



# PILLAR 3 DISCLOSURE REPORT

FOR THE PERIOD ENDING 30 June 2022



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**1. Introduction**

This document presents the half-yearly Pillar 3 disclosures of the Bank as on 30<sup>th</sup> June 2022. The document has been prepared in lines with the CBUAE regulations on Pillar 3 disclosure requirements, with an aim to provide market participants with information related to Bank's capital, risk exposures and liquidity profile.

The Bank is governed by CBUAE guidelines on regulatory capital requirements on a consolidated basis. Pillar 1 defines the total minimum capital requirements for credit, market and operational risk. Invest Bank currently 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.

The Pillar 3 disclosures are to be read in conjunction with the Audited Financial Statements as of 30<sup>th</sup> June 2022.

## 2. Overview of risk management and RWA

### 2.1 KM1: Key metrics

All numbers in AED 000s

	a	b	c	d	e	
	T	T-1	T-2	T-3	T-4	
	30/06/2022	31/03/2022	31/12/2021	30/09/2021	30/06/2021	
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	422,113	618,939	665,524	771,384	889,743
1a	Fully loaded ECL accounting model	392,113	588,939	620,524	726,384	844,743
2	Tier 1	422,113	618,939	665,524	771,384	889,743
2a	Fully loaded ECL accounting model Tier 1	392,113	588,939	620,524	726,384	844,743
3	Total capital	505,134	707,865	758,805	872,930	996,167
3a	Fully loaded ECL accounting model total capital	475,134	677,865	713,805	827,930	951,167
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	7,122,909	7,618,842	8,163,860	8,621,224	9,189,060
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	5.93%	8.12%	8.15%	8.95%	9.68%
5a	Fully loaded ECL accounting model CET1 (%)	5.50%	7.73%	7.60%	8.43%	9.19%
6	Tier 1 ratio (%)	5.93%	8.12%	8.15%	8.95%	9.68%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	5.50%	7.73%	7.60%	8.43%	9.19%
7	Total capital ratio (%)	7.09%	9.29%	9.29%	10.13%	10.84%
7a	Fully loaded ECL accounting model total capital ratio (%)	6.67%	8.90%	8.74%	9.60%	10.35%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
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 (%)	-3.41%	-1.21%	-1.21%	-0.37%	-0.15%
<b>Leverage Ratio</b>						
13	Total leverage ratio measure	10,551,518	11,430,246	12,015,357	13,308,307	13,221,213
14	Leverage ratio (%) (row 2/row 13)	4.00%	5.41%	5.54%	5.80%	6.73%
14	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	3.72%	5.15%	5.16%	6.22%	6.39%
14	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ELAR</b>						
15	Total HQLA	861,088	1,535,926	1,746,230	1,853,871	1,409,162
16	Total liabilities	8,324,426	8,951,042	9,375,033	10,020,563	9,795,957
17	Eligible Liquid Assets Ratio (ELAR) (%)	10.34%	17.16%	18.63%	18.50%	14.39%
<b>ASRR</b>						
18	Total available stable funding	7,258,667	7,743,473	7,884,169	8,124,119	7,877,971
19	Total Advances	5,230,821	5,549,374	6,024,182	6,570,269	6,575,567
20	Advances to Stable Resources Ratio (%)	72.06%	71.67%	76.41%	80.87%	83.47%

## 2.2 OV1: Overview of RWA

All numbers in AED 000s

		RWA		Minimum capital requirements
		T	T-1	T
		30/06/2022	31/03/2022	
1	Credit risk (excluding counterparty credit risk)	6,641,705	7,114,120	697,379
2	Of which: standardized approach (SA)	6,641,705	7,114,120	697,379
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4	Of which: supervisory slotting approach	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardized approach for counterparty credit risk	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
11	Equity positions under the simple risk weight approach	-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
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	90,829	89,342	9,537
21	Of which: standardized approach (SA)	90,829	89,342	9,537
22	Of which: internal models approach (IMA)	-	-	-
23	Operational risk	390,375	415,380	40,989
24	Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>7,122,909</b>	<b>7,618,842</b>	<b>747,905</b>

Base capital requirement as per CBUAE guidelines is 10.5% for total capital adequacy ratio

