Credit Agricole CIB – UAE
(Dubai and Abu Dhabi Branches)

Pillar 3 Market Disclosures
Quarter 2-2023

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1 Introduction

The Basel 3 agreements are structured around three pillars:

- **Pillar 1** determines the minimum capital adequacy requirements and ratio levels in accordance with current regulatory framework:
- **Pillar 2** supplements the regulatory approach with the quantification of a capital requirement covering the major risks to which the Bank is exposed, based on the methodologies specific to it;
- **Pillar 3** introduces new standards for financial disclosures to the market. These must detail the components of regulatory capital, the assessments of risks both with regard to the regulations applied and the activity during the period.

Credit Agricole CIB publishes the qualitative and quantitative information required for a large listed institution, included in the consolidation scope of the Credit Agricole S.A Group.

Solvency Management is primarily aimed at assessing the capital and ensuring it is sufficient to cover the risks to which Credit Agricole CIB is or may be exposed in light of its activities, to that end, Credit Agricole CIB group measures regulatory capital requirements (Pillar 1) and manages regulatory capital by relying on short and medium term forward looking measures, consistent with budget projections, based on a central economic scenario.

Credit Agricole S.A's subsidiaries under exclusive control and subject to compliance with capital requirements, including the Credit Agricole CIB Group are allocated capital at a consistent level, taking into account local regulatory requirements, the capital requirements needed to finance their development and a management buffer tailored to the volatility of their CET1 ratio.

In addition, the group has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) developed in accordance with the interpretation of the regulatory texts below. The ICAAP includes in particular:

- governance of capital management
- measurement of economic capital requirements based on risk identification process and a quantification of capital requirements using an internal approach (Pillar 2)
- performance of ICAAP stress tests aimed at stimulating capital destruction after 3 years of an adverse economic scenario
- a qualitative ICAAP that formalizes the major areas of risk assessment.

The Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by a bank, which will allow market participants to assess key information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the bank.

Verification:

The Pillar 3 Disclosures have been prepared in accordance with the latest Capital Adequacy Standards issued by UAE Central bank. This report has been jointly compiled by Risk and Finance departments. Pillar 3 disclosures have been independently reviewed by the internal audit department and approved by Bank's Senior Management.

Applicability of Pillar III disclosure templates:

The below set of disclosures are currently not applicable for CACIB UAE Onshore Branches and hence have not been included in these disclosures.

Table	Information Overview	Disclosure Frequency
CCA	Main features of regulatory capital instruments	Semi-annual
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Semi-annual
LIQ2	Net Stable Funding Ratio	Semi-annual
LIQ1	Liquidity Coverage Ratio	Quarterly

2 Overview of Risk management, Key Prudential Metrics and RWA

2.1 Key metrics (KM1)

Key prudential regulatory metrics related to regulatory capital, leverage ratio and liquidity standards have been included in the following table:

		JUN-23 AED 000	MAR-23 AED 000	DEC-22 AED 000	SEP-22 AED 000	JUN-22 AED 000
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	372,896	372,896	371,580	371,221	370,911
1a	Fully loaded ECL accounting model	372,896	372,896	371,580	371,221	370,911
2	Tier 1	372,896	372,896	371,580	371,221	370,911
2a	Fully loaded ECL accounting model Tier 1	372,896	372,896	371,580	371,221	370,911
3	Total capital	372,896	372,896	371,580	371,221	370,911
3a	Fully loaded ECL accounting model total capital	372,896	372,896	371,580	371,221	370,911
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	730,378	804,558	683,065	624,450	558,042
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	51.06%	46.35%	54.40%	59.45%	66.47%
5a	Fully loaded ECL accounting model CET1 (%)	51.06%	46.35%	54.40%	59.45%	66.47%
6	Tier 1 ratio (%)	51.06%	46.35%	54.40%	59.45%	66.47%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	51.06%	46.35%	54.40%	59.45%	66.47%
7	Total capital ratio (%)	51.06%	46.35%	54.40%	59.45%	66.47%
7a	Fully loaded ECL accounting model total capital ratio (%)	51.06%	46.35%	54.40%	59.45%	66.47%
	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 (%)	40.56%	35.85%	43.90%	48.95%	55.97%
	Leverage Ratio					
13	Total leverage ratio measure	1,722,804	1,868,373	1,651,189	1,579,280	1,539,265
14	Leverage ratio (%) (row 2/row 13)	21.64%	19.96%	22.50%	23.51%	24.10%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	21.64%	19.96%	22.50%	23.51%	24.10%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	21.64%	19.96%	22.50%	23.51%	24.10%
	ELAR					
21	Total HQLA	388,672	441,350	441,968	447,074	464,602
22	Total liabilities	260,630	339,549	256,108	228,463	265,612
23	Eligible Liquid Assets Ratio (ELAR) (%)	149%	130%	173%	196%	175%
	ASRR					
24	Total available stable funding	428,373	476,501	399,751	421,215	445,970
25	Total Advances	119,278	184,836	133,056	130,183	56,652
26	Advances to Stable Resources Ratio (%)	27.84%	38.79%	33.28%	30.91%	12.70%

