NATIONAL BANK OF FUJAIRAH

PILLAR 3

DISCLOSURES 2022

Contents

1. Executive Summary

The National Bank of Fujairah's ("NBF" or the "Bank") Basel Pillar 3 disclosures have been prepared in accordance with the guidelines prescribed by the Central Bank of the UAE (CBUAE) and the Formal Disclosure Policy of the Bank. The Bank and its subsidiaries are together referred to as 'the Group' in this document.

The purpose of this report is to inform market participants of the key components, scope and effectiveness of the Bank's risk measurement processes, risk profile and capital adequacy. This is accomplished by providing consistent and understandable disclosures of the Bank's risk profile in a manner that enhances comparability with other financial institutions.

Capital management and risk management are important parts of the Bank's strategy formulation process and are reflected in the Bank's long term objectives. The primary objective of the NBF's capital and risk management strategy is to protect the financial strength of the Bank, ensure its sustainability and safeguard its reputation, whilst recognizing that prudent risk taking remains an integral part of NBF's business. The NBF risk management strategy applies across all businesses and risk categories and is founded on:

- Transparency, assessment and responsiveness, and
- Management accountability

Capital Management

The Bank's Capital Position as at 31st December 2022 shows that the Group holds adequate capital, even in a stressed scenario:

CAPITAL ADEQUACY ASSESSMENT SUMMARY AED'000			
Particulars	**Regulatory Capital Pillar I**	**Risk Capital Pillar I + Pillar II**	**Stressed Scenario**
Risk Weighted Assets (RWA)	33,149,934	42,454,175	55,336,804
Mandated Capital @ 13%*	4,309,491	5,519,043	7,193,785
Available Capital	6,155,572	6,009,893	6,009,893
Capital Adequacy Ratio	18.57%	14.16%	10.86%
CBUAE Minimum Requirement	13.00%	10.50%	10.50%
Surplus / (Shortfall)	5.57%	3.66%	0.36%

*Mandated Capital including buffers is 13% of Total RWA.

CET 1 CAPITAL ADEQUACY ASSESSMENT SUMMARY AED'000			
Particulars	**Regulatory Capital Pillar I**	**Risk Capital Pillar I + Pillar II**	**Stressed Scenario**
Risk Weighted Assets (RWA)	33,149,934	42,454,175	55,336,804
Mandated CET1 @ 9.5% (Incl. buffers)	3,149,244	4,033,147	5,256,996
Available Capital	4,492,660	4,346,981	4,346,981
CET 1 Ratio	13.55%	10.24%	7.86%
CBUAE Minimum Requirement	9.50%	7.00%	7.00%
Surplus / (Shortfall)	4.05%	3.24%	0.86%

The results of the capital assessment, including Pillar 1, Pillar II, stress testing and ICAAP risk analysis indicate that the targets and triggers in place to manage capital adequacy, are appropriate.

The Management Risk Committee reviews the level of capital resources in relation to the changes in the risk profile of the Bank, the stress testing and the business and operating expenses of a capital nature each month. The Committee makes appropriate recommendation to the Board Risk Committee and the Board of Directors regarding additional capital requirements.

The recommendations to the Board may include reducing the Bank's risk profile by reducing its risk weighted assets including:

- Sell down and risk participation of assets,
- Changing the prevailing mix of the asset book encouraging repayment of assets requiring large risk capital and deployment into more capital efficient assets.

or through generating additional capital resources through:

- Reviewing the dividend policy,
- Reviewing the capital generation plan if required.

Risk Management

The Board provides a clear operational structure for the Group to manage risk in a manner that ensures establishment of appropriate controls consistent with the Bank's risk appetite, risk profile and capital strength. These controls, via the Enterprise-wide Risk Management Framework (ERMF), are understood by and regularly cascaded to relevant staff.

The ERMF promotes continuous monitoring and the integrated evaluation of different risk types and their interaction, to assess the enterprise–wide overall risk profile.

NBF examines its risk profile from a regulatory capital and economic capital perspective to ensure its capital base remains above the minimum regulatory threshold, is adequate to withstand certain defined stress scenarios and is sufficient to support NBF's strategic objectives and operational goals.

This Pillar 3 Report provides details on the Bank's risk profile by risk asset classes, which form the basis for the calculation of its capital requirement. Numbers are stated in AED thousands unless stated otherwise.

