

# **BASEL III- PILLAR 3 - REPORTING AS OF 30 JUNE 2022**

Capital Adequacy and Risk Management

**NBB, UAE  
BRANCH**

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## 1 About the bank

National Bank of Bahrain BSC - United Arab Emirates branches (the “Bank” or the “Branch”) is registered as a Foreign Branch and is regulated by the Central Bank of the United Arab Emirates (“CBUAE”) and is engaged in commercial banking activities as a branch of National Bank of Bahrain BSC (the “Head Office”), a public shareholding company incorporated in the Kingdom of Bahrain. The registered addresses of each of the United Arab Emirates branches are as follows:

- Dubai Branch: P.O. Box 120009, Building 3, Emaar Square, Dubai, UAE.
- Abu Dhabi Branch: P.O. Box 46080, Al Otaiba Tower, located on Sheikh Hamdan Street.

## 2 Introduction

1. This report provides Pillar 3 disclosures for National Bank of Bahrain United Arab Emirates branches. 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.
2. The report is prepared as per the enhanced Pillar 3 Disclosure requirements guidelines issued by CBUAE in November 2020 and are effective from the year ended 31st December 2021. 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.
3. The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements as below.

Min. Capital requirements	Ratios
Minimum common equity tier 1 ratio	7.0%
Minimum tier 1 capital ratio	8.5%
Minimum capital adequacy ratio	10.5%
Capital conservation buffer	2.5%

Mandated Capital including buffers is 13% of Total RWA.

4. 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.
5. 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
6. 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.
7. 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.

8. 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.
9. 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.
10. The management has appropriately reviewed the Pillar 3 Disclosures as of 30 June 2022.

### 3 Overview of risk management and RWA

#### 3.1 KM1: Key metrics (at branch level)

		AED 000's		
		a	b	c
		T	T-1	T-2
	Available capital (amounts)	Jun-22	Mar-22	Dec-21
1	Common Equity Tier 1 (CET1)	747,251	319,995	321,249
1a	Fully loaded ECL accounting model	747,251	319,995	321,249
2	Tier 1	747,251	319,995	321,249
2a	Fully loaded ECL accounting model Tier 1	747,251	319,995	321,249
3	Total capital	750,798	322,670	325,043
3a	Fully loaded ECL accounting model total capital	750,798	322,670	325,043
Risk-weighted assets (amounts)				
4	Total risk-weighted assets (RWA)	467,959	320,896	421,141
Risk-based capital ratios as a percentage of RWA				
5	Common Equity Tier 1 ratio (%)	159.68%	99.72%	76.28%
5a	Fully loaded ECL accounting model CET1 (%)	159.68%	99.72%	76.28%
6	Tier 1 ratio (%)	159.68%	99.72%	76.28%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	159.68%	99.72%	76.28%
7	Total capital ratio (%)	160.44%	100.55%	77.18%
7a	Fully loaded ECL accounting model total capital ratio (%)	160.44%	100.55%	77.18%
Additional CET1 buffer requirements as a percentage of RWA				
8	Capital conservation buffer requirement (2.5% from 2019) (%)	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)	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital	149.94%	90.05%	66.68%
Leverage Ratio				
13	Total leverage ratio measure	1,130,326	633,253	695,823

# BASEL III – PILLAR 3 DISCLOSURES

For the quarter ended 30 June 2022



14	Leverage ratio (%) (row 2/row 13)	66.11%	50.53%	46.17%
14a	Fully loaded ECL accounting model leverage ratio (%) (row	66.11%	50.53%	46.17%
14b	Leverage ratio (%) (excluding the impact of any	66.11%	50.53%	46.17%
	<b>Liquidity Coverage Ratio</b>			
15	Total HQLA	NA	NA	NA
16	Total net cash outflow	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA
	<b>Net Stable Funding Ratio</b>			
18	Total available stable funding	NA	NA	NA
19	Total required stable funding	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA
	<b>ELAR</b>			
21	Total HQLA	756,585	309,559	207,456
22	Total liabilities	237,885	223,341	160,512
23	Eligible Liquid Assets Ratio (ELAR) (%)	318%	139%	129%
	<b>ASRR</b>			
24	Total available stable funding	933,003	518,585	433,946
25	Total Advances	180,705	194,180	237,442
26	Advances to Stable Resources Ratio (%)	27%	38%	55%

