



# **BANK OF BARODA (UAE)**

## **Pillar 3: Disclosure Report Q2 2023**



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## 1. Background:

Bank of Baroda-a premier Indian State-Owned bank, operates in the UAE as a foreign Bank with a full-fledged banking license offering a diversified range of products and services, including Deposits and Loan Products for individuals and businesses, Remittance, Trade Finance and Treasury Operations. After its inception in India in 1908, the Bank has grown multi-fold with a global presence since 1953 when the Bank started its journey beyond the Indian border. Using innovation, technology, financial prudence, and smart enterprise, the bank has made substantial growth over the years. The Bank had celebrated its 115<sup>th</sup> Foundation Day in 2022 in India and completing 49 years of its service in UAE.

The Bank is registered in UAE as a Foreign Branch and is regulated by the Central Bank of the U.A.E (CBUAE). The Bank currently operates from five main branches in the UAE - Dubai, Deira, Abu Dhabi, Sharjah and Ras-Al-Khaimah - as well as nine Electronic Banking Service Units (EBSUs).

Entity Name	Registered Office Address
Bank of Baroda (UAE) Foreign Branch	UAE Zonal Office: Umm Hurair Building, Al Doha Street, Al Karama, Dubai, U.A.E., P.O. Box 3162
Bank of Baroda	Head Office: Baroda Bhavan, R.C. Dutt Road, Vadodara, Gujarat, India, Pin- 390 007
	Corporate Office: Baroda Corporate Centre, C-26, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai, India, Pin- 400 051

This Pillar-3 disclosure document is prepared in line with the CBUAE Regulations on Capital Adequacy Standards and Guidance along with Notice 4980/2020. 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 9<sup>th</sup> May 2022 Notice 2022/1887.

The Bank has put in place a disclosure policy containing the details around requirements as per CBUAE regulations in respect of Pillar 3 disclosures. Since the UAE operations is a branch, no other entity is considered for the consolidation purpose and details around Bank of Baroda UAE Branch only are included.

Bank of Baroda is an Indian Public Sector Bank, with majority shareholding of Government of India (63.97% as on 30<sup>th</sup> June 2023). Being a branch, capital requirements of the Bank's UAE operations are provided by the Head Office (Bank of Baroda- India) by way of capital funds. The UAE capital includes Head Office allocated capital funds, Reserves and surplus, retained profits etc.

The internal controls around Pillar 3 reporting are listed below:

- Maker-checker concept: the pillar 3 disclosure process undergoes four- eye principle (maker- checker concept);
- Data reconciliation – data compiled from various sources are compared and reconciled with the financial statements, before using the same for compiling Pillar 3 disclosures;
- Validation and Reviews – Pillar 3 report undergoes several rounds of reviews by Risk, Finance and other relevant functions;
- Internal audit – Internal audit provides independent and objective assurance of disclosures on Pillar 3 reports

Bank of Baroda UAE – Branch of Foreign Bank Q2-2023

## 2. Pillar 3 Disclosures Reports

### 2.1. Overview of Risk Management and RWA:

#### 2.1.1 Key Risk Metrics (KM1)

The objective of below table is to provide an overview of bank's prudential regulatory metrics which covers the key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. Accordingly, the Bank has disclosed all applicable metric values using the standards specified for the reporting period.

