differences	0
23	CBUAE specific regulatory adjustments	0
24	<b>Total regulatory adjustments to Common Equity Tier 1</b>	<b>0</b>
25	<b>Common Equity Tier 1 capital (CET1)</b>	<b>1,401,594</b>
	<b>Additional Tier 1 capital: instruments</b>	
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0
27	Of which: classified as equity under applicable accounting standards	0
28	Of which: classified as liabilities under applicable accounting standards	0
29	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	0
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)	0
31	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0
32	Additional Tier 1 capital before regulatory adjustments	<b>0</b>
	<b>Additional Tier 1 capital: regulatory adjustments</b>	
33	Investments in own additional Tier 1 instruments	0
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0
36	CBUAE specific regulatory adjustments	0
37	Total regulatory adjustments to additional Tier 1 capital	0
38	<b>Additional Tier 1 capital (AT1)</b>	<b>0</b>
39	<b>Tier 1 capital (T1= CET1 + AT1)</b>	<b>1,401,594</b>
	<b>Tier 2 capital: instruments and provisions</b>	
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	0
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	0
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)	0
43	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0
44	Provisions	135,327
45	<b>Tier 2 capital before regulatory adjustments</b>	<b>135,327</b>
	<b>Tier 2 capital: regulatory adjustments</b>	
46	Investments in own Tier 2 instruments	0
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)	0
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0
49	CBUAE specific regulatory adjustments	0

50	<b>Total regulatory adjustments to Tier 2 capital</b>	0
51	<b>Tier 2 capital (T2)</b>	<b>135,327</b>
52	<b>Total regulatory capital (TC = T1 + T2)</b>	<b>1,536,921</b>
53	<b>Total risk-weighted assets</b>	<b>11,673,757</b>
	<b>Capital ratios and buffers</b>	
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.01%
55	Tier 1 (as a percentage of risk-weighted assets)	12.01%
56	Total capital (as a percentage of risk-weighted assets)	13.17%
57	Institution specific buffer requirement (Capital Conservation Buffer (CCB) plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%
58	Of which: capital conservation buffer requirement	2.50%
59	Of which: bank-specific countercyclical buffer requirement	0.00%
60	Of which: higher loss absorbency requirement (e.g. DSIB)	0.00%
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	2.67%
	<b>The CBUAE Minimum Capital Requirement (Including CCB)</b>	<b>13.00%</b>
62	Common Equity Tier 1 minimum ratio	7.00%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>	
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)	-
	<b>Applicable caps on the inclusion of provisions in Tier 2</b>	
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to Standardized approach (prior to application of cap)	277,364
70	Cap on inclusion of provisions in Tier 2 under Standardized approach	135,327
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	
	<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>	
73	<i>Current cap on CET1 instruments subject to phase-out arrangements</i>	-
74	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-
75	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>	-
76	<i>Amount excluded from AT1 due to cap (excess after redemptions and maturities)</i>	-
77	<i>Current cap on T2 instruments subject to phase-out arrangements</i>	-
78	<i>Amount excluded from T2 due to cap (excess after redemptions and maturities)</i>	-

## CC2: Reconciliation of regulatory capital to balance sheet

AED 000s

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	30-Jun-22	30-Jun-22	
<b>ASSETS</b>			
Cash and balances at central banks	1,318,936	1,318,936	
Loans and advances to banks	42,436	42,436	
Loans and advances to banks	432,813	432,813	
Loans and advances to customers	8,374,311	8,374,311	
Available for sale financial investments (Includes FVOCI)	3,425,141	3,425,141	
Prepayments, accrued income and other assets	851,744	851,744	
Property, plant and equipment	303,015	303,015	
<b>TOTAL ASSETS</b>	<b>14,748,396</b>	<b>14,748,396</b>	
<b>LIABILITIES</b>			
Deposits from banks	1,910,977	1,910,977	
Customer accounts	10,516,917	10,516,917	
Accruals, deferred income and other liabilities	794,872	794,872	
Provisions	106,209	106,209	
Retirement benefit liabilities	17,827	17,827	
<b>TOTAL LIABILITIES</b>	<b>13,346,802</b>	<b>13,346,802</b>	
<b>SHAREHOLDERS' EQUITY</b>			
Paid-in share capital	2,062,550	2,062,550	
Of which: amount eligible for CET1	2,062,550	2,062,550	
Of which: amount eligible for AT1	-	-	
Legal , Statutory and Other disclosed reserves	52,273	52,273	
Retained earnings	(527,313)	(527,313)	
Accumulated other comprehensive income	(185,916)	(185,916)	
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>1,401,594</b>	<b>1,401,594</b>	
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>14,748,396</b>	<b>14,748,396</b>	

