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1. Introduction

This document presents the Pillar III disclosures of Invest Bank P.S.C (“the bank” or “Invest Bank” or “IB”) on a consolidated basis as of 31st of March 2024. The purpose of Pillar III disclosures is to allow market participants to assess key pieces of information on the firm's capital, risk exposures and risk assessment process.

The Bank is regulated by the Central Bank of UAE (“CBUAE”) and follows the Pillar III disclosure requirements as stated in the CBUAE guidelines on the implementation of Basel III standards, issued in November 2020 with subsequent updates in December 2022. The Pillar III disclosures provided in this document should be read and analyzed in conjunction with 31 of March 2024 Published Financial Statements

The capital ratios for the Bank as of 31st March 2024 are given below.

Common Equity Tier 1 Ratio	37.99%
Tier 1 Capital Ratio	37.99%
Capital Adequacy Ratio	39.15%

2. Overview of Key Metrics and Risk Weighted Assets

2.1 KM1: Key Metrics

All numbers in AED 000s

		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
		Mar'2024	Dec'2023	Dec'2022	Sept'2022	Jun'2022
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,745,340	1,662,100	116,076	350,146	422,113
1a	Fully loaded ECL accounting model	1,745,340	1,662,100	101,076	320,146	392,113
2	Tier 1	1,745,340	1,662,100	116,076	350,146	422,113
2a	Fully loaded ECL accounting model Tier 1	1,745,340	1,662,100	101,076	320,146	392,113
3	Total capital	1,798,610	1,713,440	202,816	433,642	505,134
3a	Fully loaded ECL accounting model total capital	1,798,610	1,713,440	187,816	403,642	475,134
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	4,593,881	4,440,352	7,323,776	7,101,334	7,122,909
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	37.99%	37.43%	1.58%	4.93%	5.93%
5a	Fully loaded ECL accounting model CET1 (%)	37.99%	37.43%	1.38%	4.51%	5.50%
6	Tier 1 ratio (%)	37.99%	37.43%	1.58%	4.93%	5.93%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	37.99%	37.43%	1.38%	4.51%	5.50%
7	Total capital ratio (%)	39.15%	38.59%	2.77%	6.11%	7.09%
7a	Fully loaded ECL accounting model total capital ratio (%)	39.15%	38.59%	2.56%	5.68%	6.67%
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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	28.65%	28.09%	-7.73%	-4.82%	-3.41%

Leverage Ratio						
13	Total leverage ratio measure	13,232,673	13,980,511	9,948,153	10,046,098	10,551,518
14	Leverage ratio (%) (row 2/row 13)	13.19%	11.89%	1.17%	3.49%	3.32%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	13.19%	11.89%	1.02%	3.19%	3.03%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	0.00%	0.00%	0.00%	0.00%	0.00%
ELAR*						
15	Total HQLA	2,168,409	1,665,184	933,290	867,880	861,088
16	Total liabilities	9,223,720	10,258,653	8,490,637	7,841,854	8,324,426
17	Eligible Liquid Assets Ratio (ELAR) (%)	23.51%	16.23%	10.99%	11.07%	10.34%
ASRR*						
18	Total available stable funding	8,508,583	9,398,246	6,476,660	6,543,858	7,258,667
19	Total Advances	5,058,284	4,888,951	5,591,785	5,264,316	5,230,821
20	Advances to Stable Resources Ratio (%)	59.45%	52.02%	86.34%	80.45%	72.06%

The CAR ratio increased to 39.15% in March 2024, achieved through the profit during the quarter. Furthermore, Leverage Ratio Increased for a similar reason.

*for March 2024 the numbers are based on management estimate

2.2 OV1: Overview of RWA

All numbers in AED 000s

		RWA		Minimum capital requirements
		31/03/2024	31/12/2023	
1	Credit risk (excluding counterparty credit risk)	4,254,854	4,101,903	446,760
2	Of which: standardized approach (SA)	4,254,854	4,101,903	446,760
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	3,371	2,644	354
7	Of which: standardized approach for counterparty credit risk	3,371	2,644	354
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	3,371	2,644	354
11	Equity positions under the simple risk weight approach	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fallback approach	-	-	-

15	Settlement risk	-	-	-
16	Securitization exposures in the banking book	-	-	-
17	Of which: securitization internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitization external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitization standardized approach (SEC-SA)	-	-	-
20	Market risk	47,536	48,411	4,991
21	Of which: standardized approach (SA)	47,536	48,411	4,991
22	Of which: internal models' approach (IMA)	-	-	-
23	Operational risk	284,749	284,750	29,899
24	Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total (1+6+10+11+12+13+14+15+16+20+23)	4,593,881	4,440,352	482,358

Base capital requirement as per CBUAE guidelines is 10.5% for total capital adequacy ratio and after including the CCB of 2.5% the requirements increase to 13%

3. Leverage Ratio**3.1 LR1: Summary comparison of accounting assets vs leverage ratio exposure**

All numbers in AED 000s

		Amount
1	Total consolidated assets as per published financial statements	10,991,580
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	Adjustment for securitized 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 recognized 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	3,497
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)	1,906,427
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	331,169
13	Leverage ratio exposure measure	13,232,673

3.2 LR2: Leverage Ratio common disclosure template

All numbers in AED 000s

		a	b
		Mar'24	Dec'23
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	11,284,478	12,203,308
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 recognized 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)	11,284,478	12,203,308
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)	440	895
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	3,057	2,078
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	4,896	4,162
Securities financing transactions			
14	Gross SFT assets (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	4,784,313	4,424,807
20	(Adjustments for conversion to credit equivalent amounts)	(2,841,014)	(2,651,766)
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)	1,943,299	1,773,041
Capital and total exposures			
23	Tier 1 capital	1,745,340	1,662,100
24	Total exposures (sum of rows 7, 13, 18 and 22)	13,232,673	13,980,511
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	13.19%	11.89%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	N/A	N/A
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers		

4. Liquidity

The Bank calculates the Eligible Liquid Assets Ratio (ELAR) and the Advance to Stable Resources Ratio (ASRR). The bank remains well within regulatory thresholds, with an estimated ASRR of 59.45% against a maximum limit of 100%, and an estimated ELAR of 23.51% against a minimum regulatory requirement of 10%, as of March 2024.