#	KM1 - Key Risk Metrics	Jun 23	Mar 23	Dec 22	Sept 22	Jun 22
	<b>Available capital</b>	<b>(Amounts are in AED 000 or in %)</b>				
1	Common Equity Tier 1 (CET1)	2,407,423	2,408,442	2,420,172	2,097,957	2,077,767
1a	Fully loaded ECL accounting model	2,399,982	2,399,982	2,399,982	2,077,767	2,077,767
2	Tier 1	2,407,423	2,408,442	2,420,172	2,097,957	2,077,767
2a	Fully loaded ECL accounting model Tier 1	2,399,982	2,399,982	2,399,982	2,077,767	2,077,767
3	Total capital	2,560,937	2,554,966	2,562,832	2,227,875	2,212,478
3a	Fully loaded ECL accounting model total capital	2,553,496	2,546,506	2,542,642	2,207,685	2,212,478
	<b>Risk-weighted assets (amounts)</b>					
4	Total risk-weighted assets (RWA)	13,245,579	12,682,455	12,374,698	11,389,908	11,784,573
	<b>Risk-based capital ratios as a percentage of RWA</b>					
5	Common Equity Tier 1 ratio (%)	18.18%	18.99%	19.56%	18.42%	17.63%
5a	Fully loaded ECL accounting model CET1 (%)	18.12%	18.92%	19.39%	18.24%	17.63%
6	Tier 1 ratio (%)	18.18%	18.99%	19.56%	18.42%	17.63%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.12%	18.92%	19.39%	18.24%	17.63%
7	Total capital ratio (%)	19.33%	20.15%	20.71%	19.56%	18.77%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.28%	20.08%	20.55%	19.38%	18.77%
	<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%

#	KM1 - Key Risk Metrics	Jun 23	Mar 23	Dec 22	Sept 22	Jun 22
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 + 9+ 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	8.83%	9.65%	10.21%	9.06%	8.27%
<b>Leverage Ratio</b>						
13	Total leverage ratio measure	25,993,357	24,416,922	22,922,784	22,398,136	22,235,366
14	Leverage ratio (%) (row 2/row 13)	9.26%	9.86%	10.56%	9.37%	9.34%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	9.23%	9.83%	10.47%	9.28%	9.34%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	9.23%	9.83%	10.47%	9.28%	9.34%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	NA	NA	NA	NA	NA
16	Total net cash outflow	NA	NA	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA	NA	NA
<b>Net Stable Funding Ratio</b>						
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA	NA	NA
<b>ELAR</b>						
21	Total HQLA	2,956,662	3,023,654	2,516,745	2,545,231	1,839,172
22	Total liabilities	17,813,640	16,528,471	15,101,605	13,960,489	13,933,884
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.60%	18.29%	16.67%	18.23%	13.20%
<b>ASRR</b>						
24	Total available stable funding	17,775,464	16,794,887	15,808,639	14,580,062	14,284,967
25	Total Advances	14,980,767	14,274,624	13,002,778	12,233,044	12,275,827
26	Advances to Stable Resources Ratio (%)	84.28%	84.99%	82.25%	83.90%	85.94%

## 2.1.2 Overview of RWA (OV1):

The purpose of this metrics is to provide an overview of total risk weighted assets.

(Amount in AED "000")

#	OV1 - Overview of RWA	RWA		Min. capital requirements
		Jun 23	Mar 23	Jun 23
1	Credit risk (excluding counterparty credit risk)	12,125,136	11,560,559	1,273,139
2	Of which: standardized approach (SA)	12,125,136	11,560,559	1,273,139
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)	77,976	80,681	8,187
7	Of which: standardized approach for counterparty credit risk	77,976	80,681	8,187
8	Of which: Internal Model Method (IMM)	--	--	--
9	Of which: other CCR	--	--	--
10	Credit valuation adjustment (CVA)	77,976	80,681	8,187
11	Equity positions under the simple risk weight approach			
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 - fallback approach	0	0	0
15	Settlement risk	0	0	0
16	Securitization exposures in the banking book	0	0	0
17	Of which: securitization internal ratings-based approach (SEC-IRBA)			
18	Of which: securitization external ratings-based approach (SEC-ERBA)	0	0	0
19	Of which: securitization standardized approach (SEC-SA)	0	0	0
20	<b>Market risk</b>	8,782	4,826	922
21	Of which: standardized approach (SA)	8,782	4,826	922
22	Of which: internal approach (IMA)			
23	<b>Operational risk</b>	<b>955,708</b>	<b>955,708</b>	<b>100,349</b>

#	OV1 - Overview of RWA	RWA		Min. capital requirements
		Jun 23	Mar 23	Jun 23
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>13,245,579</b>	<b>12,682,455</b>	<b>1,390,786</b>

## 2.2. Composition of capital

Bank's regulatory capital comprises of mainly the Share Capital (parked at UAE branch by Bank of Baroda Corporate office), Statutory Reserves and Reserves & Surplus. The further detailed composition of capital is defined in the below sections.