Narrative Commentary on QoQ Variance:

- **Total risk-weighted assets (RWA):** During the Pillar 3 review, we identified that the rating of a Bank counterpart was incorrect, where based on the rating RWA should have been considered at 20% i/o the 50% considered in the BRF95 submission. As a result the CET1 ratio as at 30th June 2023 stands at 51.06% (51.05% as per the BRF 95 submitted).

  The QOQ decrease from Q1 to Q2 is mainly due to the reduction in utilizations by the corporate clients

- **ELAR:** Minimum ELAR required to be maintained as per the guidelines of the Central Bank of UAE is 10%, Average ELAR QoQ has increased by 19% and stands at 149% as of June-23.QoQ variance is mainly due to reduction in HQLA balances with Central Bank as well as reduction in total liabilitities during Q2 2023.

- **ASRR:** Decrease in ratio is mainly due to maturity of few discounting, STL and decrease in overdraft utilization with no major reduction in total availale stable funding

2.2 Overview of Risk Management, Key Prudential Metrics and RWA (OV1)

The overall solvency ratio, as presented in the prudential ratio table is equal to the ratio of the total capital to the sum of the credit, market and operational risk-weighted exposures.

The following table provides an overview of total Risk Weighted Assets:

		a	b	c
		RWA		Minimum capital requirements
		JUN-23 AED 000	MAR-23 AED 000	JUN-23 AED 000
1	Credit risk (excluding counterparty credit risk)	710,693	784,890	74,623
2	Of which: standardised approach (SA)	710,693	784,890	74,623
3	[redacted]			
4	[redacted]			
5	[redacted]			
6	Counterparty credit risk (CCR)	13	4	1
7	Of which: standardised approach for counterparty credit risk	13	4	1
8	[redacted]			
9	[redacted]			
10	[redacted]			
11	[redacted]			
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	Securitisation exposures in the banking book			
17	[redacted]			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)			
19	Of which: securitisation standardised approach (SEC-SA)			
20	Market risk	633	625	66
21	Of which: standardised approach (SA)	633	625	66
22	[redacted]			
23	Operational risk	19,039	19,039	1,999
24	[redacted]			
25	[redacted]			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**730,378**	**804,558**	**76,689**

- **Total risk-weighted assets (RWA):** The QOQ decrease from Q1 to Q2 is mainly due to the reduction in utilizations by the corporate clients.

3 Composition of capital (CC1)

		Amounts AED 000
	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	316,403
2	Retained earnings	9,640
3	Accumulated other comprehensive income (and other reserves)	46,853
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**	**372,896**
	Common Equity Tier 1 capital regulatory adjustments	
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	**Total regulatory adjustments to Common Equity Tier 1**	
25	**Common Equity Tier 1 capital (CET1)**	**372,896**

	Additional Tier 1 capital: instruments	
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	*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)	
31	*Of which: instruments issued by subsidiaries subject to phase-out*	
32	Additional Tier 1 capital before regulatory adjustments	
	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)**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**372,896**
	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	
45	**Tier 2 capital before regulatory adjustments**	
	Tier 2 capital: regulatory adjustments	
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	**Total regulatory adjustments to Tier 2 capital**	
51	**Tier 2 capital (T2)**	
52	**Total regulatory capital (TC = T1 + T2)**	372,896
53	**Total risk-weighted assets**	730,378
	Capital ratios and buffers	
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	51.06%

55	**Tier 1 (as a percentage of risk-weighted assets)**	51.06%
56	**Total capital (as a percentage of risk-weighted assets)**	51.06%
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)**	2.50%
58	**Of which: capital conservation buffer requirement**	2.50%
59	**Of which: bank-specific countercyclical buffer requirement**	-
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	-
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	40.56%
	The CBUAE Minimum Capital Requirement	
62	Common Equity Tier 1 minimum ratio	7.00%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%
	Amounts below the thresholds for deduction (before risk weighting)	
[redacted]		
66	Significant investments in common stock of financial entities	
[redacted]		
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)	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	
[redacted]		
	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*	
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)*	

Narrative Commentary:

During the Pillar 3 review, we identified that the rating of a Bank counterpart was incorrect, where based on the rating RWA should have been considered at 20% i/o the 50% considered in the BRF95 submission.

