EMIRATES NBD BANK (P.J.S.C.)

BASEL III - PILLAR 3 DISCLOSURES

FOR THE SIX MONTHS PERIOD ENDED 30 JUNE 2024

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Introduction

The Central Bank of the UAE (CBUAE) supervises Emirates NBD (P.J.S.C.) (the "Bank") and its subsidiaries (together referred to as the "Group") on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for the Group as a whole. The capital requirements are computed at a Group level using 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', Pillar 1 on minimum capital requirements and Pillar 2 on supervisory review process complemented by disclosures under Pillar 3 on market discipline.

Pillar 3 disclosures

Pillar 3 disclosures complement the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing disclosure requirements which allow market participants to assess specified information on the scope of application of Basel III, capital, particular risk exposures and risk assessment processes, and hence the capital adequacy of the Group. Disclosures consist of both qualitative and quantitative information and are provided at the consolidated level.

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 (CCB) and Countercyclical Capital Buffer (CCyB) - 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 the UAE. The new version to the standards also includes additional guidance on the topics of Credit Risk, Market Risk, and Operational Risk. In December 2022, CBUAE published revised capital guidelines mainly focused on updates on Pillar 2.

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 revised Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Group, 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 Group's risk management objectives and policies, risk assessment processes, capital management and capital adequacy. The Group's Pillar 3 disclosures are in line with the key elements governed by the disclosure policy framework consistent with the CBUAE Basel III standards which is approved by the Group Board Audit Committee.

Verification

The Pillar 3 Disclosures for the six months period ended 30 June 2024 have been reviewed by the Group's internal auditors.

Implementation of Basel III standards and guidelines

The Group is compliant with Standardised Approach for Credit, Market and Operational Risk (Pillar 1) as applicable as of 30 June 2024.

The Group also assigns capital on other than Pillar 1 risk categories which are part of the Pillar 2 framework.

Group structure

The Bank was incorporated in the United Arab Emirates on 16 July 2007 consequent to the merger between Emirates Bank International P.J.S.C. ("EBI") and National Bank of Dubai P.J.S.C. ("NBD"), under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended) as a Public Joint Stock Company (P.J.S.C.).

The Bank is listed on Dubai Financial Market (TICKER: "EMIRATESNBD"). The Group's principal business activities are corporate & institutional banking, retail banking & wealth management, global markets & treasury (GM&T) and Islamic banking. The Bank's website is www.emiratesnbd.com.

For details of Group's subsidiaries refer to Pillar 3 disclosures for year ended 31 December 2023 available on the Bank's website.

Key metrics for the Group (KM1)

Key prudential regulatory metrics have been included in the following table:

	AED in millions	30 June 2024	31 March 2024	31 December 2023	30 September 2023	30 June 2023
	Available capital (amounts) [2]					
1	Common Equity Tier 1 (CET1)	97,824	90,625	87,150	90,012	84,382
1a	Fully loaded ECL accounting model [1]	97,093	89,532	84,373	87,608	81,967
2	Tier 1	106,953	99,754	96,279	99,140	93,511
2a	Fully loaded ECL accounting model Tier 1	106,222	98,661	93,502	96,737	91,096
3	Total capital	113,869	106,255	102,653	105,025	99,081
3a	Fully loaded ECL accounting model total capital	113,138	105,162	99,876	102,622	96,666
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	634,245	595,940	583,780	533,132	507,783
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	15.42%	15.21%	14.93%	16.88%	16.62%
5a	Fully loaded ECL accounting model CET1 (%)	15.31%	15.02%	14.45%	16.43%	16.14%
6	Tier 1 ratio (%)	16.86%	16.74%	16.49%	18.60%	18.42%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.75%	16.56%	16.01%	18.15%	17.94%
7	Total capital ratio (%)	17.95%	17.83%	17.58%	19.70%	19.51%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.84%	17.65%	17.11%	19.25%	19.04%
	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 (%)	0.06%	0.05%	0.05%	0.05%	0.00%

Key metrics for the Group (KM1) (continued)

	AED in millions	30 June 2024	31 March 2024	31 December 2023	30 September 2023	30 June 2023
10	Bank D-SIB additional requirements (%)	1.50%	1.50%	1.50%	1.50%	1.50%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	4.06%	4.05%	4.05%	4.05%	4.00%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.45%	7.33%	7.08%	9.20%	9.01%
	Leverage Ratio					
13	Total leverage ratio measure	1,012,543	972,252	943,629	889,759	865,116
14	Leverage ratio (%) (row 2/row 13)	10.56%	10.26%	10.20%	11.14%	10.81%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.49%	10.15%	9.91%	10.87%	10.53%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.49%	10.15%	9.91%	11.14%	10.81%
	Liquidity Coverage Ratio					
15	Total HQLA	213,681	219,430	200,038	169,708	168,527
16	Total net cash outflow	104,477	105,558	95,290	85,749	82,590
17	LCR ratio (%)	204.52%	207.88%	209.93%	197.91%	204.05%
	Net Stable Funding Ratio					
18	Total available stable funding	612,652	591,206	567,686	543,406	533,577
19	Total required stable funding	478,173	460,039	454,161	432,956	423,484
20	NSFR ratio (%)	128.12%	128.51%	125.00%	125.51%	126.00%

Key metrics for the Group (KM1) (continued)

[1] *“Fully Loaded” means Group’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”.*

Pursuant to the above regulation, CBUAE issued a regulation for a ‘Prudential Filter’ that permits banks to add back increase in IFRS 9 provisions (stage 1 and stage 2) to the regulatory capital over a transition period of 5 years, on a proportionate basis. The increase in IFRS 9 provision requirements is determined by calculating the difference between the IFRS 9 provision as of 31 December 2019 and the IFRS 9 provision as at the respective reporting date. The proportion of the increase in IFRS 9 provisions that is permitted to be added-back to regulatory capital from 1 January 2020 onwards will be phased out over a 5-year transition period (100%, 100%, 75%, 50%, 25% for the years 2020 to 2024 respectively).

[2] *Impacts of implementing IAS 29 on hyperinflation accounting in financial statements are excluded from regulatory ratios calculations.*

Quarter on quarter CET1 capital increased by AED 7.2 billion mainly driven by pre-hyperinflation profit for the quarter of AED 7.9 billion was offset by decrease in prudential filter addback by 0.4 billion.

Refer overview (OV1) disclosure for further details on Risk-Weighted Assets (RWAs).

Overview of risk weighted assets (RWAs) (OV1)

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

	AED in millions	30 June 2024	31 March 2024	31 December 2023	Minimum capital requirements 30 June 2024
1	Credit risk (excluding counterparty credit risk)	540,764	507,048	496,061	78,735
2	Of which: standardised approach (SA)	540,764	507,048	496,061	78,735
3	Counterparty credit risk (CCR)	7,379	7,876	8,171	1,074
4	Of which: standardised approach for counterparty credit risk	7,379	7,876	8,171	1,074
5	Credit valuation adjustment (CVA)	4,978	5,081	5,603	775
6	Equity investments in funds - look-through approach	-	-	-	-
7	Equity investments in funds - mandate-based approach	-	-	-	-
8	Equity investments in funds - fall-back approach	103	103	112	15
9	Settlement risk	-	-	-	-
10	Securitisation exposures in the banking book	-	-	-	-
11	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
12	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
13	Market risk	16,604	14,797	14,477	2,418
14	Of which: standardised approach (SA)	16,604	14,797	14,477	2,418
15	Operational risk	64,417	61,035	59,356	9,379
16	**Total (1+3+5+8+13+15)**	**634,245**	**595,940**	**583,780**	**92,346**

The regulatory minimum capital requirement is calculated at 14.56% of the RWA including CBUAE assigned capital buffers.

