

BASEL III – PILLAR III DISCLOSURES

First Quarter – 2023

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1 Overview of Risk Management and RWA

OV1: Overview of RWA

		RWA		Minimum capital requirements
		Q1 2023	Q4 2022	Q1 2023
1	Credit risk (excluding counterparty credit risk)	15,470,684	14,537,392	1,624,422
2	Of which: standardised approach (SA)	15,470,684	14,537,392	1,624,422
-	-			
-	-			
-	-			
6	Counterparty credit risk (CCR)	324,084	240,929	34,029
7	Of which: standardised approach for counterparty credit risk	324,084	240,929	34,029
-	-			
-	-			
-	-			
-	-			
12	Equity investments in funds - look-through approach	292,085	484,949	30,669
13	Equity investments in funds - mandate-based approach	33,662	30,150	3,534
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	41,945	42,813	4,404
21	Of which: standardised approach (SA)	41,945	42,813	4,404
22	-			
23	Operational risk	1,197,031	1,136,484	125,688
-	-			
-	-			
26	Total (1+6+10+11+12+13+14+15+16+20+23)	17,359,491	16,472,717	1,822,747

Note: The numbers presented in all the tables are in AED '000s unless otherwise specified.

KM1: Key metrics

		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	2,447,484	2,376,130	2,385,339	2,411,132	2,480,183
1a	Fully loaded ECL accounting model	-	-	-	-	-
2	Tier 1	2,447,484	2,376,130	2,385,339	2,411,132	2,480,183
2a	Fully loaded ECL accounting model Tier 1	-	-	-	-	-
3	Total capital	2,648,990	2,567,298	2,576,812	2,602,600	2,680,242
3a	Fully loaded ECL accounting model total capital	-	-	-	-	-
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	17,359,491	16,472,717	16,514,833	16,539,243	17,236,080

		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	14.10%	14.42%	14.44%	14.58%	14.39%
5a	Fully loaded ECL accounting model CET1 (%)	-	-	-	-	-
6	Tier 1 ratio (%)	14.10%	14.42%	14.44%	14.58%	14.39%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	-	-	-	-	-
7	Total capital ratio (%)	15.26%	15.59%	15.60%	15.74%	15.55%
7a	Fully loaded ECL accounting model total capital ratio (%)	-	-	-	-	-
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.10%	7.42%	7.44%	7.58%	7.39%
	Leverage Ratio					
13	Total leverage ratio measure	23,280,445	21,424,944	20,932,552	21,562,964	22,123,501
14	Leverage ratio (%) (row 2/row 13)	10.51%	11.09%	11.40%	11.18%	11.21%
14 a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	-	-	-	-	-
14 b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.51%	11.09%	11.40%	11.18%	11.21%
	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	3,270,489	2,732,051	2,808,511	3,202,322	2,714,184
22	Total liabilities	19,842,511	18,269,351	17,515,241	18,613,071	19,495,218
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.48%	14.95%	16.03%	17.20%	13.92%
	ASRR					
24	Total available stable funding	18,724,019	16,550,285	16,251,585	17,219,774	17,625,477
25	Total Advances	14,533,387	14,261,477	13,744,205	14,217,613	15,031,265
26	Advances to Stable Resources Ratio(%)	77.62%	86.17%	84.57%	82.57%	85.28%

*LCR and NSFR are not applicable

2 Leverage Ratio

LR2: Leverage ratio common disclosure template

		Q1 2023	Q4 2022
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	22,849,741	21,109,344
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)	-	-
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)	-	-
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	22,849,741	21,109,344
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)	3,317	1,019
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	41,484	2,615
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 (sum of rows 8 to 12)	62,721	5,088
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	1,068,777	998,114
20	(Adjustments for conversion to credit equivalent amounts)	(700,794)	(687,602)
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)	367,983	310,512
Capital and total exposures			
23	Tier 1 capital	2,447,484	2,376,130
24	Total exposures (sum of rows 7, 13, 18 and 22)	23,280,445	21,424,944
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.51%	11.09%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.51%	11.09%
26	CBUAE minimum leverage ratio requirement	3%	3%
27	Applicable leverage buffers	7.51%	8.09%

3 Liquidity

LIQ1: Liquidity Coverage Ratio

Not applicable

ELAR: Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,408,532	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	2,408,532	2,408,532
1.3	UAE local governments publicly traded debt securities	542,491	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub Total (1.3 to 1.4)	542,491	542,491
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	319,465	319,465
1.6	Total	3,270,489	3,270,489
2	Total liabilities		19,842,511
3	Eligible Liquid Assets Ratio (ELAR)		16.48%

ASRR: Advances to Stable Resource Ratio

	Items	Amount
1	Computation of Advances	
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	13,203,284
1.2	Lending to non-banking financial institutions	134,222
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	190,495
1.4	Interbank Placements	1,005,386
1.5	Total Advances	14,533,387
2	Calculation of Net Stable Resources	
2.1	Total capital + general provisions	2,702,531
	Deduct:	
2.1.1	Goodwill and other intangible assets	-
2.1.2	Fixed Assets	1,197,016
2.1.3	Funds allocated to branches abroad	-
2.1.5	Unquoted Investments	240,930
2.1.6	Investment in subsidiaries, associates and affiliates	63,503
2.1.7	Total deduction	1,501,449
2.2	Net Free Capital Funds	1,201,082
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	-
2.3.3	Refinancing of Housing Loans	-
2.3.4	Borrowing from non-Banking Financial Institutions	108,000
2.3.5	Customer Deposits	17,414,937
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
2.3.7	Total other stable resources	17,522,937
2.4	Total Stable Resources (2.2+2.3.7)	18,724,019
3	Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	77.62