## 3. Composition of capital

## 3.1 CC1: Composition of regulatory capital

All numbers in AED 000s

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
<b>Common Equity Tier 1 capital: instruments and reserves</b>			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,703,125	Same as (a) + (b) from CC2 template
2	Retained earnings	(2,070,632)	
3	Accumulated other comprehensive income (and other reserves)	(210,380)	
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	<b>Common Equity Tier 1 capital before regulatory deductions</b>	<b>422,113</b>	
<b>Common Equity Tier 1 capital regulatory adjustments</b>			
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	-	
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	<b>Total regulatory adjustments to Common Equity Tier 1</b>	-	
25	<b>Common Equity Tier 1 capital (CET1)</b>	<b>422,113</b>	
<b>Additional Tier 1 capital: instruments</b>			

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	
27	OF which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
32	Additional Tier 1 capital before regulatory adjustments	-	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	<b>Additional Tier 1 capital (AT1)</b>	-	
39	<b>Tier 1 capital (T1= CET1 + AT1)</b>	<b>422,113</b>	
<b>Tier 2 capital: instruments and provisions</b>			
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
44	Provisions	83,021	
45	<b>Tier 2 capital before regulatory adjustments</b>	<b>83,021</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	<b>Total regulatory adjustments to Tier 2 capital</b>		
51	<b>Tier 2 capital (T2)</b>	<b>83,021</b>	
52	<b>Total regulatory capital (TC = T1 + T2)</b>	<b>505,134</b>	
53	<b>Total risk-weighted assets</b>	<b>7,122,909</b>	
<b>Capital ratios and buffers</b>			
54	<b>Common Equity Tier 1 (as a percentage of risk-weighted assets)</b>	<b>5.9%</b>	
55	<b>Tier 1 (as a percentage of risk-weighted assets)</b>	<b>5.9%</b>	
56	<b>Total capital (as a percentage of risk-weighted assets)</b>	<b>7.1%</b>	

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)	2.5%	
58	Of which: capital conservation buffer requirement	2.5%	
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.	-3.4%	
<b>The CBUAE Minimum Capital Requirement</b>			
62	Common Equity Tier 1 minimum ratio	7.0%	
63	Tier 1 minimum ratio	8.5%	
64	Total capital minimum ratio	10.5%	
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
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)	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	-	
70	Cap on inclusion of provisions in Tier 2 under standardized approach	-	
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	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
73	Current cap on CET1 instruments subject to phase-out arrangements	-	
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
75	Current cap on AT1 instruments subject to phase-out arrangements	-	
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	-	
77	Current cap on T2 instruments subject to phase-out arrangements	-	
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	-	



## 3.2 CC2: Reconciliation of regulatory capital to balance sheet

All numbers in AED 000s

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	30/06/2022	30/06/2022	
<b>Assets</b>			
Cash and deposits with central banks	760,492	760,492	
Due from banks	112,863	112,863	
Investment securities	2,087,142	2,087,142	
Loans and advances to customers	5,175,199	5,175,199	
Property and Equipment	68,811	68,811	
Other Assets	512,067	512,067	
<b>Total assets</b>	<b>8,716,575</b>	<b>8,716,575</b>	
<b>Liabilities</b>			
Due to banks	150,124	150,124	
Deposits from customers	7,921,929	7,921,929	
Other Liabilities	252,409	252,409	
<b>Total liabilities</b>	<b>8,324,462</b>	<b>8,324,462</b>	
<b>Shareholders' equity</b>			
Paid-in share capital	3,180,982	3,180,982	
Of which: amount eligible for CET1	3,180,982	3,180,982	(a)
Shares at Discount	(477,857)	(477,857)	(b)
Fair value reserve	(40,704)	(40,704)	
Foreign currency translation	(169,676)	(169,676)	
Accumulated losses	(2,100,632)	(2,100,632)	
<b>Total shareholders' equity</b>	<b>392,113</b>	<b>392,113</b>	
<b>Total liabilities and equity</b>	<b>8,716,575</b>	<b>8,716,575</b>	

**4. Leverage ratio****4.1 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 <sup>1</sup>	11,124,730
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	-
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)	(2,488,691)
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	1,915,479
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>10,551,518</b>

<sup>1</sup>Total consolidated assets includes assets plus Off Balance Sheet items, consisting of uncommitted undrawn facilities at 10% CCF for purpose of Leverage Ratio.