Credit risk weighted assets increased by AED 33 billion quarter on quarter due to growth in lending, interbank placements and other off balance sheet commitments.

Operational risk RWA increased due to increase in average operating income.

Market Risk RWA increased driven by specific risk due to increase in trading positions.

Capital management

The Group's approach to capital management is driven by strategic and organisational requirements, taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent in the business and invest in accordance with strategy, meeting both consolidated and local regulatory capital requirements consistently.

Additional capital buffers (CCB and CCyB - maximum up to 2.5% for each buffer) introduced over and above the minimum CET1 requirement of 7%.

Over and above additional capital buffers, the Group as a Domestic Systemically Important Bank (D-SIB) is required to keep an additional D-SIB buffer of 1.5% of the capital base.

Regulatory capital

The Group's capital base is divided into three main categories, namely CET1, AT1 and Tier 2, depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under CBUAE guidelines.
- AT1 capital comprises eligible non-common equity capital instruments.
- Tier 2 capital comprises qualifying subordinated debt, and undisclosed reserve.

Details of the Group's qualifying equity and AT1 instruments are set out in Appendix A.

Composition of regulatory capital (CC1)

This provides a breakup of the elements constituting the Group's capital.

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
	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	24,271	24,271	b
2	Retained earnings	93,329	80,596	f
3	Accumulated other comprehensive income (and other reserves)	(12,763)	(11,052)	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	-	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	-	
6	**Common Equity Tier 1 capital before regulatory deductions**	**104,837**	**93,815**	
	Common Equity Tier 1 capital regulatory adjustments			
7	Prudent valuation adjustments	-	-	
8	Goodwill (net of related tax liability)	(5,635)	(5,683)	a
9	Other intangibles including mortgage servicing rights (net of related tax liability)	(1,560)	(1,398)	
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	228	462	
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)	(46)	(46)	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	-	

Composition of regulatory capital (CC1) (continued)

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
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 CET 1**	**(7,013)**	**(6,665)**	e
25	**Common Equity Tier 1 capital (CET1)**	**97,824**	**87,150**	
	Additional Tier 1 capital: instruments			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	9,129	9,129	c
27	Of which: classified as equity under applicable accounting standards	9,129	9,129	
28	Of which: classified as liabilities under applicable accounting standards	-	-	
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)	-	-	

Composition of regulatory capital (CC1) (continued)

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-	-	
32	**Additional Tier 1 capital before regulatory adjustments**	**9,129**	**9,129**	
	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)**	**9,129**	**9,129**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**106,953**	**96,279**	
	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	Of which: instruments issued by subsidiaries subject to phase-out	-	-	
44	Provisions	6,916	6,374	d
45	**Tier 2 capital before regulatory adjustments**	**6,916**	**6,374**	
	Tier 2 capital: regulatory adjustments	**-**	**-**	
46	Investments in own Tier 2 instruments	-	-	

Composition of regulatory capital (CC1) (continued)

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
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)**	**6,916**	**6,374**	
52	**Total regulatory capital (TC = T1 + T2)**	**113,869**	**102,653**	
53	**Total risk-weighted assets**	**634,245**	**583,780**	
	Capital ratios and buffers			
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	15.42%	14.93%	
55	Tier 1 (as a percentage of risk-weighted assets)	16.86%	16.49%	
56	Total capital (as a percentage of risk-weighted assets)	17.95%	17.58%	
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)	4.06%	4.05%	
58	Of which: capital conservation buffer requirement	2.50%	2.50%	
59	Of which: bank-specific countercyclical buffer requirement	0.06%	0.05%	
60	Of which: higher loss absorbency requirement (e.g., DSIB)	1.50%	1.50%	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	7.45%	7.08%	

Composition of regulatory capital (CC1) (continued)

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
	The CBUAE Minimum Capital Requirement			
62	Common Equity Tier 1 minimum ratio	7.00%	7.00%	
63	Tier 1 minimum ratio	8.50%	8.50%	
64	Total capital minimum ratio	10.50%	10.50%	
	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)	11,228	13,862	
70	Cap on inclusion of provisions in tier 2 under standardised approach	6,916	6,374	d
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	-	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
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	-	-	

Composition of regulatory capital (CC1) (continued)

	AED in millions	30 June 2024	31 December 2023	CC2 Reference
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)	-	-	

Reconciliation of regulatory capital to balance sheet (CC2)

The following table enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, 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.

30 June 2024 **AED in millions**	**Balance sheet as in published financial statements**	**Under regulatory scope of consolidation**	**Reference (CC1)**
Assets			
Cash and deposits with central bank	110,402	110,402	
Due from banks	109,224	109,224	
Investment securities	175,144	175,720	
Loans & receivables	477,132	477,132	
Positive fair value of derivatives	14,391	14,391	
Customer acceptances	7,337	7,337	
Property & equipment	7,495	6,767	
Goodwill & intangibles	5,635	5,635	a
Other assets	24,025	24,062	
Total assets	**930,785**	**930,670**	
Liabilities			
Due to banks	45,634	45,634	
Customer deposits	624,417	624,417	
Debt issued and other borrowed funds	71,142	71,142	
Sukuk payable	7,427	7,427	
Negative fair value of derivatives	17,314	17,314	
Customer acceptances	7,337	7,337	
Other liabilities	40,968	43,903	
Total Liabilities	**814,239**	**817,174**	
Issued capital	6,317	6,317	b
Treasury shares	(46)	-	
Tier-1 capital notes	9,129	9,129	c
Share premium reserve	17,954	17,954	b
Legal and statutory reserve	3,158	3,158	
Other reserves	2,945	2,945	
Fair value reserve	(1,467)	(1,467)	
Currency translation reserve	(6,851)	(17,400)	
Retained earnings	85,189	93,329	f
Common equity tier 1 capital regulatory deductions		(7,012)	e
Non-controlling interest	218	-	
Provisions eligible for inclusion in tier 2		6,916	d
Total Capital	**116,546**	**113,869**	

Reconciliation of regulatory capital to balance sheet (CC2) (continued)

Variances between financial and regulatory consolidated balance sheets arise primarily from difference in basis of consolidation.