## 3.2. OV1: Overview of RWA

		AED 000's		
		a	b	c
		RWA		Minimum capital requirements
		Jun-22	Mar-22	T
1	Credit risk (excluding counterparty credit risk)	283,730	213,989	29,792
2	Of which: standardised approach (SA)	283,730	213,989	29,792
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)	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
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	-	-	-

## BASEL III – PILLAR 3 DISCLOSURES

For the quarter ended 30 June 2022



16	Securitisation exposures in the banking book	-	-	-
17	Of which: securitisation internal ratings-based approach			
18	Of which: securitisation external ratings-based approach	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	155,327	78,006	16,309
21	Of which: standardised approach (SA)	155,327	78,006	16,309
22	Of which: internal models' approach (IMA)			
23	Operational risk	28,902	28,902	3,035
24	Amounts below thresholds for deduction (subject to 250%			
25	Floor adjustment			
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>467,959</b>	<b>320,897</b>	<b>49,136</b>

## 4 Composition of Capital

### 4.1 CC1: Composition of regulatory capital

AED 000's

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	<b>Common Equity Tier 1 capital: instruments and reserves</b>		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	671,100	Same as (h) from CC2 template
2	Retained earnings	56,096	
3	Accumulated other comprehensive income (and other reserves)	20,055	
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	<b>Common Equity Tier 1 capital before regulatory deductions</b>	<b>747,251</b>	
	<b>Common Equity Tier 1 capital regulatory adjustments</b>		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	-	CC2 (b) minus (e)
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	-	

# **BASEL III – PILLAR 3 DISCLOSURES**

For the quarter ended 30 June 2022



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)	-	
16	Reciprocal crossholdings 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	<b>Total regulatory adjustments to Common Equity Tier 1</b>	-	
25	<b>Common Equity Tier 1 capital (CET1)</b>	747,251	
<b>Additional Tier 1 capital: instruments</b>			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	CC2 (i)
27	Of which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	-	
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	-	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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	-	



# **BASEL III – PILLAR 3 DISCLOSURES**

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36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	<b>Additional Tier 1 capital (AT1)</b>	-	
39	<b>Tier 1 capital (T1= CET1 + AT1)</b>	747,251	
<b>Tier 2 capital: instruments and provisions</b>			
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	-	
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	3,547	
45	<b>Tier 2 capital before regulatory adjustments</b>	<b>3,547</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>3,547</b>	
51	<b>Tier 2 capital (T2)</b>	<b>3,547</b>	
52	<b>Total regulatory capital (TC = T1 + T2)</b>	<b>750,798</b>	
53	<b>Total risk-weighted assets</b>	<b>467,959</b>	
<b>Capital ratios and buffers</b>			
54	<b>Common Equity Tier 1 (as a percentage of risk-weighted assets)</b>	<b>159.68%</b>	
55	<b>Tier 1 (as a percentage of risk-weighted assets)</b>	<b>159.68%</b>	
56	<b>Total capital (as a percentage of risk-weighted assets)</b>	<b>160.44%</b>	
57	<b>Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)</b>	<b>2.50%</b>	
58	<b>Of which: capital conservation buffer requirement</b>	<b>2.50%</b>	
59	<b>Of which: bank-specific countercyclical buffer requirement</b>	<b>0.00%</b>	
60	<b>Of which: higher loss absorbency requirement (e.g., DSIB)</b>	<b>0.00%</b>	

**BASEL III – PILLAR 3 DISCLOSURES**

For the quarter ended 30 June 2022



61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	149.94%	
<b>The CBUAE Minimum Capital Requirement</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>			
		-	
66	Significant investments in common stock of financial entities	-	
		-	
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 standardised approach (prior to application of cap)	5,629	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	3,547	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
73	Current cap on CET1 instruments subject to phase-out arrangements	-	
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
75	Current cap on AT1 instruments subject to phase-out arrangements	-	
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	-	
77	Current cap on T2 instruments subject to phase-out arrangements	-	
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	-	