2. Table KM1: Key metrics (at consolidated group level)

The key metrics focus on the capital and liquidity position of the Bank:

		Dec'2022	Sep'2022	Jun'2022	Mar'2022	Dec'2021
		A	B	C	D	E
		T	T - 1	T - 2	T - 3	T - 4
	Available capital (amounts)*					
1	Common Equity Tier 1 (CET1) (with IFRS9 transitional prov)	4,492,660	4,534,311	4,479,302	4,320,560	4,194,954
1a	Fully loaded ECL accounting model	4,346,981	4,323,973	4,270,035	4,219,547	4,176,216
2	Tier 1 (with IFRS9 transitional prov)	5,778,210	5,819,861	5,764,852	5,606,110	5,480,504
2a	Fully loaded ECL accounting model Tier 1	5,632,531	5,609,523	5,555,585	5,505,097	5,461,766
3	Total capital (with IFRS9 transitional prov)	6,155,572	6,216,120	6,147,819	5,969,703	5,825,370
3a	Fully loaded ECL accounting model total capital	6,009,893	6,005,782	5,938,552	5,868,690	5,806,632
	Risk weighted assets (amounts)					
4	Total risk weighted assets (RWA)	33,149,934	34,587,814	33,602,816	31,976,558	30,481,161
	Risk based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.6%	13.1%	13.3%	13.5%	13.8%
5a	Fully loaded ECL accounting model CET1 (%)	13.1%	12.5%	12.7%	13.2%	13.7%
6	Tier 1 ratio (%)	17.4%	16.8%	17.2%	17.5%	18.0%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.0%	16.2%	16.5%	17.2%	17.9%
7	Total capital ratio (%)	18.6%	18.0%	18.3%	18.7%	19.1%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.1%	17.4%	17.7%	18.4%	19.0%
	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 (%)	0.002%	0.001%	0.01%	0.01%	0.01%
10	Bank D SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.51%	2.51%	2.51%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.6%	6.1%	6.3%	6.5%	6.8%
	Leverage Ratio					
13	Total leverage ratio measure	56,066,073	52,971,549	53,026,558	51,483,578	51,747,319
14	Leverage ratio (%) (row 2/row 13)	10.31%	10.99%	10.87%	10.89%	10.59%
14 a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.05%	10.59%	10.48%	10.69%	10.55%
14 b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
	Liquidity Coverage Ratio					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	Net Stable Funding Ratio					
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-

		T	T - 1	T - 2	T - 3	T - 4
	ELAR**					
21	Total HQLA	8,487,255	7,079,028	7,180,588	8,413,928	7,729,254
22	Total liabilities	40,201,258	39,063,481	37,531,456	37,109,047	35,980,320
23	Eligible Liquid Assets Ratio (ELAR) (%)**	21.11%	18.12%	19.13%	22.67%	21.48%
	ASRR**					
24	Total available stable funding	37,239,837	36,275,606	35,295,584	34,823,361	34,247,755
25	Total Advances	27,695,519	28,196,893	27,724,704	26,628,686	26,287,523
26	Advances to Stable Resources Ratio (%)	74.37%	77.73%	78.55%	76.47%	76.76%

** CBUAR Pillar 3 explanatory notes - Fully Loaded means bank's regulatory capital compared with a situation where the transitional arrangement had not been applied.*
*** ELAR and ASRR ratios are calculated on a 90 day average basis as per CBUAE guidelines.*

The Bank's lead regulator, the Central Bank of the UAE, sets and monitors regulatory capital requirements. The requirements of capital for subsidiaries, NBF Financial Services FZC and NBF Markets (Cayman) Limited, are determined by the Free Zone Authority of Fujairah and Cayman Island Government General Registry respectively.

The Group's objectives and strategy when managing capital are:

- To safeguard the Group's ability to continue as a going concern and to optimise returns for shareholders;
- To maintain an adequate level and achieve an optimum structure for the Group's capital commensurate with its strategy, risk profile and relative positioning in the market;
- To comply with regulatory capital requirements set by the Central Bank of the UAE;
- To efficiently allocate capital to various businesses and to optimise risk and reward;
- To ensure effective internal organisation and processes and to assess and manage material risks on an ongoing basis; and
- To provide for any unforeseen losses.

The Group's capital management is carried out centrally and determines the level of risk weighted asset growth and the optimal amount and mix of capital required to support planned business growth.