### 2.2.1 Composition of regulatory capital (CC1)

This section describes a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes on the composition of regulatory capital.

#	CC1 - Composition of Regulatory Capital	Amounts in AED "000"
	<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	760,000
2	Retained earnings	1,725,605
3	Accumulated other comprehensive income (and other reserves) and IFRS transitional arrangement	(78,182)
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>2,407,423</b>
	<b>Common Equity Tier 1 capital regulatory adjustments</b>	
7	Prudent valuation adjustments	0
8	Goodwill (net of related tax liability)	0
9	Other intangibles including mortgage servicing rights (net of related tax liability)	0



#	CC1 - Composition of Regulatory Capital	Amounts in AED "000"
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	Securitization 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
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)	0
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	<b>Total regulatory adjustments to Common Equity Tier 1</b>	0
25	<b>Common Equity Tier 1 capital (CET1)</b>	<b>2,407,423</b>
	<b>Additional Tier 1 capital: instruments</b>	
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0
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	<b>Additional Tier 1 capital before regulatory adjustments</b>	<b>2,407,423</b>



#	CC1 - Composition of Regulatory Capital	Amounts in AED "000"
	<b>Additional Tier 1 capital: regulatory adjustments</b>	
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
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	<b>Additional Tier 1 capital (AT1)</b>	<b>2,407,423</b>
39	<b>Tier 1 capital (T1= CET1 + AT1)</b>	<b>2,407,423</b>
	<b>Tier 2 capital: instruments and provisions</b>	
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	Eligible general provision (max 1.25% of CRWA under standardised approach)	153,514
45	<b>Tier 2 capital before regulatory adjustments</b>	<b>153,514</b>
	<b>Tier 2 capital: regulatory adjustments</b>	
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	<b>Total regulatory adjustments to Tier 2 capital</b>	<b>0</b>
51	<b>Tier 2 capital (T2)</b>	<b>153,514</b>
52	<b>Total regulatory capital (TC = T1 + T2)</b>	<b>2,560,937</b>
53	<b>Total risk-weighted assets</b>	<b>13,245,579</b>

#	CC1 - Composition of Regulatory Capital	Amounts in AED "000"
	<b>Capital ratios and buffers</b>	
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.18%
55	Tier 1 (as a percentage of risk-weighted assets)	18.18%
56	Total capital (as a percentage of risk-weighted assets)	19.33%
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)	10.50%
58	Of which: capital conservation buffer requirement	2.50%
59	Of which: bank-specific countercyclical buffer requirement	0
60	Of which: higher loss absorbency requirement (e.g., DSIB)	0
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	8.83%
	<b>The CBUAE Minimum Capital Requirement</b>	
62	Common Equity Tier 1 minimum ratio	7%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%
	<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	0
67	Mortgage servicing rights (net of related tax liability)	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	0
	<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)	153,514
70	Cap on inclusion of provisions in Tier 2 under standardized approach	153,514
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>	

#	CC1 - Composition of Regulatory Capital	Amounts in AED “000”
73	Current cap on CET1 instruments subject to phase-out arrangements	0
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0
75	Current cap on AT1 instruments subject to phase-out arrangements	0
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	0
77	Current cap on T2 instruments subject to phase-out arrangements	0
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	0

### 2.2.2 Reconciliation of regulatory capital to balance sheet (CC2):

The section identifies the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1. This also provides a narrative commentary to explain any significant changes in the expanded balance sheet items over the reporting period and the key drivers of such change including any significant changes in other balance sheet items.

