



MCB Bank Limited – UAE Branch

BASEL – PILLAR 3 DISCLOSURES

FOR THE YEAR ENDED 30 JUNE 2023

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1. Introduction to Bank

MCB Bank Limited (the “Head Office”) is a Pakistan registered bank with its principal office in Lahore, Pakistan. It commenced its operations in the United Arab Emirates (UAE) in 2014 as a wholesale bank and currently has one branch (the “Bank”) in Dubai. The address of the registered office of the Bank is P.O. Box 6481, Dubai.

2. Introduction to Bank’s Capital adequacy framework

Central Bank of UAE published final Capital Adequacy Standards and Guidance along with Notice 4980/2020 on 12th November 2020. This included revised Standards and Guidance with respect to Pillar 3 – Market Disclosures. Further to this, the Central Bank of UAE provided explanatory notes and disclosure templates for Pillar 3 on 30th November 2021 as part of Notice 5508/2021 and on 9th May 2022 as per the notice CBUAE/BSN/2022/1887. The Standards prescribed the effective date of these disclosures to be 31st December 2021 and quarterly thereon.

This document presents the Pillar 3 disclosures of MCB Bank Limited – UAE Branch (“the Bank”) as at 30 June 2023. The purpose of Pillar 3 disclosures is to allow market participants to assess key pieces of information on the firm's capital, risk exposures and risk assessment process.

2.1 Regulatory Framework

The framework is structured around the following three Pillars:

1. Pillar 1 on minimum capital requirements for credit, market and operational risk
2. Pillar 2 on the supervisory review process and the Internal Capital Adequacy Assessment Process (ICAAP)
3. Pillar 3 on market discipline

2.2 Pillar 1 – Minimum Capital Requirement

Pillar 1 defines the total minimum capital requirements for credit, market and operational risk. MCB Bank Limited - UAE Branch uses standardized approach for assessment of Credit, Market and Operational Risk weighted assets (RWA). Under the standardized approach, regulatory prescribed risk weights and parameters are applied to calculate Pillar 1 capital requirements.

CBUAE has put in regulatory thresholds for Common Equity Tier 1, Tier 1 and overall regulatory Capital.

1. CET1 must be at least 7.0% of risk weighted assets (RWA);
2. Tier 1 Capital must be at least 8.5% of RWA;
3. Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5% of RWA.

On top of this minimum capital requirement CBUAE has also mandated the Banks to keep additional buffers.

- In addition to the minimum CET1 capital of 7.0% of RWA, banks must maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of CET1 capital
- To achieve the broader macro-prudential goal of protecting the banking sector from periods of excess aggregate credit growth and in addition to the CCB requirements, banks may be required to implement the countercyclical buffer (CCyB). Banks must meet the CCyB requirements by using CET1 capital. The level of the CCyB requirements will vary between 0% - 2.5% of RWA and be communicated by the Central Bank with an adequate notice period.

These requirements are summarized in the table below:

Capital Element	Requirement
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%
Domestic Systemically Important Banks Buffer	1.5%
Countercyclical buffer (0% - 2.5%)	0%

The capital ratios for MCB Bank Limited - UAE Branch as of 30 June 2023 are given below. All of these are well above the CBUAE minimum.

Common Equity Tier 1 Ratio	23.88%
Capital Adequacy Ratio	24.96%

2.3 Pillar 2 – ICAAP and Supervisory Review Process

The ICAAP is considered as an essential tool to address all current and potential material risks. MCB Bank ensures that it not only satisfies the minimum regulatory capital requirements of CBUAE but also maintains appropriate internal capital levels in line with the current and anticipated capital requirements and to withstand stress scenarios. Key highlights of ICAAP are as below:

- Business background & Group structure
- Business model and products offered by bank
- Stress Testing
- Risk assessment and disclosures
- Business strategy & financial projections

2.4 Pillar 3 – Market Discipline

The Bank discloses to its external stakeholder's detailed qualitative and quantitative information on its risk management practice and capital adequacy in line with the CBUAE Pillar 3 guidelines. Pillar 3 complements the Pillar 1 - minimum capital requirements and the Pillar 2 – ICAAP and supervisory review process. The purpose of Pillar 3 disclosures is to enhance market discipline through disclosure requirements which allows market participants to assess the risk exposures of the Bank around capital, material risk exposures and internal risk assessment processes and mitigation strategies, and hence assess the strength of the Bank. The reporting frequency of the revised set of disclosures has been defined by CBUAE.