**4.2 CC2: Reconciliation of regulatory capital to balance sheet**

AED 000's

	a	b	c
	Balance sheet as in published financial statements*	Under regulatory scope of consolidation	Reference
	As at period-end 30 June 2022	As at period-end 30 June 2022	
<b>Assets</b>			
Cash and balances at central banks	678,654	678,654	
Items in the course of collection from other banks	-	-	
Due from other Banks	2,068	2,068	
Due from Head Office	78,247	78,247	
Trading portfolio Assets	-	-	
Other Assets	2,117	16,098	
Financial assets designated at fair value	77,930	77,931	
Derivative financial instruments	-	-	
Loans and advances to banks	-	-	
Loans and advances to customers	131,896	138,885	
Reverse repurchase agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	
Current and deferred tax assets	-	-	
Prepayments, accrued income and other assets	-	-	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	-	-	
Of which: goodwill	-	-	(a)

**BASEL III – PILLAR 3 DISCLOSURES**

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Of which: intangibles (excluding MSRs)	-	-	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	582	582	
<b>Total assets</b>	<b>971,494</b>	<b>992,465</b>	
<b>Liabilities</b>			
Deposits from banks	-	-	
Due to Head Office and Branches	129,323	129,323	
Items in the course of collection due to other banks	119	119	
Customer accounts	91,476	91,476	
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	-	-	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	3,325	16,967	
Current and deferred tax liabilities	-	-	
Of which: DTLs related to goodwill	-	-	(d)
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	(e)
Of which: DTLs related to MSRs	-	-	(f)
Subordinated liabilities	-	-	
Provisions	-	7,329	
Retirement benefit liabilities	-	-	

<b>Total liabilities</b>	<b>224,243</b>	<b>245,214</b>	
<b>Shareholders' equity</b>			
Paid-in share capital	671,100	671,100	
Of which: amount eligible for CET1	671,100	671,100	(h)
Of which: amount eligible for AT1	-	-	(i)
Retained earnings	56,096	56,096	
Accumulated other comprehensive income	20,055	20,055	
<b>Total shareholders' equity</b>	<b>747,251</b>	<b>747,251</b>	

\*Provisional unaudited figures.

#### 4.3 Main features of regulatory capital instruments

Template CCA is not applicable.

### 5 Macroprudential Supervisory measures

#### 5.1 Geographical distribution of credit exposures used in the countercyclical capital buffer

Template CCyB1 is not applicable

### 6. Leverage ratio

#### 6.1 LR2: Leverage ratio common disclosure template

		<b>AED 000's</b>	
		<b>a</b>	<b>b</b>
		<b>Jun-22</b>	<b>Mar-22</b>
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	978,483	542,206
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)	-	-

**BASEL III – PILLAR 3 DISCLOSURES**

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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>	978,483	542,206
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-	-
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>Securities financing transactions</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>	-	-
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	297,350	129,557
20	(Adjustments for conversion to credit equivalent amounts)	(145,507)	(38,510)
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>	151,843	91,047
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	747,251	319,995
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	1,130,326	633,253
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	66%	51%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	66%	51%
26	CBUAE minimum leverage ratio requirement	3%	3%
27	<b>Applicable leverage buffers</b>	63%	48%

**BASEL III – PILLAR 3 DISCLOSURES**

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**7 Liquidity****7.1 Liquidity Coverage Ratio (LCR)**

Template LIQ1 is not applicable.

**7.2 Net Stable Funding Ratio (NSFR)**

Template LIQ2 is not applicable.

**7.3 ELAR: Eligible Liquid Assets Ratio**

AED 000's

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	678,654	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	678,654	678,654
1.3	UAE local governments publicly traded debt securities	-	
1.4	UAE Public sector publicly traded debt securities	-	
	Subtotal (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	77,931	77,931
1.6	<b>Total</b>	<b>756,585</b>	<b>756,585</b>
2	Total liabilities		237,885
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>3.18</b>

**7.4. ASRR: Advances to Stables Resource Ratio**

AED 000's

		Items	Amount
1		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	137,185
	1.2	Lending to non-banking financial institutions	-
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	42,535
	1.4	Interbank Placements	76,178
	1.5	<b>Total Advances</b>	<b>255,898</b>
2		<b>Calculation of Net Stable Resources</b>	
	2.1	Total capital + general provisions	752,880
		<b>Deduct:</b>	