Amount in “000”

CC2- Reconciliation of Regulatory Capital to Balance Sheet	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end 30.06.2023	As at period-end 30.06.2023	
<b>Assets</b>			
Cash and balances at central banks	2,086,905	2,086,905	
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Financial assets designated at fair value	-	-	
Derivative financial instruments	1,003	1,003	
Loans and advances to banks	5,658,028	5,658,028	
Loans and advances to customers	15,336,703	15,336,703	
Reverse repurchases agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	1,031,348	1,031,348	
Current and deferred tax assets	148,373	148,373	

CC2- Reconciliation of Regulatory Capital to Balance Sheet	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end 30.06.2023	As at period-end 30.06.2023	
Prepayments, accrued income and other assets	346,723	346,723	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	-	-	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	-	-	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	10,139	10,139	
<b>Total assets</b>	<b>24,619,222</b>	<b>24,619,222</b>	
<b>Liabilities</b>			
Deposits from banks	947,857	947,857	
Items in the course of collection due to other banks	-	-	
Customer accounts	16,197,847	16,197,847	
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	666	666	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	4,811,407	4,811,407	
Current and deferred tax liabilities	-	-	
Of which: DTLs related to goodwill	-	-	(d)
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	(e)
Of which: DTLs related to MSRs	-	-	(f)
Subordinated liabilities	-	-	
Provisions	-	-	
Retirement benefit liabilities	-	-	
<b>Total liabilities</b>	<b>21,957,777</b>	<b>21,957,777</b>	

CC2- Reconciliation of Regulatory Capital to Balance Sheet	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end 30.06.2023	As at period-end 30.06.2023	
Shareholders' equity			
Paid-in share capital	760,000	760,000	
Of which: amount eligible for CET1	760,000	760,000	(h)
Of which: amount eligible for AT1	-	-	(i)
Retained earnings and Statutory Reserves	1,901,445	1,901,445	
Accumulated other comprehensive income	-	-	
Total shareholders' equity	2,661,445	2,661,445	

### 2.2.3 Main features of regulatory capital instruments (CCA)

This section describes the terms and conditions of all instruments included in the regulatory capital. Since the Bank of Baroda UAE operations is a branch of Bank of Baroda, India (the parent). The parent has deployed the Capital of AED 760.00 million.

### 2.2.4 Macroprudential Supervisory measures (CCyB1)

This section describes exposures on an “ultimate risk” basis for the purposes of the countercyclical capital buffer including the methodology of geographical allocation used and the jurisdictions or types of exposures for which the ultimate risk method is not used as a basis for allocation. The Bank does not hold any capital at other geographical locations; therefore, the assessment of “ultimate risk” is not carried out by the Bank.

## 2.3. Leverage Ratio

This section describes the leverage ratio of the bank that indicates the financial position of the bank in terms of its debt and its capital or assets and it is calculated by Tier 1 capital divided by consolidated assets where Tier 1 capital includes common equity, reserves, retained earnings and other securities after subtracting goodwill. The summarized position of leverage ratio is described in below sections (i.e., LR-1 & 2).

### 2.3.1 Summary comparison of accounting assets vs leverage ratio exposure measure (LR1):

This section details the source of material differences between the total balance sheet assets, as reported in the financial statements, and the leverage ratio exposure measure.

