

BASEL III – PILLAR III DISCLOSURES

Third Quarter – 2022

Table of Contents

| | | |
|---|--|---|
| 1 | Overview of Risk Management and RWA | 3 |
| | OV1: Overview of RWA..... | 3 |
| | KM1: Key metrics..... | 3 |
| 2 | Leverage Ratio | 5 |
| | LR2: Leverage ratio common disclosure template | 5 |
| 3 | Liquidity | 6 |
| | LIQ1: Liquidity Coverage Ratio | 6 |
| | ELAR: Eligible Liquid Assets Ratio | 6 |
| | ASRR: Advances to Stable Resource Ratio..... | 6 |

1 Overview of Risk Management and RWA

OV1: Overview of RWA

| | | RWA | | Minimum capital requirements |
|-----------|---|-------------------|-------------------|------------------------------|
| | | Q3 2022 | Q2 2022 | Q3 2022 |
| 1 | Credit risk (excluding counterparty credit risk) | 14,452,132 | 14,414,256 | 1,517,474 |
| 2 | Of which: standardised approach (SA) | 14,452,132 | 14,414,256 | 1,517,474 |
| - | - | | | |
| - | - | | | |
| - | - | | | |
| 6 | Counterparty credit risk (CCR) | 302,528 | 323,774 | 31,765 |
| 7 | Of which: standardised approach for counterparty credit risk | 302,528 | 323,774 | 31,765 |
| - | - | | | |
| - | - | | | |
| - | - | | | |
| - | - | | | |
| 12 | Equity investments in funds - look-through approach | 562,337 | 577,081 | 59,045 |
| 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 | 49,323 | 67,315 | 5,179 |
| 21 | Of which: standardised approach (SA) | 49,323 | 67,315 | 5,179 |
| 22 | - | | | |
| 23 | Operational risk | 1,147,682 | 1,154,498 | 120,507 |
| - | - | | | |
| - | - | | | |
| 26 | Total (1+6+10+11+12+13+14+15+16+20+23) | 16,514,002 | 16,536,925 | 1,733,970 |

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

KM1: Key metrics

| | | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|----|---|------------|------------|------------|------------|
| | Available capital (amounts) | | | | |
| 1 | Common Equity Tier 1 (CET1) | 2,385,339 | 2,411,132 | 2,480,183 | 2,522,257 |
| 1a | Fully loaded ECL accounting model | - | - | - | - |
| 2 | Tier 1 | 2,385,339 | 2,411,132 | 2,480,183 | 2,522,257 |
| 2a | Fully loaded ECL accounting model Tier 1 | - | - | - | - |
| 3 | Total capital | 2,576,812 | 2,602,600 | 2,680,242 | 2,720,809 |
| 3a | Fully loaded ECL accounting model total capital | - | - | - | - |
| | Risk-weighted assets (amounts) | | | | |
| 4 | Total risk-weighted assets (RWA) | 16,514,833 | 16,539,243 | 17,236,080 | 17,155,557 |
| | Risk-based capital ratios as a percentage of RWA | | | | |

| | | Q3 2022 | Q2 2022 | Q1 2022 | Q4 2021 |
|-----|--|------------|------------|------------|------------|
| 5 | Common Equity Tier 1 ratio (%) | 14.44% | 14.58% | 14.39% | 14.70% |
| 5a | Fully loaded ECL accounting model CET1 (%) | - | - | - | - |
| 6 | Tier 1 ratio (%) | 14.44% | 14.58% | 14.39% | 14.70% |
| 6a | Fully loaded ECL accounting model Tier 1 ratio (%) | - | - | - | - |
| 7 | Total capital ratio (%) | 15.60% | 15.74% | 15.55% | 15.86% |
| 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% |
| 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% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) | 7.44% | 7.58% | 7.39% | 7.70% |
| | Leverage Ratio | | | | |
| 13 | Total leverage ratio measure | 20,932,552 | 21,562,964 | 22,123,501 | 22,740,886 |
| 14 | Leverage ratio (%) (row 2/row 13) | 11.40% | 11.18% | 11.21% | 11.09% |
| 14a | Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13) | - | - | - | - |
| 14b | Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) | 11.40% | 11.18% | 11.21% | 11.09% |
| | 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 | 2,808,511 | 3,202,322 | 2,714,184 | 2,545,486 |
| 22 | Total liabilities | 17,515,241 | 18,613,071 | 19,495,218 | 19,014,966 |
| 23 | Eligible Liquid Assets Ratio (ELAR) (%) | 16.03% | 17.20% | 13.92% | 13.39% |
| | ASRR | | | | |
| 24 | Total available stable funding | 16,251,585 | 17,219,774 | 17,625,477 | 18,133,115 |
| 25 | Total Advances | 13,744,205 | 14,217,613 | 15,031,265 | 15,732,255 |
| 26 | Advances to Stable Resources Ratio (%) | 84.57% | 82.57% | 85.28% | 86.76% |