## 4.2 LR2: Leverage ratio common disclosure template

All numbers in AED 000s

		a	b
		Jun'22	Mar'22
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	9,097,505	9,884,564
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	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>9,097,505</b>	<b>9,884,564</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	-	-
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	<b>Total derivative exposures (sum of rows 8 to 12)</b>	-	-
<b>Securities financing transactions</b>			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	-	-
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	3,942,705	4,146,746
20	(Adjustments for conversion to credit equivalent amounts)	(2,488,691)	(2,601,064)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>1,454,014</b>	<b>1,545,682</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>422,113</b>	<b>618,939</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>10,551,518</b>	<b>11,430,246</b>
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>4.00%</b>	<b>5.41%</b>
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	3.0%	3.0%
27	<b>Applicable leverage buffers</b>		

**5. Liquidity****5.1 ELAR: Eligible Liquid Assets Ratio**

All numbers in AED 000s

<b>1</b>	<b>High Quality Liquid Assets</b>	<b>Nominal amount</b>	<b>Eligible Liquid Asset</b>
1.1	Physical cash in hand at the bank + balances with the CBUAE	608,479	
1.2	UAE Federal Government Bonds and Sukuks	50,000	
	Sub Total (1.1 to 1.2)	658,479	658,479
1.3	UAE local governments publicly traded debt securities	2,000,000	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub Total (1.3 to 1.4)	2,000,000	202,609
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
<b>1.6</b>	<b>Total</b>	<b>2,658,479</b>	<b>861,088</b>
<b>2</b>	<b>Total liabilities</b>		<b>8,308,063</b>
<b>3</b>	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>0.10</b>

## 5.2 Advances to Stables Resource Ratio

All numbers in AED 000s

		Items	Amount
<b>1</b>		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	4,736,470
	1.2	Lending to non-banking financial institutions	175,070
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	261,248
	1.4	Interbank Placements	58,033
	<b>1.5</b>	<b>Total Advances</b>	<b>5,230,821</b>
<b>2</b>		<b>Calculation of Net Stable Resources</b>	
	2.1	Total capital + general provisions	526,280
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	3,026
	2.1.2	Fixed Assets	494,391
	2.1.3	Funds allocated to branches abroad	83,124
	2.1.5	Unquoted Investments	1,080
	2.1.6	Investment in subsidiaries, associates and affiliates	0
	<b>2.1.7</b>	<b>Total deduction</b>	<b>581,621</b>
	<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>-55,341</b>
	<b>2.3</b>	<b>Other stable resources:</b>	
	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	0
	2.3.5	Customer Deposits	7,314,008
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	<b>2.3.7</b>	<b>Total other stable resources</b>	<b>7,314,008</b>
	<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>7,258,667</b>
<b>3</b>		<b>Advances to Stable Resources Ratio (1.6/ 2.4*100)</b>	<b>72.06</b>

## 6. Credit risk

## 6.1 CR1: Credit quality of assets

All numbers in AED 000s

		a	b	c	d	e	f
		Gross carrying values of		Allowances/Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	8,620,180	2,974,335	6,005,287	-	-	5,589,228
2	Debt securities	-	2,075,711	-	-	-	2,075,711
3	Off-balance sheet exposures	456,833	1,801,303	230,911	-	-	2,027,225
4	<b>Total</b>	<b>9,077,013</b>	<b>6,851,349</b>	<b>6,236,198</b>	-	-	<b>9,692,164</b>

The Bank defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

- Quantitative criteria: The obligor is more than 90 days past due on its contractual obligation to the Bank.
- Qualitative criteria: The Bank considers a default to have occurred with regard to particular obligors when either one of the following events have taken place:
  - The Bank considers that the obligor is unlikely to pay its credit obligation in full without recourse by the Bank to actions like realizing security (if held).
  - The Bank puts the credit obligation on a non-accrual status.
  - The Bank makes a charge-off or account-specific provision resulting from a perceived decline in credit quality subsequent to the Bank taking on the exposure.
  - The Bank sells the credit obligation at a material credit-related economic loss.
  - The Bank consents to a distressed restructuring of the credit obligation where this is likely to result in a diminished financial obligation caused by the material forgiveness or postponement of principal, interest and other fees.
  - The Bank has filed for the obligor's bankruptcy or similar order in respect of the obligor's credit obligation to the Bank.