LR1 - Comparison of accounting assets vs leverage ratio exposure measure		Jun 23 (Amount in AED “000”)
<b>1</b>	<b>Total consolidated assets as per published financial statements</b>	24,618,556
<b>2</b>	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
<b>3</b>	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	0
<b>4</b>	Adjustments for temporary exemption of central bank reserves (if applicable)	0
<b>5</b>	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
<b>6</b>	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	0
<b>7</b>	Adjustments for eligible cash pooling transactions	0
<b>8</b>	Adjustments for derivative financial instruments	198,383
<b>9</b>	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-
<b>10</b>	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	1,377,392
<b>11</b>	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
<b>12</b>	Other adjustments	(200,974)
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>25,993,357</b>

### 2.3.2 Leverage ratio common disclosure template (LR2)

This section describes the key factors that have had a material impact on the leverage ratio for this reporting period.

(Amount in AED “000”)

#	LR2 - Leverage ratio common disclosure template (LR2)	Jun 23	Mar 23
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	24,417,582	22,986,380
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>24,417,582</b>	<b>22,986,380</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)	1,003	904
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	140,699	144,856
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) * 1.4</b>	<b>198,383</b>	<b>204,064</b>
<b>Securities financing transactions</b>			
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	CCR exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>0</b>	<b>0</b>



#	LR2 - Leverage ratio common disclosure template (LR2)	Jun 23	Mar 23
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	4,797,063	4,054,594
20	(Adjustments for conversion to credit equivalent amounts)	(3,419,671)	(2,828,116)
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>1,377,392</b>	<b>1,226,478</b>
<b>Capital and total exposures</b>			
23	Tier 1 capital	2,407,423	2,408,442
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>25,993,357</b>	<b>24,416,922</b>
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>9.26%</b>	<b>9.86%</b>
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.26%	9.86%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	<b>3.00%</b>	<b>3.00%</b>

## 2.4. Liquidity:

This section describes bank's business models and liquidity risk profiles, organization and functions involved in liquidity risk management and bifurcated as qualitative and quantitative.

### 2.4.1 Liquidity Coverage Ratio (LIQ1):

Bank is using the alternative approach for Liquidity Coverage Ratio (LCR) as per the provisions in Liquidity Risk Regulation of CBUAE (2015), i.e., ELAR (Eligible Liquid Assets Ratio). ELAR details are provided in "Table ELAR".

### 2.4.2 Net Stable Funding Ratio (LIQ2):

Bank is using the alternative approach for Net Stable Funding Ratio (NSFR) as per the provisions in Liquidity Risk Regulation of CBUAE (2015), i.e., ASRR (Advances to Stable Resources Ratio). ASRR details are provided in "Table ASRR". Though NSFR is not applicable for the Bank at UAE, for consolidation at Corporate Office as per regulatory requirement of Reserve Bank of India (RBI), UAE branch reports NSFR to Corporate Office on a monthly basis.

### 2.4.3 Eligible Liquid Assets Ratio (ELAR):

This section describes as simple averages of daily observations for computations of ELAR over the previous quarter (i.e., the average calculated over a period of, typically, 90 days) in the AED.

(Amount in AED 000 or %)

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,818,378	
1.2	UAE Federal Government Bonds and Sukuks	1,260,858	
	Sub Total (1.1 to 1.2)	3,079,236	3,079,236
1.3	UAE local governments publicly traded debt securities	26,328	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub total (1.3 to 1.4)	26,328	26,328
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	<b>Total</b>	<b>3,105,564</b>	<b>3,105,564</b>
2	Total liabilities		16,479,584
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>18.84%</b>

### 2.4.4 Advances to stable resources ratio (ASRR);

This section presents the breakdown of bank's advances to Stables Resource ratio as per the Liquidity regulations.