3. Overview of risk management and RWA

3.1 KM1: Key metrics (at consolidated group level)

		a	b	c	d	e
		Jun-23	Mar-23	Dec-22	Sep-22	Jun-22
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	85,596	84,326	88,766	87,380	87,368
1a	Fully loaded ECL accounting model	85,596	84,326	88,766	87,380	87,368
2	Tier 1	85,596	84,326	88,766	87,380	87,368
2a	Fully loaded ECL accounting model Tier 1	85,596	84,326	88,766	87,380	87,368
3	Total capital	89,478	87,683	91,935	91,262	90,918
3a	Fully loaded ECL accounting model total capital	89,478	87,683	91,935	91,262	90,918
4	Total risk-weighted assets (RWA)	358,425	318,705	301,323	345,537	319,037
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	23.9%	26.5%	29.5%	25.3%	27.4%
5a	Fully loaded ECL accounting model CET1 (%)	23.9%	26.5%	29.5%	25.3%	27.4%
6	Tier 1 ratio (%)	23.9%	26.5%	29.5%	25.3%	27.4%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	23.9%	26.5%	29.5%	25.3%	27.4%
7	Total capital ratio (%)	25.0%	27.5%	30.5%	26.4%	28.5%
7a	Fully loaded ECL accounting model total capital ratio (%)	25.0%	27.5%	30.5%	26.4%	28.5%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	2.5%	2.5%	2.5%

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12	CET1 available after meeting the bank's minimum capital requirements (%)	14.5%	17.0%	20.0%	15.9%	18.0%
	Leverage Ratio					
13	Total leverage ratio measure	1,458,125	1,178,107	889,922	1,360,311	1,398,407
14	Leverage ratio (%) (row 2/row 13)	5.9%	7.2%	10.0%	6.4%	6.2%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	5.9%	7.2%	10.0%	6.4%	6.2%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	5.9%	7.2%	10.0%	6.4%	6.2%
	Liquidity Coverage Ratio					
15	Total HQLA					
16	Total net cash outflow					
17	LCR ratio (%)					
	Net Stable Funding Ratio					
18	Total available stable funding					
19	Total required stable funding					
20	NSFR ratio (%)					
	ELAR					
21	Total HQLA	795,620	664,684	459,604	810,226	895,675
22	Total liabilities	1,226,293	963,027	687,875	1,153,999	1,235,611
23	Eligible Liquid Assets Ratio (ELAR) (%)	65%	69%	67%	70%	72%
	ASRR					
24	Total available stable funding	1,135,607	891,833	645,885	1,056,745	1,125,507
25	Total Advances	184,242	203,856	213,182	162,935	150,381
26	Advances to Stable Resources Ratio (%)	16.22%	22.9%	33.0%	15.4%	13.4%

3.2 OV1: Overview of RWA

All numbers in AED 000s

		a	b	c
		RWA		Minimum capital requirements
		Jun-23	Mar-23	T
1	Credit risk (excluding counterparty credit risk)	310,562	268,575	32,609
2	Of which: standardised approach (SA)	310,562	268,575	32,609
3				
4				
5				
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
8				
9				
10				
11				
12	Equity investments in funds - look-through approach	0	0	0
13	Equity investments in funds - mandate-based approach	0	0	0
14	Equity investments in funds - fall-back approach	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in the banking book	0	0	0
17				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	0	0	0
19	Of which: securitisation standardised approach (SEC-SA)	0	0	0

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20	Market risk	165	2432	17.325
21	Of which: standardised approach (SA)	165	2432	17.325
22				
23	Operational risk	47,698	47,698	5,008
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	358,425	318,705	37,635

4. Composition of capital

4.1 CC1: Composition of regulatory capital

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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	100,000	Same as (h) from CC2 template
2	Retained earnings	4,534	
3	Accumulated other comprehensive income (and other reserves)	(13,090)	
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	91,444	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	0	
8	Goodwill (net of related tax liability)	0	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	0	CC2 (b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	0	
11	Cash flow hedge reserve	0	
12	Securitisation gain on sale	0	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
14	Defined benefit pension fund net assets	0	