31 December 2023 **AED in millions**	**Balance sheet as in published financial statements**	**Under regulatory scope of consolidation**	**Reference (CC1)**
Assets			
Cash and deposits with central bank	96,031	96,031	
Due from banks	92,302	92,302	
Investment securities	173,246	173,822	
Loans & receivables	445,105	445,105	
Positive fair value of derivatives	15,284	15,284	
Customer acceptances	8,468	8,468	
Property & equipment	5,264	4,728	
Goodwill & intangibles	5,683	5,683	a
Other assets	21,390	21,698	
Total assets	**862,773**	**863,121**	
Liabilities			
Due to banks	40,321	40,321	
Customer deposits	584,561	584,561	
Debt issued and other borrowed funds	66,116	66,116	
Sukuk payable	4,673	4,673	
Negative fair value of derivatives	17,389	17,389	
Customer acceptances	8,468	8,468	
Other liabilities	31,273	33,764	
Total Liabilities	**752,801**	**755,292**	
Issued capital	6,317	6,317	b
Treasury shares	(46)	-	
Tier 1 capital notes	9,129	9,129	c
Share premium reserve	17,954	17,954	b
Legal and statutory reserve	3,158	3,158	
Other reserves	2,945	2,945	
Fair value reserve	(1,570)	(1,570)	
Currency translation reserve	(7,461)	(15,585)	
Retained earnings	79,373	80,596	f
Common equity tier 1 capital regulatory deductions	-	(6,665)	e
Non-controlling interest	173	-	
Provisions eligible for inclusion in tier 2	-	6,374	d
Total Capital	**109,972**	**102,653**	

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1)

CBUAE has not prescribed CCyB requirement in the UAE. However, banks are required to maintain CCyB as per geographical distribution of its private sector exposures. Following table provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of countercyclical buffer.

30 June 2024 **AED in millions**	**a**	**b**	**c**	**d**	**e**	**f**
Geographical breakdown	**Counter cyclical capital buffer rate**	**Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer**		**Minimum Capital Requirement**	**Share of Minimum Capital (%)**	**Bank-specific CCyB rate (%)**
		Exposure values	**Risk-weighted assets**			
United Kingdom	2.00%	10,545	7,609	1,103	1.78%	0.04%
Netherlands	2.00%	3,040	3,038	441	0.71%	0.01%
Hong Kong	1.00%	1,106	1,016	147	0.24%	0.01%
France	1.00%	912	959	139	0.22%	0.00%
Germany	0.75%	859	831	120	0.19%	0.00%
Luxembourg	0.50%	508	517	75	0.12%	0.00%
South Korea	1.00%	474	-	-	0.00%	0.00%
Ireland	1.00%	340	338	49	0.08%	0.00%
Belgium	0.50%	188	113	16	0.03%	0.00%
Australia	1.00%	136	133	19	0.03%	0.00%
Romania	1.00%	46	46	7	0.01%	0.00%
Bulgaria	2.00%	5	5	1	0.00%	0.00%
Sweden	2.00%	4	2	0	0.00%	0.00%
Slovakia	1.50%	3	1	-	0.00%	0.00%
Armenia	1.50%	1	1	-	0.00%	0.00%
Denmark	2.50%	1	1	-	0.00%	0.00%
Estonia	1.50%	1	1	-	0.00%	0.00%
Iceland	2.50%	1	1	-	0.00%	0.00%
Others	0.00%	560,942	413,399	59,943	96.59%	0.00%
Sum[1]		**18,170**	**14,612**			
Total[2]		**579,112**	**428,011**			**0.06%**

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1) (continued)

31 December 2023 AED in millions	a	b	c	d	e	f
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer				
Geographical breakdown	Counter cyclical capital buffer rate (%)	Exposure values	Risk-weighted assets	Minimum Capital Requirement	Share of Minimum Capital (%)	Bank-specific counter cyclical capital buffer rate (%)
United Kingdom	2.00%	8,013	7,335	1,064	1.89%	0.04%
Netherlands	1.00%	2,980	2,829	410	0.73%	0.01%
Germany	0.75%	1,494	1,525	221	0.39%	0.00%
France	0.50%	760	735	107	0.19%	0.00%
Hong Kong	1.00%	747	656	95	0.17%	0.00%
Luxembourg	0.50%	388	396	57	0.10%	0.00%
Australia	1.00%	136	134	19	0.03%	0.00%
Romania	1.00%	33	33	5	0.01%	0.00%
Sweden	2.00%	18	12	2	0.00%	0.00%
Ireland	1.00%	16	15	2	0.00%	0.00%
Slovenia	0.50%	12	5	1	0.00%	0.00%
Bulgaria	2.00%	6	6	1	0.00%	0.00%
Norway	2.50%	3	3	0	0.00%	0.00%
Denmark	2.50%	2	2	-	0.00%	0.00%
Slovakia	1.50%	2	1	-	0.00%	0.00%
Iceland	2.00%	2	2	-	0.00%	0.00%
Estonia	1.50%	1	1	-	0.00%	0.00%
Others	0.00%	513,617	374,397	54,288	96.47%	0.00%
Sum[1]		**14,613**	**13,690**			
Total[2]		**528,230**	**388,087**			**0.05%**

Leverage ratio
Summary comparison of accounting assets versus leverage ratio exposure (LR1)

The following table reconciles the total assets in the published financial statements to the leverage ratio exposure measure.

	AED in millions	30 June 2024	31 March 2024	31 December 2023
1	Total consolidated assets as per published financial statements	930,785	902,284	862,773
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	3,746	3,352	3,247
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	2,825	(827)	2,762
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)	92,872	85,418	92,663
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12	Other adjustments[1]	(17,685)	(17,975)	(17,816)
13	**Leverage ratio exposure measure**	**1,012,543**	**972,252**	**943,629**

[1] This includes Assets deducted from CET1 capital, customer acceptances (considered as off-balance sheet) and Impact of IAS 29 Hyperinflation accounting excluded.

Leverage ratio (continued)

Leverage ratio common disclosure template (LR2)

The table below provides a breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements, and buffers as of period end.

	AED in millions	**30 June 2024**	**31 March 2024**	**31 December 2023**
	On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	887,725	863,179	824,763
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	(7,195)	(7,189)	(7,081)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**880,530**	**855,990**	**817,682**
	Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	4,713	4,908	5,225
9	Add-on amounts for PFE associated with *all* derivatives transactions	7,582	5,674	7,668
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 (Calculated as rows 8 to 12)*1.4**	**17,213**	**14,815**	**18,050**

Leverage ratio common disclosure template (LR2) (continued)

	AED in millions	30 June 2024	31 March 2024	31 December 2023
	Securities financing transactions			
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	21,928	16,029	15,234
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)**	**21,928**	**16,029**	**15,234**
	Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	258,809	235,884	236,501
20	Adjustments for conversion to credit equivalent amounts	(165,937)	(150,466)	(143,838)
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)**	**92,872**	**85,418**	**92,663**
	Capital and total exposures			
23	**Tier 1 capital**	**106,953**	**99,754**	**96,279**
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,012,543**	**972,252**	**943,629**
	Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**10.56%**	**10.26%**	**10.20%**
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.56%	10.26%	10.20%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27	**Applicable leverage buffers**	0.50%	0.50%	0.50%

Credit risk

Please refer Note no. 46 D in the annual financial statements (for previous year ended 31 December 2023) for criteria, approach, structure, and organization of credit risk management and reporting of risk exposures, risk mitigation and stress testing related to credit risk. For definition of default please refer Note 5(i) of annual financial statements.

Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of the Group's (on- and off-balance sheet) assets.