(Amount in AED 000 or %)

#	#	Items	Amount
1		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	10,478,681
	1.2	Lending to non-banking financial institutions	1,102,984
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	(1,011,720)
	1.4	Interbank Placements	4,410,822
	1.5	<b>Total Advances</b>	<b>14,980,767</b>
2		<b>Calculation of Net Stable Resources</b>	

#	#	Items	Amount
	2.1	Total capital + general provisions	2,897,681
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	10,139
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	<b>2.1.7</b>	<b>Total deduction</b>	<b>10,139</b>
	<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>2,887,542</b>
	<b>2.3</b>	<b>Other stable resources:</b>	<b>-</b>
	2.3.1	Funds from the head office	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	550,950
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	648,769
	2.3.5	Customer Deposits	13,688,203
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	<b>2.3.7</b>	<b>Total other stable resources</b>	<b>14,887,922</b>
	<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>17,775,464</b>
<b>3</b>		<b>Advances To Stable Resources Ratio (1.6/ 2.4*100)</b>	<b>84.28%</b>

## 2.5. Credit Risk (CRA)

### 2.5.1 Credit quality of assets (CR1)

This section narrates a comprehensive picture of the credit quality of bank's (on- and off-balance sheet) assets.

(Amount in AED 000)

S No	Particulars	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	3,855,743	15,634,672	2,780,055	2,551,562	228,493	16,710,360
2	Debt securities	18,365	1,012,983	18,375	18,365	10	1,012,972
3	Off-balance sheet exposures	22,422	1,023,824	29,106	22,254	6,852	1,017,140
4	<b>Total</b>	<b>3,896,530</b>	<b>17,671,479</b>	<b>2,827,537</b>	<b>2,592,181</b>	<b>235,356</b>	<b>18,740,472</b>

### 2.5.2 Change in the Stock of Defaulted Loans and Debt Securities (CR2);

This section describes the changes in bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs including the drivers of any significant changes in the amounts of defaulted exposures from the previous reporting period and any significant movement between defaulted and non-defaulted loans.

#	Particulars	Amount in AED "000"
1	<b>Defaulted loans and debt securities at the end of the previous reporting period</b>	2,783,377
2	Loans and debt securities that have defaulted since the last reporting period	58,606
3	Returned to non-default status	13,326
4	Amounts written off	93,310
5	Other changes	(1,161,182)
6	<b>Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)</b>	<b>3,896,530</b>

### 2.5.3 Credit risk mitigation techniques - overview (CR3)

This section describes the CRM techniques used to reduce and the secured exposures used for risk-weights calculation including a narrative commentary on any significant changes over the reporting period and key drivers of such changes.

(Amount in AED “000”)

#	Particulars	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	6,101,494	6,780,708	6,344,530	2,875,430	2,875,430	-	-
2	Debt securities	1,031,348	-	-	-	-	-	-
3	<b>Total</b>	<b>7,132,842</b>	<b>6,780,708</b>	<b>6,344,530</b>	<b>2,875,430</b>	<b>2,875,430</b>	-	-
4	Of which defaulted	24,390	122,959	116,934	-	-	-	-

#### 2.5.4 Standardized approach - credit risk exposure and CRM effects (CR4)

This section describes the effect of CRM (comprehensive and simple approach) on standardized approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

(Amount in AED “000”)

#	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		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	4,081,372	-	4,081,372	-	614,355	15.05%
2	Public Sector Entities	451,489	-	451,489	-	215,321	47.69%
3	Multilateral development banks	-	-	-	-	-	-
4	Banks	6,567,724	300,922	6,597,047	250,286	4,044,599	59.07%
5	Securities firms	-	-	-	-	-	-
6	Corporates	6,501,308	3,326,966	4,895,728	648,737	5,204,456	93.87%
7	Regulatory retail portfolios	718,546	804,830	197,732	82,025	221,819	79.29%
8	Secured by residential property	1,121,060	55,717	1,121,060	11,143	545,591	48.19%
9	Secured by commercial real estate	568,506	484,589	568,506	96,935	665,442	100.00%

#	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-
11	Past-due loans	3,874,108	22,422	122,875	140	123,015	100.00%
12	Higher-risk categories	-	-	-	-	-	-
13	Other assets	533,470	-	533,470	-	568,514	106.57%
14	<b>Total</b>	<b>24,417,582</b>	<b>4,995,446</b>	<b>18,569,278</b>	<b>1,089,267</b>	<b>12,203,112</b>	<b>62.08%</b>

### 2.5.5 Standardized approach - exposures by asset classes and risk weights (CR5)

This section describes the breakdown of credit risk exposures under the standardized approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardized approach).