## CCA: Main features of regulatory capital instruments

Not Applicable

## 5. Countercyclical buffer

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

Not applicable.

## 6. Leverage Ratio

The Basel 3 leverage ratio is calculated by dividing the tier 1 capital by the leverage ratio exposure.

### LRI: Summary Comparison of Accounting Assets Vs Leverage Ratio Exposure

AED 000s

		30-Jun-22
S No	Description	Amount
1	Total consolidated assets as per published financial statements	14,748,396
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 securitized 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 recognized 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	38,963
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)	2,019,265
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>16,806,624</b>

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.

### LR2: Leverage Ratio Common Disclosure Template

AED 000s

On-balance sheet exposures		30-Jun-22	31-Mar-22	31-Dec-21
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	14,705,960	14,000,288	15,163,988
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)	(30,481)	(30,893)	(119,778)
4	(Adjustment for securities received under securities financing transactions that are recognized 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)	-	-	-
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>14,675,479</b>	<b>13,969,395</b>	<b>15,044,210</b>
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	27,562	20,384	16,054
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	52,352	35,664	45,127
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	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>111,880</b>	<b>78,467</b>	<b>85,653</b>
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	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	-	-	-
19	Off-balance sheet exposure at gross notional amount	4,822,220	5,158,985	4,951,009
20	(Adjustments for conversion to credit equivalent amounts)	(2,802,956)	(3,035,693)	(2,941,767)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	2,019,265	2,123,291	2,009,242
23	<b>Tier 1 capital</b>	<b>1,401,594</b>	<b>1,500,581</b>	<b>1,507,681</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>16,806,624</b>	<b>16,171,153</b>	<b>17,139,105</b>
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>8.340%</b>	<b>9.279%</b>	<b>8.797%</b>
25 a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.340%	9.279%	8.797%
26	CBUAE minimum leverage ratio requirement	3.000%	3.000%	3.000%
27	<b>Applicable leverage buffers</b>	<b>5.340%</b>	<b>6.279%</b>	<b>5.797%</b>

## 7. Liquidity Risk Management

### LIQ1: Liquidity Coverage Ratio (LCR)

AED 000s

		30-Jun-22	
		Total unweighted value (Avg.)	Total weighted value (Avg.)
<b>High-quality liquid assets</b>			
1	Total HQLA		2,994,849
<b>Cash outflows</b>			
2	<b>Retail deposits and deposits from small business customers, of which:</b>	3,421,661	157,077
3	Stable deposits	0	0
4	Less stable deposits	3,421,661	157,077
5	<b>Unsecured wholesale funding, of which:</b>	4,248,794	2,183,624
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	459	115
7	Non-operational deposits (all counterparties)	4,248,335	2,183,509
8	Unsecured debt	0	0
9	<b>Secured wholesale funding</b>		
10	<b>Additional requirements, of which:</b>	935,543	467,771