30 June 2024 AED in millions		**a**	**b**	**c**	**d**	**e**	**f**
		Gross carrying values of			**Of which ECL accounting provisions for credit losses on SA exposures**		
		Defaulted exposures[3]	**Non-defaulted exposures**	**Allowances/ Impairments**	**Allocated in regulatory category of Specific**	**Allocated in regulatory category of General**	**Net values (a+b-c)**
1	Loans	21,486	486,698	31,052	19,824	11,228	477,132
2	Debt securities[1]	-	166,190	118	-	118	166,072
	Total	**21,486**	**652,888**	**31,170**	**19,824**	**11,346**	**643,204**
3	Off-balance sheet exposures[2]	3,580	1,171,853	3,245	1,208	2,037	-

[1] *Debt securities includes only banking book securities*

[2] *Includes letters of credit, guarantees, liability on risk participations, customer acceptances, irrevocable loan commitments and notional amount of Derivatives*

[3] *Defaulted exposures are net of Interest in suspense (IIS)*

Credit quality of assets CR1 (continued)

31 December 2023		**a**	**b**	**c**	**d**	**e**	**f**
AED in millions		**Gross carrying values of**			**Of which ECL accounting provisions for credit losses on SA exposures**		
		Defaulted exposures[3]	**Non-defaulted exposures**	**Allowances/ Impairments**	**Allocated in regulatory category of Specific**	**Allocated in regulatory category of General**	**Net values (a+b-c)**
1	Loans	22,022	458,863	35,780	21,918	13,862	445,105
2	Debt securities[1]	-	162,646	111	-	111	162,535
	Total	**22,022**	**621,509**	**35,891**	**21,918**	**13,973**	**607,640**
3	Off-balance sheet exposures[2]	3,261	1,086,001	2,171	627	1,544	-

[1] *Debt securities includes only banking book securities*

[2] *Includes letters of credit, guarantees, liability on risk participations, customer acceptances, irrevocable loan commitments and notional amount of derivatives*

[3] *Defaulted exposures are net of interest in suspense (IIS)*

Changes in stock of defaulted loans and debt securities (CR2)

The following table identifies the changes in the bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

	AED in millions	30 June 2024	31 December 2023
1	Defaulted loans and debt securities at the end of the previous reporting period	22,022	27,254
2	Loans and debt securities that have defaulted since the last reporting period	3,378	8,252
3	Returned to non-default status	(344)	(114)
4	Amounts written off	(1,547)	(8,059)
5	New financial assets, net of repayments and others	(2,023)	(5,311)
6	**Defaulted loans and debt securities at the end of the reporting period**	**21,486**	**22,022**

Credit risk mitigation techniques overview (CR3)

The following table discloses the extent of use of credit risk mitigation techniques.

	a	b	c	d	e	f	g
30 June 2024 AED in millions	**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 derivative, of which: secured amount**
1 Loans	413,930	61,584	30,719	1,618	833	-	-
2 Debt securities	166,072	-	-	-	-	-	-
3 Total	**580,002**	**61,584**	**30,719**	**1,618**	**833**	**-**	**-**
4 Of which defaulted	1,408	211	163	43	15	-	-

Credit risk mitigation techniques overview (CR3) (continued)

31 December 2023 AED in millions	a Exposures unsecured: carrying amount	b Exposures secured by collateral	c Exposures secured by collateral of which: secured amount	d Exposures secured by financial guarantees	e Exposures secured by financial guarantees, of which: secured amount	f Exposures secured by credit derivatives	g Exposures secured by credit derivative, of which: secured amount
1 Loans	384,717	59,542	26,788	847	829	-	-
2 Debt securities	162,535	-	-	-	-	-	-
3 Total	547,252	59,542	26,788	847	829	-	-
4 Of which defaulted	-	229	172	34	34	-	-

Credit risk exposure and credit risk mitigation (CRM) effects (CR4)

The following table illustrates the effect of CRM on capital calculations and RWA density, providing a synthetic metric on riskiness of each portfolio.

30 June 2024	Exposure before CCF and CRM		Exposure post CCF and CRM		RWA and RWA Density	
Asset Class **AED in millions**	**On-Balance Sheet**	**Off-Balance Sheet**	**On-Balance Sheet**	**Off-Balance Sheet**	**RWA**	**RWA Density**
Sovereigns and their central banks	323,095	600	323,079	240	54,095	17%
Public Sector Entities	91,150	37,291	84,744	9,994	73,103	77%
Multilateral development banks	1,817	4	1,817	4	267	15%
Banks	114,452	29,467	108,329	21,551	66,612	51%
Securities firms	6	485	6	97	103	100%
Corporates	166,398	115,824	139,938	54,728	188,258	97%
Regulatory retail portfolios	104,811	77,893	102,531	3,319	80,447	76%
Secured by residential property	30,787	1,350	30,676	543	14,586	47%
Secured by commercial real estate	41,180	2,450	39,175	1,300	40,475	100%
Equity Investment in Funds (EIF)	8	-	8	-	103	1250%
Past-due loans	29,519	3,580	248	3,580	4,998	131%
Higher-risk categories	-	-	-	-	-	-
Other assets	38,531	-	38,531	-	25,200	65%
Total	**941,754**	**268,944**	**869,082**	**95,356**	**548,247**	**57%**

Credit risk exposure and credit risk mitigation (CRM) effects (CR4) (continued)

31 December 2023	Exposure before CCF and CRM		Exposure post CCF and CRM		RWA and RWA Density	
Asset Class **AED in millions**	**On Balance Sheet**	**Off Balance Sheet**	**On Balance Sheet**	**Off Balance Sheet**	**RWA**	**RWA Density**
Sovereigns and their central banks	313,501	9,838	313,358	9,771	56,091	17%
Public Sector Entities	84,255	27,713	80,465	8,130	69,318	78%
Multilateral development banks	1,274	15	1,274	15	22	2%
Banks	101,727	28,313	93,508	21,551	60,623	53%
Securities firms	6	-	6	-	6	100%
Corporates	150,455	103,543	125,836	50,822	171,776	97%
Regulatory retail portfolios	91,124	73,102	88,204	3,201	69,119	76%
Secured by residential property	25,409	1,294	25,407	621	11,049	42%
Secured by commercial real estate	42,441	1,617	40,775	891	41,666	100%
Equity Investment in Funds (EIF)	9	-	9	-	113	1250%
Past-due loans	29,646	3,261	139	2,369	3,507	140%
Higher-risk categories	-	-	-	-	-	-
Other assets	36,471	-	36,471	-	21,055	58%
Total	**876,318**	**248,696**	**805,452**	**97,371**	**504,345**	**56%**

Exposures by asset classes and risk weights (CR5)

The following table presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight.

Exposures amount (post CCF and post-CRM**)**

30 June 2024 AED in millions	**Risk Weights**								
Regulatory portfolio	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns	254,798	16,523	-	2,418	-	49,581	-	-	323,320
Public Sector Entities (PSEs)	750	23,215	-	4,623	-	66,149	-	-	94,737
Multilateral development banks (MDBs)	1,175	189	-	458	-	-	-	-	1,822
Banks	-	37,995	-	65,976	-	25,672	236	1	129,880
Securities firms	-	-	-	-	-	103	-	-	103
Corporates	-	2,265	-	6,206	-	176,185	15	9,993	194,664
Regulatory retail portfolios	-	9	-	-	101,567	4,270	-	-	105,846
Secured by residential property	-	-	24,421	-	3,039	3,759	-	-	31,219
Secured by commercial real estate	-	-	-	-	-	40,475	-	-	40,475
Equity Investment in Funds (EIF)	-		-	-	-		-	8	8
Past-due loans	-	15	-	-	-	1,464	2,354	-	3,833
Higher-risk categories	-	-	-	-	-		-	-	-
Other assets	14,253	1,351	-	-	-	20,549	1,565	813	38,531
Total	**270,976**	**81,562**	**24,421**	**79,681**	**104,606**	**388,207**	**4,170**	**10,815**	**964,438**