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15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	0	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	0	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	0	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	0	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	5848	
20	Amount exceeding 15% threshold	0	
21	Of which: significant investments in the common stock of financials	0	
22	Of which: deferred tax assets arising from temporary differences	0	
23	CBUAE specific regulatory adjustments	0	
24	Total regulatory adjustments to Common Equity Tier 1	5848	
25	Common Equity Tier 1 capital (CET1)	85596	
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0	CC2 (i)
27	Of which: classified as equity under applicable accounting standards	0	
28	Of which: classified as liabilities under applicable accounting standards	0	
29	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	0	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	0	
31	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0	
32	Additional Tier 1 capital before regulatory adjustments	0	
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	0	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0	

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35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0	
36	CBUAE specific regulatory adjustments	0	
37	Total regulatory adjustments to additional Tier 1 capital	0	
38	Additional Tier 1 capital (AT1)	0	
39	Tier 1 capital (T1= CET1 + AT1)	85596	
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	0	
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	0	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0	
43	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0	
44	Provisions	3882	
45	Tier 2 capital before regulatory adjustments	3882	
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	0	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
49	CBUAE specific regulatory adjustments	0	
50	Total regulatory adjustments to Tier 2 capital	3882	
51	Tier 2 capital (T2)	3882	
52	Total regulatory capital (TC = T1 + T2)	89478	
53	Total risk-weighted assets	358425	
	Capital ratios and buffers		
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	23.9%	

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55	Tier 1 (as a percentage of risk-weighted assets)	23.9%	
56	Total capital (as a percentage of risk-weighted assets)	25.0%	
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)	0.0%	
58	Of which: capital conservation buffer requirement	0.0%	
59	Of which: bank-specific countercyclical buffer requirement	0.0%	
60	Of which: higher loss absorbency requirement (e.g. DSIB)	0.0%	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	14.5%	
The CBUAE Minimum Capital Requirement			
62	Common Equity Tier 1 minimum ratio	7%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
Amounts below the thresholds for deduction (before risk weighting)			
66	Significant investments in common stock of financial entities	0	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	5848	
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)	4,658	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	3,882	
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		

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74	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>		
75	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>		
76	<i>Amount excluded from AT1 due to cap (excess after redemptions and maturities)</i>		
77	<i>Current cap on T2 instruments subject to phase-out arrangements</i>		
78	<i>Amount excluded from T2 due to cap (excess after redemptions and maturities)</i>		

4.2 CC2: Reconciliation of regulatory capital to balance sheet

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and balances at central banks	795,620	795,620	
Financial assets designated at fair value	18,365	18,365	
Loans and advances to banks	350,432	350,432	
Loans and advances to customers	87,652	87,652	
Available for sale financial investments (Includes FVOCI)	17,164	17,164	
Current and deferred tax assets	5,848	5,848	
Prepayments, accrued income and other assets	63,210	63,210	
Property, plant and equipment	1,874	1,874	
Total assets	1,340,164	1,340,164	
Liabilities			
Deposits from banks	24,611	24,611	
Customer accounts	1,173,589	1,173,589	
Accruals, deferred income and other liabilities	29,212	29,212	
Total liabilities	1,227,412	1,227,412	
Deposits from banks	24,611	24,611	
Shareholders' equity			
Paid-in share capital	100,000	100,000	
Of which: amount eligible for CET1	100,000	100,000	
Retained earnings	4,534	4,534	
Accumulated other comprehensive income	8,218	8,218	
Total shareholders' equity	112,752	112,752	

4.3 CCA: Main features of regulatory capital instruments

		a
		Quantitative / qualitative information
1	Issuer	N/A
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	N/A
	Regulatory treatment	N/A
4	Transitional arrangement rules (i.e. grandfathering)	N/A
5	Post-transitional arrangement rules (i.e. grandfathering)	N/A
6	Eligible at solo/group/group and solo	N/A
7	Instrument type (types to be specified by each jurisdiction)	N/A
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	N/A
9	Nominal amount of instrument	N/A
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	N/A
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	N/A
17	Fixed or floating dividend/coupon	N/A

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18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step-up or other incentive to redeem	N/A
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	Writedown feature	N/A
25	If writedown, writedown trigger(s)	N/A
26	If writedown, full or partial	N/A
27	If writedown, permanent or temporary	N/A
28	If temporary write-own, description of writeup mechanism	N/A
28a	Type of subordination	N/A
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
30	Non-compliant transitioned features	N/A
31	If yes, specify non-compliant features	N/A