11	Outflows related to derivative exposures and other collateral requirements	0	0
12	Outflows related to loss of funding of debt products	0	0
13	Credit and liquidity facilities	935,543	467,771
14	<b>Other contractual funding obligations</b>	466,521	57,114
15	<b>Other contingent funding obligations</b>	220,126	11,006
<b>16</b>	<b>Total Cash Outflows</b>		<b>2,876,592</b>
<b>Cash inflows</b>			
17	Secured lending (e.g. reverse repo)		
18	Inflows from fully performing exposures	844,062	423,470
19	Other cash inflows	(47,962)	(47,962)
<b>20</b>	<b>Total Cash Inflows</b>	<b>796,101</b>	<b>375,508</b>
			<b>Total adjusted value</b>
<b>21</b>	<b>Total HQLA</b>		<b>2,994,849</b>
<b>22</b>	<b>Total net cash outflows</b>		<b>2,379,342</b>
<b>23</b>	<b>Liquidity coverage ratio (%)</b>		<b>125.87%</b>

**LIQ2: Net Stable Funding Ratio (NSFR)**

AED 000s

(In currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity*	<6 months	6 months to <1 year	≥1 year	
<b>Available stable funding (ASF) item</b>						
1	Capital:	-	-	-	1,633,494	1,633,494
2	<i>Regulatory capital</i>	-	-	-	1,633,494	1,633,494
3	<i>Other capital instruments</i>	-	-	-	-	-
4	Retail deposits and deposits from small business customers:	-	1,429,285	313,101	308,741	1,876,888
5	<i>Stable deposits</i>	-	-	-	-	-
6	<i>Less stable deposits</i>	-	1,429,285	313,101	308,741	1,876,888
7	Wholesale funding:	-	8,296,860	1,823,009	46,097	3,502,182
8	<i>Operational deposits</i>	-	-	-	-	-
9	<i>Other wholesale funding</i>	-	8,296,860	1,823,009	46,097	3,502,182
10	Liabilities with matching interdependent assets	-	-	-	-	-
11	Other liabilities:	-	150,642	27,519	102,079	191,160
12	<i>NSFR derivative liabilities</i>			-		
13	<i>All other liabilities and equity not included in the above categories</i>	-	150,642	27,519	102,079	191,160
<b>14</b>	<b>Total ASF</b>					<b>7,203,724</b>



Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:					
18	<i>Performing loans to financial institutions secured by Level 1 HQLA</i>	-	-	-	-	-
19	<i>Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions</i>	-	316,195	101,050	3,397,868	3,495,822
20	<i>Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:</i>	-	-	3,457,531	744,261	2,100,896
21	<i>With a risk weight of less than or equal to 35% under the standardized approach for credit risk</i>	-	-	-	-	-
22	<i>Performing residential mortgages, of which:</i>	-	-	-	2,019,939	706,979
23	<i>With a risk weight of less than or equal to 35% under the standardized approach for credit risk</i>	-	-	-	808,394	525,456
24	<i>Securities that are not in default and do not qualify as HQLA, including exchange-traded equities</i>	-	-	-	1,019,754	1,000,029
25	Assets with matching interdependent liabilities					
26	Other assets:	-	3,178,422	-	(903,936)	(314,426)
27	<i>Physical traded commodities, including gold</i>	-				-
28	<i>Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs</i>			-		-
29	<i>NSFR derivative assets</i>			-		-
30	<i>NSFR derivative liabilities before deduction of variation margin posted</i>			-		-
31	<i>All other assets not included in the above categories</i>	-	-	-	(927,430)	(927,430)
32	Off-balance sheet items		3,697,495	-	-	613,004
<b>33</b>	<b>Total RSF</b>					<b>7,514,756</b>
<b>34</b>	<b>Net Stable Funding Ratio (%)</b>					<b>95.86%</b>

\* Items to be reported in the "no maturity" time bucket do not have a stated maturity. These may include, but are not limited to, items such as capital with perpetual maturity, non-maturity deposits, short positions, open maturity positions, non-HQLA equities and physical traded commodities.