(Amount in AED “000”)

#	Risk Weight Asset Class	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	3,467,016	-	-	-	-	614,355	-	-	4,081,372
2	Public Sector Entities	-	34,745	-	416,744	-	-	-	-	451,489
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	393,849	-	4,975,309	-	1,478,175	-	-	6,847,333
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	31,323	-	550,950	-	3,640,586	244,255	1,077,352	5,544,465
7	Regulatory retail portfolios	-	-	-	-	231,751	48,005	-	-	279,756
8	Secured by residential property	-	-	902,480	-	-	229,723	-	-	1,132,204

9	Secured by commercial real estate	-	-	-	-	-	665,442	-	-	665,442
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	123,015	-	-	123,015
12	Higher-risk categories	-	-	-	-	-	-	-	-	-
13	Other assets	187,515	-	-	-	-	197,582	-	148,373	533,470
14	<b>Total</b>	<b>3,654,531</b>	<b>459,916</b>	<b>902,481</b>	<b>5,943,004</b>	<b>231,752</b>	<b>6,996,884</b>	<b>244,256</b>	<b>1,225,725</b>	<b>19,658,545</b>

## 2.6. Counterparty credit risk (CCR)

### 2.6.1 Analysis of CCR by approach (CCR1)

This section describes about the regulatory exposures, RWA and parameters used for RWA calculations for all exposures subject to the counterparty credit risk framework (excluding CVA charges of exposures cleared through a CCP) including a narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

(Amount in AED “000”)

#	Particulars	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	1,003	140,699		1.4	198,383	77,976
2	Internal Model Method (for derivatives and SFTs)			0	0	0	0
3	Simple Approach for credit risk mitigation (for SFTs)					0	0
4	Comprehensive Approach for credit risk mitigation (for SFTs)					0	0
5	VaR for SFTs					0	0
6	<b>Total</b>						<b>77,976</b>



## 2.6.2 Credit valuation adjustment (CVA) capital charge (CCR2)

This section portrays a narrative commentary on the Standardized approach - Provide the CVA regulatory calculations (with a breakdown by standardized or simple alternative approach).

		EAD post-CRM	RWA
1	All portfolios subject to the Standardized CVA capital charge*	-	-
2	All portfolios subject to the Simple alternative CVA capital charge	198,383	77,976

## 2.6.3 Standardized approach - CCR exposures by regulatory portfolio and risk weights (CCR3)

This section portrays a narrative commentary on the Standardized approach - CCR exposures by regulatory portfolio and risk weights including a description of the exposures in the portfolios concerned and the aggregate total of RWAs amount from such exposures.

(Amount in AED “000”)

#	Regulatory Portfolio	Risk Weight	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
1	Sovereigns									-
2	Public Sector Entities (PSEs)									-
3	Multilateral development banks (MDBs)									-
4	Banks			70,869	127,424					198,293
5	Securities firms									-
6	Corporates						90			90
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									-
14	<b>Total</b>		-	70,869	127,424	-	90	-	-	198,383

## 2.6.4 Composition of collateral for CCR exposure (CCR5)

This section describes the breakdown of all types of collateral posted or received by the bank to support or reduce the counterparty credit risk exposures related to derivative transactions or to SFTs, whether or not the transactions are cleared through a CCP and whether or not the collateral is posted to a CCP.

(Amount in AED “000”)

Particulars	Collateral used in derivative transactions				Collateral used in SFTs	
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	0	0	0	0	0	0
Cash - other currencies	0	0	0	0	0	0
Domestic sovereign debt	0	0	0	0	0	0
Government agency debt	0	0	0	0	0	0
Corporate bonds	0	0	0	0	0	0
Equity securities	0	0	0	0	0	0
Other collateral	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 2.6.5 Credit derivatives exposures (CCR6)

This section illustrates the extent of bank's exposures to credit derivatives transactions broken down between derivatives bought or sold including any narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes.