# BASEL III – PILLAR 3 DISCLOSURES

For the quarter ended 30 June 2022



2.1.1	Goodwill and other intangible assets	-
2.1.2	Fixed Assets	582
2.1.3	Funds allocated to branches abroad	-
2.1.5	Unquoted Investments	-
2.1.6	Investment in subsidiaries, associates and affiliates	-
<b>2.1.7</b>	<b>Total deduction</b>	<b>582</b>
<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>752,298</b>
<b>2.3</b>	<b>Other stable resources:</b>	
2.3.1	Funds from the head office	102,844
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	-
2.3.5	Customer Deposits	77,861
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
<b>2.3.7</b>	<b>Total other stable resources</b>	<b>180,705</b>
<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>933,003</b>
<b>3</b>	<b>Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)</b>	<b>27.43</b>

## 8 Credit Risk

### 8.1 CR1 Credit quality of assets

AED 000's

		a	b	c	d	e	f
		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	2,322	136,563	6,311	1,022	5,289	132,574
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	-	297,350	340	-	340	297,010
<b>4</b>	<b>Total</b>	<b>2,322</b>	<b>433,913</b>	<b>6,651</b>	<b>1,022</b>	<b>5,629</b>	<b>429,584</b>



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**8.2 CR2: Changes in the stock of defaulted loans and debt securities**

AED 000's

	a
<b>1 Defaulted loans and debt securities at the end of the previous reporting period</b>	121,210
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Returned to non-default status	-
4 Amounts written off	(119,930)
5 Other changes	1,042
<b>6 Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)</b>	<b>2,322</b>

**8.3 CR4: Standardised approach - credit risk exposure and CRM effects**

AED 000's

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	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	837,391	-	837,391	-	-	0%
2	Public Sector Entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	80,315	-	80,315	-	77,626	97%
5	Securities firms	-	-	-	-	-	-
6	Corporates	44,268	297,298	40,655	162,224	202,879	100%
7	Regulatory retail portfolios	11,489	52	500	27	527	100%
8	Secured by residential property	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	-
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-
11	Past-due loans	2,322	-	-	-	-	0%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	2,698	-	2,698	-	2,698	100%
<b>14</b>	<b>Total</b>	<b>978,483</b>	<b>297,350</b>	<b>961,559</b>	<b>162,251</b>	<b>283,730</b>	

# BASEL III – PILLAR 3 DISCLOSURES

For the quarter ended 30 June 2022



## 8.4 CR5 Standardised approach - exposures by asset classes and risk weights

AED 000's

		a	b	c	d	e	f	g	h	i
	<b>Risk weight</b>	<b>0%</b>	<b>20%</b>	<b>35%</b>	<b>50%</b>	<b>75%</b>	<b>100%</b>	<b>150%</b>	<b>Othe rs</b>	<b>Total credit exposures amount (post CCF and post- CRM)</b>
	<b>Asset classes</b>									
1	Sovereigns and their central banks	837,391	-	-	-	-	-	-	-	837,391
2	Public Sector Entities	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks		2,068		2,069	-	76,178	-	-	80,315
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	202,879	-	-	202,879
7	Regulatory retail portfolios	-	-	-	-	-	527	-	-	527
8	Secured by residential property	-	-	-	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	-	-	-	-
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	-	-	-
12	Higher-risk categories	-	-	-	-	-	-	-	-	-
13	Other assets	-	-	-	-	-	2,698	-	-	2,698
14	<b>Total</b>	<b>837,391</b>	<b>2,068</b>	<b>-</b>	<b>2,069</b>	<b>-</b>	<b>282,282</b>	<b>-</b>	<b>-</b>	<b>1,123,810</b>

## 9 Market Risk

### 9.1 MR1 Market risk under the standardised approach

Below is the snapshot of the Market RWA calculation as of 30 June 2022.

		AED 000's
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	155,327
4	Commodity risk	-
5	Options	-
6	Simplified approach	-
7	Delta-plus method	-
8	Scenario approach	-
9	Securitisation	-
	<b>Total</b>	<b>155,327</b>