**ELAR: Eligible Liquid Assets Ratio**

**AED 000s**

<b>1</b>	<b>High Quality Liquid Assets</b>	<b>Nominal amount</b>	<b>Eligible Liquid Asset</b>
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,575,889	
1.2	UAE Federal Government Bonds and Sukuks	0	
	Sub Total (1.1 to 1.2)	1,575,889	1,575,889
1.3	UAE local governments publicly traded debt securities	521,494	
1.4	UAE Public sector publicly traded debt securities	178,032	
	Subtotal (1.3 to 1.4)	699,526	455,083
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
<b>1.6</b>	<b>Total</b>	<b>2,275,415</b>	<b>2,030,972</b>
<b>2</b>	Total liabilities		13,248,446
<b>3</b>	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>15.33%</b>

**ASRR: Advances to Stables Resource Ratio**

**AED 000s**

		<b>Items</b>	<b>30-Jun-22</b>
<b>1</b>		<b>Computation of Advances</b>	<b>Amount</b>
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	7,875,941
	1.2	Lending to non-banking financial institutions	138,191
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	415,767
	1.4	Interbank Placements	471,545
	<b>1.5</b>	<b>Total Advances</b>	<b>8,901,444</b>
<b>2</b>		<b>Calculation of Net Stable Resources</b>	
	2.1	Total capital + general provisions	1,678,958
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	403,108
	2.1.3	Funds allocated to branches abroad	0
	2.1.5	Unquoted Investments	76
	2.1.6	Investment in subsidiaries, associates and affiliates	0
	<b>2.1.7</b>	<b>Total deduction</b>	<b>403,184</b>
	<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>1,275,774</b>
	<b>2.3</b>	<b>Other stable resources:</b>	



2.3.1	Funds from the head office	0
2.3.2	Interbank deposits with remaining life of more than 6 months	168,936
2.3.3	Refinancing of Housing Loans	0
2.3.4	Borrowing from non-Banking Financial Institutions	1,340,338
2.3.5	Customer Deposits	7,969,408
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
<b>2.3.7</b>	<b>Total other stable resources</b>	<b>9,478,682</b>
<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>10,754,456</b>
<b>Advances to Stable Resources Ratio (1.6/ 2.4*100)</b>		<b>82.77</b>

## 8. Credit Risk

### CR1: Credit quality of assets

AED 000s

		a	b	c	d	e	f
		Gross carrying values of		Allowances / Impairment	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	1,004,477	8,163,228	793,394	516,030	277,364	8,374,311
2	Debt securities	-	3,426,743	31,502	-	31,502	3,395,241
3	Off-balance sheet exposures	Contingent liabilities	2,462,682	106,186	47,971	58,215	2,510,132
4		Commitments	-	2,205,902	-	-	-
<b>Total</b>		<b>1,158,113</b>	<b>16,258,555</b>	<b>931,082</b>	<b>564,001</b>	<b>367,081</b>	<b>16,485,586</b>

### CR2: Changes in stock of defaulted loans and debt securities

AED 000s

		Amount
<b>1</b>	<b>Defaulted loans and debt securities at the end of the previous reporting period</b>	1,138,023
2	Loans and debt securities that have defaulted since the last reporting period	14,806
3	Returned to non-default status	(112,070)
4	Amounts written off	(79,100)
5	Other changes	42,818



<b>6</b>	<b>Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)</b>	1,004,477
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**CR3: Credit risk mitigation techniques - overview**

**AED 000s**

		Gross 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	9,167,705	-	-	-	-	-	-
2	Debt securities	3,426,743	-	-	-	-	-	-
<b>3</b>	<b>Total</b>	12,594,448	-	-	-	-	-	-
4	Of which defaulted	1,004,477	-	-	-	-	-	-

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

**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 and Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	3,613,139	3,082	3,616,222	761,804	21.1%
2	Public Sector Entities	2,062,054	-	2,062,054	1,324,446	64.2%
3	Multilateral development banks	-	-	-	-	-
4	Banks	1,306,676	247,476	1,496,284	970,556	64.9%
5	Securities firms	-	-	-	-	-
6	Corporates	4,320,552	4,533,623	4,675,680	4,492,779	96.1%
7	Regulatory retail portfolios	522,476	-	522,476	412,238	78.9%
8	Secured by residential property	920,287	-	920,287	349,883	38.0%
9	Secured by commercial real estate	652,824	-	652,824	652,824	100.0%
10	Equity Investment in Funds (EIF)	-	-	-	-	-
11	Past-due loans	921,502	170,753	528,252	625,264	118.4%
12	Higher-risk categories	116,013	-	51,293	76,940	150.0%