(Amount in AED “000”)

#	Particulars	Protection bought	Protection sold
<b>Notional</b>			
	Single-name credit default swaps	0	0
	Index credit default swaps	0	0
	Total return swaps	0	0
	Credit options	0	0
	Other credit derivatives	0	0
<b>Total notional</b>		<b>0</b>	<b>0</b>

<b>Fair values</b>		0	0
	Positive fair value (asset)	0	0
	Negative fair value (liability)	0	0

## 2.6.6 Exposures to central counterparties (CCR8)

This section provides a comprehensive picture of the bank's exposures to central counterparties. In particular, it includes all types of exposures (due to operations, margins, contributions to default funds) and related capital requirements including any narrative commentary to explain any significant changes over the reporting period and the key drivers of such changes (i.e., Changes in RWA amounts over the reporting period for each of the key drivers should be based on bank's reasonable estimation of the figure).

(Amount in AED "000")

#	Particulars	EAD (post-CRM)	RWA
<b>1</b>	<b>Exposures to QCCPs (total)</b>		
<b>2</b>	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	0	0
<b>3</b>	(i) OTC derivatives	0	0
<b>4</b>	(ii) Exchange-traded derivatives	0	0
<b>5</b>	(iii) Securities financing transactions	0	0
<b>6</b>	(iv) Netting sets where cross-product netting has been approved	0	0
<b>7</b>	Segregated initial margin	0	
<b>8</b>	Non-segregated initial margin	0	0
<b>9</b>	Pre-funded default fund contributions	0	0
<b>10</b>	Unfunded default fund contributions	0	0
<b>11</b>	<b>Exposures to non-QCCPs (total)</b>		0
<b>12</b>	Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution); of which:		
<b>13</b>	(i) OTC derivatives	198,383	77,976
<b>14</b>	(ii) Exchange-traded derivatives	0	0
<b>15</b>	(iii) Securities financing transactions	0	0
<b>16</b>	(iv) Netting sets where cross-product netting has been approved	0	0
<b>17</b>	Segregated initial margin	0	

<b>18</b>	Non-segregated initial margin	0	0
<b>19</b>	Pre-funded default fund contributions	0	0
<b>20</b>	Unfunded default fund contributions	0	0

## 2.7. Securitization (SECA)

The Bank does not have any securitization exposure, hence section SEC1 to SEC4 are not applicable.

## 2.8. Market Risk (MRA)

### 2.8.1 Market risk under the standardized approach (MR1)

This section provides the components of the capital requirement under the Standardized Approach for market risk including a narrative commentary to explain any significant changes in the reporting period and the key drivers of such changes.

(Amount in AED “000”)

#	Particulars	RWA
<b>1</b>	General Interest rate risk (General and Specific)	0
<b>2</b>	Equity risk (General and Specific)	0
<b>3</b>	Foreign exchange risk	8,782
<b>4</b>	Commodity risk	0
<b>5</b>	Options	<b>0</b>
<b>6</b>	Simplified approach	0
<b>7</b>	Delta-plus method	0
<b>8</b>	Scenario approach	
<b>9</b>	Securitization	0
<b>10</b>	<b>Total</b>	<b>8,782</b>

## **2.9. Submission:**

Submitted for consideration and approval.

**(Ayyappa Kosuru)**  
**Dy. General Manager**  
**Chief Risk Officer**

**(Vishal Kumar)**  
**Dy. Chief Executive**  
**GCC Operations**

**(Nishant Ranjan)**  
**Chief Executive,**  
**GCC Operations**

**Place: Zonal Office, Dubai, U.A.E,**