The criteria above have been applied to all financial instruments held by the Bank and are consistent with the definition of default used for internal credit risk management purposes.

An instrument is considered to no longer be in default (i.e. to have cured) when it no longer meets any of the default criteria for a consecutive period of twelve months.

## 6.2 CR2: Changes in stock of defaulted loans and debt securities

All numbers in AED 000s

		Amount
1	<b>Defaulted loans and debt securities at the end of the previous reporting period</b>	8,633,486
2	Loans and debt securities that have defaulted since the last reporting period	107,903
3	Returned to non-default status	252,925
4	Amounts written off	431
5	Other changes	132,147
6	<b>Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)</b>	<b>8,620,180</b>

**6.3 CR3: Credit risk mitigation techniques**

All numbers in AED 000s

		a	b	c	d	e	f	g
		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 derivatives, of which: secured amount
1	Loans	3,849,136	1,738,421	987,637	1,671	1,671	-	-
2	Debt securities *	1,075,711	1,000,000	1,000,000	-	-	-	-
<b>3</b>	<b>Total</b>	<b>4,924,847</b>	<b>2,738,421</b>	<b>1,987,637</b>	<b>1,671</b>	<b>1,671</b>	-	-
4	Of which defaulted	2,487,138	139,486	22,277	-	-	-	-

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

All numbers in AED 000s

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	2,935,812	-	2,935,812	-	530,928	18%
2	Public Sector Entities	-	-	-	-	-	0%
3	Multilateral development banks	-	-	-	-	-	0%
4	Banks	112,944	15,154	112,944	12,797	51,086	41%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	2,737,942	1,657,222	1,797,253	420,550	2,190,157	99%
7	Regulatory retail portfolios	46,843	120,840	27,579	20,635	37,054	77%
8	Secured by residential property	-	-	-	-	-	0%
9	Secured by commercial real estate	48,531	7,257	41,453	1,451	42,905	100%
10	Equity Investment in Funds (EIF)	-	-	-	-	-	0%
11	Past-due loans	2,626,624	226,753	2,604,347	180,016	3,017,885	108%
12	Higher-risk categories	424,605	-	424,605	-	636,908	150%
13	Other assets	164,203	-	164,203	-	134,787	82%
<b>14</b>	<b>Total</b>	<b>9,097,505</b>	<b>2,027,225</b>	<b>8,108,198</b>	<b>635,449</b>	<b>6,641,708</b>	<b>76%</b>

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

All numbers in AED 000s

Asset classes \ Risk weight		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	2,929,631	-	-	-	-	-	6,181	-	2,935,812
2	Public Sector Entities	-	-	-	-	-	-	-	-	-
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	42,294	-	81,641	-	1,806	-	-	125,741
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	1,883,602	25,711	308,491	2,217,804
7	Regulatory retail portfolios	-	-	-	-	48,214	-	-	-	48,214
8	Secured by residential property	-	-	-	-	-	-	-	-	-
9	Secured by commercial real estate	-	-	-	-	-	42,905	-	-	42,905
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	2,318,895	465,467	-	2,784,362
12	Higher-risk categories	-	-	-	-	-	-	424,605	-	424,605
13	Other assets	29,956	-	-	-	-	133,168	1,080	-	164,203
14	<b>Total</b>	<b>2,959,587</b>	<b>42,294</b>	<b>-</b>	<b>81,641</b>	<b>48,214</b>	<b>4,380,376</b>	<b>923,043</b>	<b>308,491</b>	<b>8,743,647</b>

\*Corporate SME Risk Weighted at 85% updated under others column

## 7. Market risk

## 7.1 MR1: Market risk under the standardized approach (SA)

		All numbers in AED 000s
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	2,797
3	Foreign exchange risk	88,032
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitisation	-
9	<b>Total</b>	<b>90,829</b>