As a result the CET1 ratio as at 30th June 2023 stands at 51.06% compared to (51.05% as per the BRF 95 submitted). On a comparative note the CET1 ratio as at Mar 23 end was 46.35%. The variance in the ratio mainly due to reduction in credit risk owing to lower corporate client utilization for Q2 2023.

3.1 Composition of regulatory capital (CC2)

Reconciliation of regulatory capital to balance sheet

	a	b	c
	Balance sheet as in published financial statements (AED 000)*	Under regulatory scope of consolidation (AED 000)	**Reference**
	As at period-end JUN-23	**As at period-end JUN-23**	
Assets			
Cash and balances at central banks	420,220	417,256	Note A & E
Due from Head office and Branches	12,357	13,523	Note A & B
Due from Other Banks	90,108	90,090	Note A
Loans and advances	106,018	63,888	Note A & C
Other Assets	47,779	15,182	Note B & D
Property, plant and equipment	822	822	
Total assets	**677,304**	**600,761**	
Liabilities			
Due to Central Bank	2,911	-	Note E
Due to Head office and Branches	129,662	129,662	
Due to Other Banks	2,652	2,652	
Due to Customers	58,701	58,701	
Other liabilities	104,391	30,759	Note A & D
Total liabilities	**298,317**	**221,774**	
Shareholders' equity			
Paid-in share capital	316,403	316,403	
Regulatory credit risk reserve	15,597	15,597	
Retained earnings	15,731	9,640	Note F
Statutory Reserves	31,256	31,256	
Total shareholders' equity	**378,987**	**372,896**	

*CACIB Onshore branches do not prepare or publish interim financials. The Bank has updated the balance sheet in the annual Financial Statement format solely for the purpose of Pillar 3 disclosures.

Reference:
Note A: ECL Allowances reclassified from Other liabilities
Note B: Other Recharges reclassified from Other Assets
Note C: Specific Provision on bad and doubtful debts
Note D: Acceptances shown under off balance sheet
Note E: Open item under Central bank reconciliation netted off against cash and balances with central bank
Note F: Current Year's profit (6,091K AED) not considered under CET1 Capital (ref KM1, CC1, LR2 and other relevant disclosures) as the June end Balance sheet is not audited or published.

Narrative Commentary:
Balance sheet size as of June 30th was at 677 MAED vis-à-vis to 821MAED as at 31st Mar 2023. Variation is due to lower corporate client utilizations under Trade bill discounting, Short Term loan and Overdrafts

4 Leverage ratio

Summary comparison of accounting assets vs leverage ratio exposure (LR2)

		JUN-23 AED 000	MAR-23 AED 000
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	645,879	793,061
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)**	645,879	793,061
	Derivative exposures		
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	13	8
9	Add-on amounts for PFE associated with *all* 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	**Total derivative exposures (sum of rows 8 to 12)**	13	8
	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	2,597,738	2,522,336
20	(Adjustments for conversion to credit equivalent amounts)	(1,520,826)	(1,447,032)
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)**	1,076,912	1,075,304
	Capital and total exposures		
23	**Tier 1 capital**	372,896	372,896
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	1,722,804	1,868,373
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	21.64%	19.96%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
26	CBUAE minimum leverage ratio requirement	3%	3%
27	**Applicable leverage buffers**		

5 Liquidity

5.1 Eligible Liquid Assets Ratio (ELAR) (AED 000)

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	388,672	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	388,672	388,672
1.3	UAE local governments publicly traded debt securities		
1.4	UAE Public sector publicly traded debt securities		
	Sub total (1.3 to 1.4)		
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks		
1.6	**Total**	**388,672**	**388,672**
2	Total liabilities		260,630
3	**Eligible Liquid Assets Ratio (ELAR)**		**1.49**

Note: Data is based on average calculation during Q2 2023, starting from 1st of April 2023 to end of June 2023.