Exposures by asset classes and risk weights (CR5) (continued)

31 December 2023
AED in millions

Regulatory portfolio	Risk Weights								
	0%	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns	253,242	16,055	-	1,905	-	51,927	-	-	323,129
Public Sector Entities (PSEs)	-	23,557	-	864	-	64,190	-	-	88,611
Multilateral development banks (MDBs)	1,179	110	-	-	-	-	-	-	1,289
Banks	-	32,848	-	56,665	-	25,200	346	-	115,059
Securities firms	-	-	-	-	-	6	-	-	6
Corporates	-	1,960	-	3,890	-	160,799	28	9,980	176,658
Regulatory retail portfolios	-	4	-	7	89,488	1,906	-	-	91,405
Secured by residential property	-	-	21,945	-	2,863	1,220	-	-	26,028
Secured by commercial real estate	-	-	-	-	-	41,666	-	-	41,666
Equity Investment in Funds (EIF)	-	-	-	-	-		-	9	9
Past-due loans	-	31	-	-	-	419	2,058	-	2,508
Higher-risk categories	-	-	-	-	-		-	-	-
Other assets	16,170	427	-	-	-	18,497	973	405	36,471
Total	**270,591**	**74,992**	**21,945**	**63,331**	**92,351**	**365,830**	**3,405**	**10,394**	**902,839**

Risk weight composition on PSEs has improved due to higher quality exposures during the year, coupled with overall increase in exposures across all asset classes. The composition on banks have slightly moved to higher risk weights due to increase in unsecured exposures.

Analysis of counterparty credit risk (CCR) exposure (CCR1)

The following table provides details of counterparty credit risk regulatory requirements and the main parameters. CBUAE requires banks to calculate CCR using standardized approach.

SA-CCR (for derivatives)

		a	b	c	d	e	f
	30 June 2024 **AED in millions**	**Replacement cost**	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	SA-CCR (for derivatives)	2,996	4,925		1.4	11,089	7,379
2	Simple Approach for credit risk mitigation (for SFTs)						
3	Comprehensive Approach for credit risk mitigation (for SFTs)						
4	**Total**	**2,996**	**4,925**			**11,089**	**7,379**

		a	b	c	d	e	f
	31 December 2023 **AED in millions**	**Replacement cost**	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	SA-CCR (for derivatives)	3,618	5,085		1.4	12,184	8,171
2	Simple Approach for credit risk mitigation (for SFTs)						
3	Comprehensive Approach for credit risk mitigation (for SFTs)						
4	**Total**	**3,618**	**5,085**			**12,184**	**8,171**

Credit valuation adjustment (CVA) capital charge (CCR2)

	30 June 2024 **AED in millions**	**a**	**b**
		EAD post-CRM	**RWA**
1	All portfolios subject to the Standardised CVA capital charge	11,089	4,978
2	All portfolios subject to the Simple alternative CVA capital charge	-	-

	31 December 2023 **AED in millions**	**a**	**b**
		EAD post-CRM	**RWA**
1	All portfolios subject to the Standardised CVA capital charge	12,184	5,603
2	All portfolios subject to the Simple alternative CVA capital charge	-	-

CCR exposures by regulatory portfolio and risk weights (CCR3)

The following table presents information on the risk-weighting of CCR exposures under the standardised approach by regulatory portfolio.

30 June 2024 AED in millions	**Risk Weight**							
	a	**b**	**c**	**d**	**e**	**f**	**g**	**h**
Regulatory portfolio	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns	23	-	-	-	-	-	-	23
Public Sector Entities (PSEs)	-	300	-	-	827	-	-	1,127
Multilateral development banks (MDBs)	4	-	-	-	-	-	-	4
Banks	-	1,208	4,134	-	1,279	30	1	6,652
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	434	135	-	2,674	-	11	3,254
Regulatory retail portfolios	-	-	-	28	1	-	-	29
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**27**	**1,942**	**4,269**	**28**	**4,781**	**30**	**12**	**11,089**

CCR exposures by regulatory portfolio and risk weights (CCR3) (continued)

The following table presents information on the risk-weighting of CCR exposures under the standardised approach by regulatory portfolio.

31 December 2023 AED in millions	Risk Weight							
	a	b	c	d	e	f	g	h
Regulatory portfolio	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns	37	-	-	-	583	-	-	620
Public Sector Entities (PSEs)	-	81	-	-	1,208	-	-	1,289
Multilateral development banks (MDBs)	15	-	-	-	-	-	-	15
Banks	-	2,086	3,732	-	1,560	31	-	7,409
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	382	132	-	2,300	-	2	2,816
Regulatory retail portfolios	-	-	-	17	18	-	-	35
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**52**	**2,549**	**3,864**	**17**	**5,669**	**31**	**2**	**12,184**

Composition of collateral for CCR exposure (CCR5)

Below table provides the breakdown of types of collateral posted or received related to derivative transactions.

30 June 2024 AED in millions	a	b	c	d	e	f
	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 - other currencies	923	829	-	1,501	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	100	-	-
Total	**923**	**829**	**-**	**1,601**	**-**	**-**

31 December 2023 AED in millions	A	b	c	d	e	f
	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 - other currencies	1,303	712	-	1,370	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	100	-	-
Total	**1,303**	**712**	**-**	**1,470**	**-**	**-**

Credit derivative exposures (CCR6)

The below table shows the credit derivative exposures that the Group holds.

	a	b	a	b
AED in millions	**30 June 2024 Protection bought**	**30 June 2024 Protection sold**	**31 December 2023 Protection bought**	**31 December 2023 Protection sold**
Notional				
Single-name credit default swaps	1,678	1,083	44	74
Index credit default swaps	-	-	-	-
Total return swaps	3,121	3,620	3,587	3,587
Credit options	-	-	-	-
Other credit derivatives	-	-	-	-
Total notional	**4,799**	**4,703**	**3,631**	**3,661**
Fair values				
Positive fair value (asset)	-	219	366	-
Negative fair value (liability)	102	-	-	367

Exposures to central counterparties (CCR8)

		a	b	a	b
	AED in millions	**30 June 2024** **EAD (post-CRM)**	**30 June 2024** **RWA**	**31 December 2023** **EAD (post-CRM)**	**31 December 2023** **RWA**
1	**Exposures to QCCPs (total)**				
2	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	1	-	-	-
3	(i) OTC derivatives	1	-	-	-
4	(ii) Exchange-traded derivatives	-	-	-	-
5	(iii) Securities financing transactions	-	-	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-		-	
8	Non-segregated initial margin	-	-	-	-
9	Pre-funded default fund contributions	-	-	-	-
10	Unfunded default fund contributions	-	-	-	-
11	**Exposures to non-QCCPs (total)**				
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution); of which:	281	173	310	149
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	154	148	116	110
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	127	25	194	39
17	Segregated initial margin	-		-	
18	Non-segregated initial margin*	(262)	-	(304)	-
19	Pre-funded default fund contributions	-	-	-	-
20	Unfunded default fund contributions	-	-	-	-

**It represents net margin posted.*

Market risk under the standardised approach (MR1)

The following table provides the components of capital requirement under the Standardised Approach for market risk:

	AED in millions	30 June 2024 RWA	31 December 2023 RWA
1	General Interest rate risk (General and Specific)	14,218	12,251
2	Equity risk (General and Specific)		-
3	Foreign exchange risk	2,102	1,872
4	Commodity risk	6	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	278	354
7	Scenario approach		
8	Securitisation		
9	**Total**	**16,604**	**14,477**

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Liquidity coverage ratio (LCR) (LIQ1)

The liquidity coverage ratio (LCR) is a regulatory ratio introduced as a part of the Basel III reforms with an objective to promote short term resilience of the liquidity risk profile of Banks. The ratio requires the Banks to hold an adequate stock of High Quality Liquid Assets (HQLA) to meet the liquidity needs for a 30-calendar day liquidity stress scenario.