5. Macroprudential Supervisory measures

5.1 CCyB1: Geographical distribution of credit exposures

Geographical breakdown	A	b	c	d	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk-weighted assets		
Home Country 1	N/A	N/A	N/A		
Country 2	N/A	N/A	N/A		
Country 3	N/A	N/A	N/A		
.....	N/A	N/A	N/A		
Country N	N/A	N/A	N/A		
Sum		N/A	N/A		
Total		N/A	N/A	N/A	N/A

6. Leverage ratio

LR2: Leverage ratio common disclosure template

All numbers in AED 000s

		a	b
		Jun-23	Mar-23
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,349,064	1,070,385
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)		
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	1,349,064	1,070,385
Derivative exposures			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
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)	-	-

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13	Total derivative exposures (sum of rows 8 to 12)	-	-
Securities financing transactions			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	CCR exposure for SFT assets		
17	Agent transaction exposures		
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	134,212	131,841
20	(Adjustments for conversion to credit equivalent amounts)	(25,151)	(24,119)
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)	109,061	107,722
Capital and total exposures			
23	Tier 1 capital	85,596	84,326
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,458,125	1,178,107
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	5.87%	7.16%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.87%	7.16%
26	CBUAE minimum leverage ratio requirement	3.50%	3.50%
27	Applicable leverage buffers	-	-

7. Liquidity

7.1 ELAR: Eligible Liquid Assets Ratio

Eligible Liquid Assets Ratio is a Basel III liquidity requirement.

All numbers in AED 000s

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	795,620	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	795,620	795,620
1.3	UAE local governments publicly traded debt securities	0	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	795,620	795,620
2	Total liabilities		1,226,293
3	Eligible Liquid Assets Ratio (ELAR)		0.65

7.2 ASRR: Advances to Stables Resource Ratio

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	90,481
	1.2	Lending to non-banking financial institutions	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	93,761
	1.4	Interbank Placements	0
	1.5	Total Advances	184,242
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	121,651
		Deduct:	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	1,874
	2.1.3	Funds allocated to branches abroad	0
	2.1.5	Unquoted Investments	0
	2.1.6	Investment in subsidiaries, associates and affiliates	0
	2.1.7	Total deduction	1,874
	2.2	Net Free Capital Funds	119,777
	2.3	Other stable resources:	
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	0
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	63,361
	2.3.5	Customer Deposits	952,469
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	Total other stable resources	1,015,830
	2.4	Total Stable Resources (2.2+2.3.7)	1,135,607
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	16.22

8. Credit risk

8.1 CR1: Credit quality of assets

All numbers in AED 000s

		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	-	90,481	2,829	-	2,829	87,652
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	-	134,212	34	-	34	134,178
4	Total	-	224,693	2,863	-	2,863	221,830

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

All numbers in AED 000s

1	Defaulted loans and debt securities at the end of the previous reporting period	-
2	Net Loans and debt securities that have defaulted since the last reporting period	-
3	Defaulted loans and debt securities acquired during reporting period	-
4	Amounts written off	-
5	Other changes	-
6	Defaulted loans and debt securities at the end of the reporting period (1+2+3-4±5)	-

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

All numbers in AED 000s

		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	832,310	-	832,310	-	62,346	7.5%
2	Public Sector Entities	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	361,708	-	361,708	-	82,210	22.7%
5	Securities firms	-	-	-	-	-	-
6	Corporates	79,206	134,212	79,206	109,061	81,205	43.1%
7	Regulatory retail portfolios	-	-		-	-	-
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	75,840	-	75,840	-	84,802	111.8%
14	Total	1,349,064	134,212	1,349,064	109,061	310,563	21.3%

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

All numbers in AED 000s

<div>Risk weight</div> <div>Asset classes</div>		a	b	c	d	e	f	g	h	i
		0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	790,746	-	-	-	-	-	41,564	-	832,310
2	Public Sector Entities	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	340,320	-	17,937	-	-	3,451	-	361,708
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	16,419	-	24,032	-	58,996	-	8,130	107,577
7	Regulatory retail portfolios	-	-	-	-	-	-	-	-	-
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	4,874	-	-	-	-	43,295	27,671	-	75,840
14	Total	795,620	356,739	-	41,969	-	102,291	72,686	8,130	1,377,436

9. Market risk

9.2 MR1: Market risk under the standardized approach (SA)

All numbers in AED 000s

	RWA
General Interest rate risk (General and Specific)	-
Equity risk (General and Specific)	-
Foreign exchange risk	165
Commodity risk	-
Options	
Simplified approach	-
Delta-plus method	-
Securitization	-
Total	165