5.2 Advances to Stables Resource Ratio (ASRR) (AED 000)

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	63,936
	1.2	Lending to non-banking financial institutions	
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	19,632
	1.4	Interbank Placements	35,710
	1.5	**Total Advances**	119,278
2		**Calculation of Net Stable Ressources**	
	2.1	Total capital + general provisions	379,299
		Deduct:	
	2.1.1	Goodwill and other intangible assets	
	2.1.2	Fixed Assets	822
	2.1.3	Funds allocated to branches abroad	
	2.1.5	Unquoted Investments	
	2.1.6	Investment in subsidiaries, associates and affiliates	
	2.1.7	**Total deduction**	822
	2.2	**Net Free Capital Funds**	378,477
	2.3	**Other stable resources:**	
	2.3.1	Funds from the head office	
	2.3.2	Interbank deposits with remaining life of more than 6 months	
	2.3.3	Refinancing of Housing Loans	
	2.3.4	Borrowing from non-Banking Financial Institutions	
	2.3.5	Customer Deposits	49,896
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
	2.3.7	**Total other stable resources**	49,896
	2.4	**Total Stable Resources (2.2+2.3.7)**	428,373
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	27.84

6 Credit Risk

6.1 Credit quality of assets (CR1) (AED 000)

		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**	**41,242**	**63,936**	**41,290**		**48**	**63,888**
2	**Debt securities**						
3	**Off-balance sheet exposures**		**2,597,739**	**187**		**187**	**2,597,552**
4	**Total**	**41,242**	**2,661,675**	**41,477**		**235**	**2,661,400**

Definition of default

According to the Basel definition, the bank considers that default has occurred for an obligor when one or more of the following events have happened:

- The Bank concludes that the obligor is unlikely to repay its obligation in full.
- The Bank makes a specific provision resulting from deterioration in the credit quality of the counterparty.
- The Bank disposes off the credit obligation to a third party at an economic loss.
- The Bank agrees to a distressed restructuring of the credit obligation resulting in reduction of the obligation due to significant markdown or postponement of principal, interest and/or other fees.
- A material debt/receivable is overdue for more than 90 days.
- A Default event in the legal meaning (specified in credit agreement and decided by creditors)

***** Defaulted Exposures: In line with the CBUAE Pillar 3 guidelines, out of the total defaulted exposures of 42,082 KAED , only the past due for more than 90 days have been disclosed in CR1.

******Total Off-balance sheet exposures include Revocable loan commitments of 617,230 KAED

6.2 Changes in stock of defaulted loans and debt securities (CR2) (AED 000)

		a
1	**Defaulted loans and debt securities at the end of the previous reporting period**	40,428
2	Loans and debt securities that have defaulted since the last reporting period	
3	Returned to non-default status	
4	Amounts written off	
5	Other changes	814
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**41,242**

6.3 Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4) (AED 000)

		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	420,220		420,220			0%
2	Public Sector Entities						0%
3	Multilateral development banks						0%
4	Banks	103,637	1,679,596	103,637	863,213	478,820	50%
5	Securities firms						0%
6	Corporates	63,936	918,142	63,936	151,976	215,912	100%
7	Regulatory retail portfolios						0%
8	Secured by residential property						0%
9	Secured by commercial real estate						0%
10	Equity Investment in Funds (EIF)						0%
11	Past-due loans	42,082					0%
12	Higher-risk categories						0%
13	Other assets	16,004		16,004		15,974	100%
14	**Total**	**645,879**	**2,597,738**	**603,797**	**1,015,189**	**710,706**	44%

Narrative commentary: Overall the Balance sheet remained stable during the quarter. The evolution in exposures is in line with the normal business activity of the Bank.

6.4 Standardised approach - exposures by asset classes and risk weights (CR5) (AED 000)

		a	b	c	d	e	f	g	h	i
	Risk weight Asset classes	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	420,220								420,220
2	Public Sector Entities									-
3	Multilateral development banks									-
4	Banks		29,454		928,936		8,461			966,850
5	Securities firms									-
6	Corporates						215,912			215,912
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	30			-		15,974			16,004
14	**Total**	**420,250**	**29,454**	**-**	**928,936**	**-**	**240,348**	**-**	**-**	**1,618,987**

Narrative commentary: Exposures as at 30 June 2023 was at 1,619MAED compared to 1,775MAED as at 31 March 2023. The QoQ decrease is primarily due to reduction in Gurantee utilisations as well as reduction in HQLA portfolio.

Note on Past Due Loans: As per Pillar 3 guidelines, past due loans correspond to the unsecured portion of any loan past due for more than 90 days needs to be shown under dedicated line line 'Past due loans' in above table. As of June 30, 2023, past due loan for more than 90 days amounted to AED41,242K which has been fully provided. In this case, net exposure remains zero and hence, has not been segregated in above table.

7 Market Risk

7.1 Market risk under the standardised approach (SA) (MR1) (AED 000)

		a
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	633
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7	[redacted]	
8	Securitisation	-
9	**Total**	**-**