The Group measures and reports its LCR under the Central Bank of UAE liquidity regulations. The Group also meets the local prudential LCR requirements across the international footprint, where applicable. The LCR is calculated as a proportion of the stock of unencumbered HQLA against the Net Cash Outflow over a 30 day period after applying the standardized haircuts.

The HQLA comprises of cash or assets that can be converted into cash at little or no loss of value. The HQLA eligible securities fall into three categories viz. level 1, level 2A and level 2B. Level 1 assets are of the highest quality and deemed most liquid e.g., Central Bank reserves. Level 2A and 2B assets are reliable source of liquidity but not to the same extent as level 1 and are capped at a maximum of 40% by the regulations.

The Net Cash Outflow comprise of total expected cash outflow as reduced by total expected cash inflows for the 30-day period. The total expected cashflows are calculated by multiplying the outstanding balances of various categories of liabilities, assets, and off-balance sheet commitments by prescribed rate at which they are expected to be run off or drawn down over the 30-day period.

Liquidity coverage ratio (LCR) (LIQ1)

The LCR calculated based on CBUAE regulations is included in the following table. The LCR disclosure below is a simple average of the month end Group LCR observations over the last quarter.

	AED in millions	**June 2024 Total unweighted value (average)**	**June 2024 Total weighted value (average)**	**December 2023 Total unweighted value (average)**	**December 2023 Total weighted value (average)**
1	Total HQLA		213,681		200,038
2	**Retail deposits and deposits from small business customers, of which:**				
3	Stable deposits	7,960	398	8,071	404
4	Less stable deposits	319,905	26,253	295,702	24,895
5	**Unsecured wholesale funding, of which:**				

	AED in millions	June 2024 Total unweighted value (average)	June 2024 Total weighted value (average)	December 2023 Total unweighted value (average)	December 2023 Total weighted value (average)
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	73,343	18,336	61,907	15,477
7	Non-operational deposits (all counterparties)	144,310	68,587	149,713	68,582
8	Unsecured debt	-	-	-	-
9	**Secured wholesale funding**		**364**		**25**
10	**Additional requirements, of which:**				
11	Outflows related to derivative exposures and other collateral requirements	8,425	6,426	6,150	6,150
12	Outflows related to loss of funding of debt products	-	-	-	-
13	Credit and liquidity facilities	227,606	24,412	181,873	18,036
14	Other contractual funding obligations	11,217	11,217	9,896	9,896
15	Other contingent funding obligations	21,553	1,078	42,283	4,443
16	**TOTAL CASH OUTFLOWS**		**157,071**		**147,908**
17	Secured lending (e.g., reverse repo)	7,404	2,490	5,925	1,734
18	Inflows from fully performing exposures	54,400	40,607	53,559	43,496
19	Other cash inflows	9,497	9,497	7,388	7,388
20	**TOTAL CASH INFLOWS**	**71,302**	**52,594**	**66,872**	**52,618**
			Total adjusted value		**Total adjusted value**
21	**Total HQLA**		**213,681**		**200,038**
22	**Total net cash outflows**		**104,477**		**95,290**
23	**Liquidity coverage ratio (%)**		**204.52%**		**209.93%**

The Group maintained a LCR of 204.52% (December 2023 : 209.93%) on an average during second quarter of the reporting year and 199.21% (December 2023 : 209.73%) as of 30 June 2024 reporting period, which is in excess of the regulatory minimum of 100%. The LCR is influenced by the amount, profile of the funding base and the deployment of funding into customer lending or HQLA investments. The deployment alternatives are assessed on an ongoing basis and adjusted as per the market opportunities, while maintaining a prudent LCR surplus.

Liquidity (continued)

Liquidity Coverage Ratio (LCR) (LIQ1) (continued)

The HQLA over the reporting period was AED 213.7 billion and 91% of this comprised of HQLA Level 1 assets, which represents balances held with Central Bank and other high quality sovereign securities. HQLA Level 2A and 2B assets comprised the remaining 9% of the total HQLA. The HQLA presented excludes excess liquidity held at subsidiaries that is deemed not transferable within the Group.

The retail deposits are prescribed a lower run-off factor and comprise 17% of the total cash outflow, whereas wholesale funding is prescribed a higher run-off and comprise 56% of the total cash outflows.

The Group manages liquidity at currency level and cross currency funding is utilized appropriately to manage the currency gaps. The Group measures LCR for major currencies and meets the local currency LCR as per the applicable local prudential requirement.

Net stable funding ratio (NSFR) (LIQ2)

The Net Stable Funding Ratio (NSFR) is a regulatory ratio introduced as part of Basel III reforms with an objective to promote a sustainable funding structure at the Banks. The ratio requires the Banks to maintain a stable funding profile in relation to the composition of their assets and off-balance sheet activities.

The Group measures and reports its NSFR under the Central Bank of UAE liquidity regulations. The Group also meets the local prudential NSFR requirements across the international footprint, where applicable.

The NSFR is calculated as a proportion of Available Stable Funding (ASF) against the Required Stable Funding (RSF). The ASF is defined as the portion of Capital and Liabilities expected to be stable over the time horizon of one year considered by NSFR. The RSF is measured based on broad characteristic of the liquidity risk profile of the Assets and Off-balance sheet exposures. The regulations prescribe the factor to be applied to the outstanding value of Capital, Liabilities, Assets and Off-balance sheet items for NSFR computation.

Net stable funding ratio (NSFR) (LIQ2) (continued)

The NSFR computed based on Central Bank of UAE regulations is included in the following table. The NSFR disclosure below is a simple average of the month end Group NSFR observations over the last quarter of the year.