13	Other assets	1,428,034	-	1,173,230	1,146,814	97.7%
14	<b>Total</b>	<b>15,863,556</b>	<b>4,954,934</b>	<b>15,698,601</b>	<b>10,813,548</b>	<b>68.9%</b>

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

**AED 000s**

	Asset classes	RISK WEIGHT									Total credit exposures amount (post CCF and post-CRM)
		0%	20%	35%	50%	75%	85%	100%	150%	Others	
1	Sovereigns and their central banks	2,731,810	153,259	-	-	-	-	731,153	-	-	3,616,222
2	Public Sector Entities	-	666,990	-	408,032	-	-	987,032	-	-	2,062,054
3	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4	Banks	-	269,469	-	620,401	-	-	606,317	96	-	1,496,283
5	Securities firms	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	88,078	-	96,135	-	429,144	4,062,323	-	-	4,675,680
7	Regulatory retail portfolios	-	-	-	-	440,949	-	81,526	-	-	522,476
8	Secured by residential property	-	-	877,543	-	-	-	42,743	-	-	920,287
9	Secured by commercial real estate	-	-	-	-	-	-	652,824	-	-	652,824
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	334,228	194,024	-	528,252
12	Higher-risk categories	-	-	-	-	-	-	-	51,293	-	51,293
13	Other assets	26,688	-	-	-	-	-	1,146,000	542	-	1,173,230
14	<b>Total</b>	<b>2,758,498</b>	<b>1,177,796</b>	<b>877,543</b>	<b>1,124,567</b>	<b>440,949</b>	<b>429,144</b>	<b>8,644,147</b>	<b>245,956</b>	<b>-</b>	<b>15,698,601</b>

## 9. Counterparty Credit Risk

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

AED 000s

		Replace ment cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1	SA-CCR (for derivatives)	42,443	52,352			132,714	64,603
2	Internal Model Method (for derivatives & SFTs)			-	-	-	-
3	Simple Approach for credit risk mitigation (for SFTs)					-	-
4	Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
5	VaR for SFTs					-	-
<b>6</b>	<b>Total</b>						<b>64,603</b>

### CCR2: Credit valuation adjustment (CVA) capital charge

AED 000s

		EAD post CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge*	132,714	64,603
2	All portfolios subject to the Simple alternative CVA capital charge		

\* all securities financing transactions (SFTs) that are subject to fair-value accounting and except those transacted directly with a central counterparty

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

AED 000s

Regulatory Portfolio	Risk weight							Total credit exposure
	0%	20%	50%	75%	100%	150%	Oth ers	
Sovereigns	3,082	-	-	-	-	-	-	3,082
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	8,169	116,987	-	3,275	-	-	128,431
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	1,200	-	-	1,200
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-



Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>3,082</b>	<b>8,169</b>	<b>116,987</b>	<b>-</b>	<b>4,475</b>	<b>-</b>	<b>-</b>	<b>132,714</b>

**CCR5: Composition of collateral for CCR exposure**

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	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**CCR6: Credit derivative exposures**

Nil

**CCR8: Exposures to central counterparties**

Nil

**10. Securitization**

Not applicable

SEC1	Securitization exposures in the banking book	Nil
SEC2	Securitization exposures in the trading book	Nil
SEC3	Securitization exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor	Nil
SEC4	Securitization exposures in the trading book and associated capital requirements - bank acting as investor	Nil

## 11. Market Risk

### MR1: Market risk under the Standardized approach (SA)

AED 000s

		30-Jun-22
		RWA
1	General Interest rate risk (General and Specific)	1,112
2	Equity risk (General and Specific)	0
3	Foreign exchange risk	38,435
4	Commodity risk	0
	Options	
5	Simplified approach	
6	Delta-plus method	
7	Scenario approach	
8	Securitization	0
<b>9</b>	<b>Total</b>	<b>39,547</b>