*LCR and NSFR are not applicable

2 Leverage Ratio

LR2: Leverage ratio common disclosure template

| | | Q2 2022 | Q2 2022 |
|--|---|-------------------|-------------------|
| On-balance sheet exposures | | | |
| 1 | On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) | 20,567,780 | 21,149,274 |
| 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) | 20,567,780 | 21,149,274 |
| 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) | 1,472 | 1,492 |
| 9 | Add-on amounts for PFE associated with <i>all</i> derivatives transactions | 2,681 | 7,157 |
| 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) | 4,153 | 8,649 |
| 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 | 1,062,397 | 1,291,698 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (701,777) | (886,658) |
| 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) | 360,619 | 405,041 |
| Capital and total exposures | | | |
| 23 | Tier 1 capital | 2,385,339 | 2,411,132 |
| 24 | Total exposures (sum of rows 7, 13, 18 and 22) | 20,932,552 | 21,562,964 |
| Leverage ratio | | | |
| 25 | Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) | 11.40% | 11.18% |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 11.40% | 11.18% |
| 26 | CBUAE minimum leverage ratio requirement | 3% | 3% |
| 27 | Applicable leverage buffers | 8.40% | 8.18% |

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 | 1,953,370 | |
| 1.2 | UAE Federal Government Bonds and Sukuks | | |
| | Sub Total (1.1 to 1.2) | 1,953,370 | 1,953,370 |
| 1.3 | UAE local governments publicly traded debt securities | 527,362 | |
| 1.4 | UAE Public sector publicly traded debt securities | - | |
| | Sub total (1.3 to 1.4) | 527,362 | 527,362 |
| 1.5 | Foreign Sovereign debt instruments or instruments issued by their respective central banks | 327,779 | 327,779 |
| 1.6 | Total | 2,808,511 | 2,808,511 |
| 2 | Total liabilities | | 17,515,241 |
| 3 | Eligible Liquid Assets Ratio (ELAR) | | 16.03% |

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) | 13,351,436 |
| 1.2 | Lending to non-banking financial institutions | 12,240 |
| 1.3 | Net Financial Guarantees & Stand-by LC (issued - received) | 152,570 |
| 1.4 | Interbank Placements | 227,959 |
| 1.5 | Total Advances | 13,744,205 |
| 2 | Calculation of Net Stable Resources | |
| 2.1 | Total capital + general provisions | 2,603,343 |
| | Deduct: | |
| 2.1.1 | Goodwill and other intangible assets | - |
| 2.1.2 | Fixed Assets | 1,214,039 |
| 2.1.3 | Funds allocated to branches abroad | - |
| 2.1.5 | Unquoted Investments | 279,249 |
| 2.1.6 | Investment in subsidiaries, associates and affiliates | 177,313 |
| 2.1.7 | Total deduction | 1,670,601 |
| 2.2 | Net Free Capital Funds | 932,742 |
| 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 | 749,566 |
| 2.3.5 | Customer Deposits | 14,569,277 |
| 2.3.6 | Capital market funding/ term borrowings maturing after 6 months from reporting date | - |
| 2.3.7 | Total other stable resources | 15,318,843 |
| 2.4 | Total Stable Resources (2.2+2.3.7) | 16,251,585 |
| 3 | Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100) | 84.57 |