30 June 2024		**a**	**b**	**c**	**d**	**e**
AED in millions		**Unweighted value by residual maturity**				**Weighted value**
		No maturity*	**<6 months**	**6 months to <1 year**	**≥1 year**	
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital					
3	Other capital instruments	-	-	-	118,260	118,260
4	Retail deposits and deposits from small business customers:	-	-	-	-	-
5	Stable deposits	-	-	-	-	-
6	Less stable deposits	-	7,595	125	9	7,34201
7	Wholesale funding:	-	264,294	31,581	6,376	272,664
8	Operational deposits	-	-	-	-	-
9	Other wholesale funding	-	70,715	-	-	35,358
10	Liabilities with matching interdependent assets	-	228,680	43,948	64,491	177,034
11	Other liabilities:	-	-	-	-	-
12	NSFR derivative liabilities				13,365	

Net stable funding ratio (NSFR) (LIQ2) (continued)

	30 June 2024	Unweighted value by residual maturity				Weighted Value
	AED in millions	No maturity*	<6 months	6 months to <1 year	≥1 year	
13	All other liabilities and equity not included in the above categories	-	71,145	2,406	791	1,994
14	**Total ASF**					**612,652**
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)		158,279	23,044	80,481	17,205
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	Performing loans and securities:	-	-	-	-	-
18	Performing loans to financial institutions secured by Level 1 HQLA	-	4,944	-	1,006	1,501
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	67,558	17,333	20,153	38,953
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	95,654	39,546	259,677	288,325

Net stable funding ratio (NSFR) (LIQ2) (continued)

	30 June 2024	Unweighted value by residual maturity				Weighted Value
	AED in millions	No maturity*	<6 months	6 months to <1 year	≥1 year	
21	With a risk weight of less than or equal to 35% under the standardised approach for credit risk	-	-	-	20,618	13,402
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the standardised approach for credit risk	-	-	-	68,090	44,258
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities		2,189	728	11,035	10,936
25	Assets with matching interdependent liabilities					
26	Other assets:					
27	Physical traded commodities, including gold	187				159
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					

Net stable funding ratio (NSFR) (LIQ2) (continued)

	30 June 2024	Unweighted value by residual maturity				Weighted Value
	AED in millions	No maturity*	<6 months	6 months to <1 year	≥1 year	
29	NSFR derivative assets				12,837	
30	NSFR derivative liabilities before deduction of variation margin posted				18,919	3,784
31	All other assets not included in the above categories	-	(16,522)	962	55,982	37,778
32	Off-balance sheet items	249,159	-	-	-	21,872
33	**Total RSF**					**478,173**
34	**Net Stable Funding Ratio (%)**					**128.12%**

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

The Group maintained a NSFR of 128.12% (December 2023: 125.00%) on an average during second quarter of the reporting year and 128.53%(December 2023: 124.78%) as of 30 June 2024 reporting period, which is in excess of the regulatory minimum of 100%. The Group maintains a diversified funding base comprising core retail and corporate customer deposits, institutional balances and capital market term funding. This is illustrated in the composition of Available Stable Funding (ASF) broadly consisting of Capital (19%), Retail deposits (46%) and Wholesale deposits (35%). The Required Stable Funding (RSF) largely comprised of the Loan and Advances (81%) whereas the securities held in HQLA assets are prescribed a lower RSF factor.

Net stable funding ratio (NSFR) (LIQ2) (continued)

The NSFR computed based on Central Bank of UAE regulations is included in the following table. The NSFR disclosure below is a simple average of the month end Group NSFR observations over the last quarter of the year.

	31 December 2023	**a**	**b**	**c**	**d**	**e**
	AED in millions	**Unweighted value by residual maturity**				**Weighted value**
		No maturity*	**<6 months**	**6 months to <1 year**	**≥1 year**	
	Available stable funding (ASF) item					
1	**Capital:**					
2	Regulatory capital	-	-	-	112,724	112,724
3	Other capital instruments	-	-	-	-	-
4	**Retail deposits and deposits from small business customers:**					
5	Stable deposits	-	7,795	62	3	7,467
6	Less stable deposits	-	238,007	25,287	4,695	241,661
7	**Wholesale funding:**					
8	Operational deposits	-	63,639	-	-	31,820
9	Other wholesale funding	-	233,617	34,739	60,058	172,997
10	Liabilities with matching interdependent assets	-	-	-	-	-

Net stable funding ratio (NSFR) (LIQ2) (continued)

31 December 2023 AED in millions		Unweighted value by residual maturity				Weighted Value
		No maturity*	<6 months	6 months to <1 year	≥1 year	
11	**Other liabilities:**					
12	NSFR derivative liabilities		-	-	20,498	
13	All other liabilities and equity not included in the above categories	-	68,155	1,768	133	1,017
14	**Total ASF**					**567,686**
	Required stable funding (RSF) item					
15	Total NSFR high-quality liquid assets (HQLA)		147,317	22,226	74,028	16,631
16	Deposits held at other financial institutions for operational purposes	-	-	-	-	-
17	**Performing loans and securities:**					
18	Performing loans to financial institutions secured by Level 1 HQLA	-	3,874	-	-	387
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	64,094	13,898	12,439	29,002

Net stable funding ratio (NSFR) (LIQ2) (continued)

	31 December 2023	Unweighted value by residual maturity				Weighted Value
	AED in millions	**No maturity***	**<6 months**	**6 months to <1 year**	**≥1 year**	
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	82,626	34,163	267,036	285,375
21	With a risk weight of less than or equal to 35% under the standardised approach for credit risk	-	-	-	26	17
22	Performing residential mortgages, of which:	-	-	-	-	-
23	With a risk weight of less than or equal to 35% under the standardised approach for credit risk	-	-	-	81,619	53,052
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	4,900	1,881	9,418	11,396
25	**Assets with matching interdependent liabilities**					

Net stable funding ratio (NSFR) (LIQ2) (continued)

31 December 2023 AED in millions		Unweighted value by residual maturity: No maturity*	Unweighted value by residual maturity: <6 months	Unweighted value by residual maturity: 6 months to <1 year	Unweighted value by residual maturity: ≥1 year	Weighted Value
26	**Other assets:**					
27	Physical traded commodities, including gold	155				131
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		-	-	2,130	1,811
29	NSFR derivative assets				17,465	-
30	NSFR derivative liabilities before deduction of variation margin posted		-	-	20,650	4,130
31	All other assets not included in the above categories	-	1,684	-	30,202	30,203
32	Off-balance sheet items	224,842	-	-	-	22,026
33	**Total RSF**					**454,161**
34	**Net Stable Funding Ratio (%)**					**125.00%**

* Items to be reported in the “No maturity” time bucket do not have stated maturity. These may include but are not limited to items such as capital with perpetual maturity, non-maturity deposit, short positions, open maturity positions, non HQLA equities and physical traded.

The Group maintained a NSFR of 125.00% on an average during last quarter of the reporting year 2023 and 124.78% as at the year ended 31 December 2023, which is in excess of the regulatory minimum of 100%. The composition of Available Stable Funding (ASF) broadly consisting of Capital (20%), Retail deposits (44%) and Wholesale deposits (36%). The Required Stable Funding (RSF) largely comprised of the Loan and Advances (81%) whereas the securities held in HQLA assets are prescribed a lower RSF factor.

Appendix A : Template CCA: Main features of regulatory capital instruments

Sr no	Particulars	Equity Shares	U.S.$1,000,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities
1	Issuer	Emirates NBD Bank (P.J.S.C.)	Emirates NBD Bank (P.J.S.C.)	Emirates NBD Bank (P.J.S.C.)	Emirates NBD Bank (P.J.S.C.)
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		XS1964681610	XS2134363170	XS2342723900
3	Governing law(s) of the instrument	CBUAE,SCA,CCL	English Law	English Law	English Law
	Regulatory treatment				
4	Transitional arrangement rules (i.e. grandfathering)	Common Equity Tier I	NA	NA	NA
5	Post-transitional arrangement rules (i.e. grandfathering)	Common Equity Tier I	Additional Tier I	Additional Tier I	Additional Tier I
6	Eligible at solo/group/ group and solo	Solo and Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Common Shares	Perpetual Debt Instruments	Perpetual Debt Instruments	Perpetual Debt Instruments
8	Amount recognised in regulatory capital (**AED in Billions, as of 30 June 2024**)	6.3	3.7	2.7	2.7
9	Nominal amount of instrument	NA	U.S.$1,000,000,000	U.S.$750,000,000	U.S.$750,000,000
9a	Issue price		100 percent	100 percent	100 percent

Appendix A : Template CCA: Main features of regulatory capital instruments (continued)

Sr no	Particulars	Equity Shares	U.S.$1,000,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities
9b	Redemption price	NA	100% in case of an Optional Redemption or a Tax Event Redemption, and 101% in case of a Capital Event Redemption.	100% in case of an Optional Redemption or a Tax Event Redemption, and 101% in case of a Capital Event Redemption.	100% in case of an Optional Redemption or a Tax Event Redemption, and 101% in case of a Capital Event Redemption.
10	Accounting classification	Equity Attributable to Equity holders	Equity Attributable to Equity holders	Equity Attributable to Equity holders	Equity Attributable to Equity holders
11	Original date of issuance		20th March 2019	9th July 2020	27th May 2021
12	Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
13	Original maturity date	No Maturity	NA	NA	NA
14	Issuer call subject to prior supervisory approval	No	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	20th March 2025 / Tax Event or a Capital Event / at Par for Optional and Tax Event call, at 101% in case of a Capital Event.	9th April 2026 / Tax Event or a Capital Event / at Par for Optional and Tax Event call, at 101% in case of a Capital Event.	27th Feb 2027 / Tax Event or a Capital Event / at Par for Optional and Tax Event call, at 101% in case of a Capital Event.

Appendix A : Template CCA: Main features of regulatory capital instruments (continued)

Sr no	Particulars	Equity Shares	U.S.$1,000,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities
16	Subsequent call dates, if applicable	NA	20th September 2025 and every 6 months thereafter	9th July 2026 and every 6 months thereafter	27th May 2027 and every 6 months thereafter
	Coupons / dividends				
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed	Fixed
18	Coupon rate and any related index	NA	6.125%	6.125%	4.25%
19	Existence of a dividend stopper	NA	Yes	Yes	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Partially discretionary	Partially discretionary	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Partially discretionary	Partially discretionary	Partially discretionary
21	Existence of step-up or other incentive to redeem	No	No	No	No
22	Non-cumulative or cumulative	Non- Cumulative	Non- Cumulative	Non- Cumulative	Non- Cumulative
23	Convertible or non-convertible	NA	Non- Convertible	Non- Convertible	Non- Convertible

Appendix A : Template CCA: Main features of regulatory capital instruments (continued)

Sr no	Particulars	Equity Shares	U.S.$1,000,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities	U.S.$750,000,000 Perpetual Additional Tier 1 Capital Securities
24	Write down feature	NA	Yes	Yes	Yes
25	If write down, write down trigger(s)	NA	Notice from the UAE Central Bank (as the Regulator) to the Issuer that the Issuer has, or will, become Non-Viable (as defined in the Conditions) without a write-down or a public injection of capital or equivalent support (i.e., Point of Non-Viability (PONV) trigger)	Notice from the UAE Central Bank (as the Regulator) to the Issuer that the Issuer has, or will, become Non-Viable (as defined in the Conditions) without a write-down or a public injection of capital or equivalent support (i.e., Point of Non-Viability (PONV) trigger)	Notice from the UAE Central Bank (as the Regulator) to the Issuer that the Issuer has, or will, become Non-Viable (as defined in the Conditions) without a write-down or a public injection of capital or equivalent support (i.e., Point of Non-Viability (PONV) trigger)
26	If write down, full or partial	NA	Full/Partial (Both Options available)	Full/Partial (Both Options available)	Full/Partial (Both Options available)
27	If write down, permanent or temporary	NA	Permanent	Permanent	Permanent
28	If temporary write down, description of writeup mechanism	NA	NA	NA	NA
28a	Type of subordination	NA	Contractual	Contractual	Contractual

Acronyms

ALCO	Asset and Liability Committee	LGD	Loss Given Default
ALM	Asset and Liability Management	MDB	Multilateral Development Banks
ASF	Available stable funding	MR	Market Risk
AT1	Additional Tier 1	MTM	Mark-To-Market
BCBS	Basel Committee on Banking Supervision	NII	Net Interest Income
BIS	Bank for International Settlements	NSFR	Net Stable Funding Ratio
BRC	Board Risk Committee	OTC	Over the counter
CBUAE	Central Bank of the UAE	PD	Probability of Default
CCF	Credit Conversion Factor	PFE	Potential Future Exposure
CCP	Central Counterparty	PIT	Point in Time
CCR	Counterparty Credit Risk	PM	Portfolio Management
CCyB	Countercyclical capital buffer	PVA	Prudent Valuation Adjustment
CET1	Common Equity Tier 1	QCCP	Qualifying Central Counterparty
CRM	Credit Risk Mitigation	RSF	Required stable funding
CVA	Credit Valuation Adjustment	RWAs	Risk-Weighted Assets
D-SIB	Domestic Systemically Important Bank	SA	Standardised Approach
DVA	Debit Valuation Adjustment	SFT	Securities Financing Transactions
EAD	Exposure at default	SME	Small and Medium - sized Enterprise
ECAI	External Credit Assessment Institutions	SPE	Special Purpose Entity
ECL	Expected Credit loss	T1	Tier 1 capital
FSB	Financial Stability Board	T2	Tier 2 capital
GCC	Gulf Cooperative Council	TC	Total capital
G-SIB	Global Systemically Important Bank	TESS	Target Economic Support Scheme
HQLA	High Quality Liquid Asset	VaR	Value at Risk
IFRS	International Financial Reporting Standards	XVA	Credit and Funding Valuation Adjustment
ICAAP	Internal Capital Adequacy Assessment Process	TM	Treasury Markets
IRR	Interest Rate Risk	SCA	Securities and Commodities Authority
LCR	Liquidity Coverage Ratio	CCL	Commercial Companies Law
BN&RC	Board Nomination & Remuneration Committee		

Glossary

Capital conservation buffer

A capital buffer prescribed by BCBS and CBUAE under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should the bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.

Countercyclical capital buffer (CCyB)

The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets.

Counterparty credit risk (CCR)

The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

Credit Conversion Factor (CCF)

Factors used to convert off-balance-sheet items into credit exposure equivalents.

Credit risk adjustment (CRA)

This includes impairment allowances or provisions balances, and changes in ECL.

Credit risk mitigation (CRM)

Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Domestic systemically important banks (D-SIBs)

Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The CBUAE and the BCBS have developed a framework for identifying and dealing with D-SIBs. The Central Bank of the UAE annually assesses national banks at their consolidated group level and foreign banks at their UAE branch level; to designate banks whose failure could escalate to systemic risk for the UAE banking sector and eventually impact the economy.

Glossary (continued)

Internal capital adequacy assessment process (ICAAP)

A requirement under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.

Leverage ratio

A ratio introduced under Basel III that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk based backstop measure.

Liquidity coverage ratio (LCR)

The ratio of the stock of high quality liquid assets to expected net cash outflows over the following 30 days. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Net stable funding ratio (NSFR)

The ratio of available stable funding to required stable funding over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one-year time horizon.

RWA density

The risk-weighted asset as a percentage of exposure at default (EAD).

Securities financing transactions (SFT)

Securities Financing Transactions are secured (i.e. collateralised) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

Standardised approach (SA)

In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.