In implementing capital requirements, the Bank calculates its capital adequacy ratio in accordance with the 'Capital Adequacy Regulations' issued by the Central Bank of the UAE. The Central Bank of the UAE introduced the implementation of Basel III reporting which the Group has adopted and has also developed and implemented risk management measurement tools and robust practices to be compliant with the Basel III Standardised approach. The Central Bank of the UAE places considerable emphasis on the Internal Capital Adequacy Assessment Process ("ICAAP") and the Group has aligned its policy framework and ICAAP in compliance with the Central Bank of the UAE requirements.

The Bank and its subsidiaries have complied with all regulatory capital requirements throughout the year.

Regulatory Capital

The Bank's risk weighted assets (RWA) are weighted on the basis of relative credit, market, and operational risks. Credit risk includes both on and off balance sheet risks. In accordance with the Basel III Compliance – Standardized Approach, the Bank is following the standardized measurement approach for credit, market and operational risk, under the existing Pillar 1 of Basel III requirements with the addition of the respective changes pertinent to capital supply.

The quantitative requirements, based on the regulations and guidelines, have been detailed below:

i. Total regulatory capital (net of regulatory adjustments) – at least 10.5% of risk weighted assets (RWAs) – comprises of two tiers:

   a. Tier 1 capital – at least 8.5% of RWA, composed of:
      - Common equity Tier 1 (CET1) – at least 7.0% of RWA; and
      - Additional Tier 1 (AT1)

   Common equity Tier 1 (CET1) includes ordinary share capital, statutory reserve, special reserve, retained earnings and fair value reserves relating to unrealized gains on investments classified as FVOCI / available for sale with a haircut of 55%; and Additional Tier 1 (AT1) comprises of Tier 1 capital securities.

   b. Tier 2 capital

   It includes collective impairment provision and sub ordinated facilities. Collective impairment provision, including impairment reserve general, shall not exceed 1.25% of total credit risk weighted assets.

ii. Banks must maintain a Capital Conservation Buffer (CCB) of 2.5% of RWAs in the form of CET1 capital. CBUAE may also require banks to implement Countercyclical Buffer (CCyB), to protect the banks from periods of excess aggregate credit growth. CCyB must be met by using CET1 capital and the level may vary between 0 and 2.5% of RWAs. At the date of this report, the Bank is not required to hold additional capital to satisfy a CCyB.

Minimum capital requirements - Central Bank of the UAE*:*

Capital element	**Basel III 2022**
Minimum common equity tier 1 ratio	**7.0%**
Minimum tier 1 capital ratio	**8.5%**
Minimum capital adequacy ratio	**10.5%**
Capital conservation buffer	**2.5%**

Capital Stress Testing:

The Group has carried out a stress testing exercise in accordance with the macroeconomic and business scenarios prescribed by the Central Bank of the UAE through its guidelines '2022 Stress Testing Guidance for Participating Banks' issued in June 2022. The results of the stress testing have been submitted to the Central Bank of the UAE. The results included the mitigation plan and management actions in response to the impact of the stress scenario on the capital adequacy of the Group.

The stress testing exercise achieves the following objectives:

- It provides a forward looking assessment of risk under a stressed scenario;
- It assesses the impact of various Macroeconomic Variables on UAE markets;
- It elaborates the methodologies, and the assumptions undertaken in the process;
- It assists the Group to shape its strategy, by gauging the capital impact of the stress scenarios;
- It enables the Group to assess extreme risk scenarios, along with contingency plans for such events; and
- It ensures senior management and the Board of Directors have sufficient information to facilitate contingency planning.

The Group has passed the stress testing exercise in accordance with '2022 Stress Testing Guidance for Participating Banks' issued in June 2022.

Capital Allocation:

- The Group also assesses its capital requirements taking into consideration its growth and business plans, and quantifies its regulatory, risk and economic capital requirements within its integrated ICAAP Framework. Risks such as residual risk, concentration risk, liquidity risk, interest rate risk in banking book (IRRBB), settlement risk, reputational risk, strategic risk, money laundering and cyber risk form part of ICAAP quantification.

3. OVA: Bank Risk Management Approach

The NBF Group recognizes that risk exists in all of our activities and that we need to have a clear and ordered approach to identification, assessment, measurement, reporting and treatment of risks based on a clear statement of Risk Appetite. Our Board of Directors considers the context of our business strategy and internal and external drivers of risk and sets boundaries for acceptable risk taking in our Risk Appetite Statement. Management then seeks to implement the Business Strategy and Operational Plans within those boundaries. To do this effectively, we apply a "Three Lines of Defence" operating model in relation to the management of risk. The key principle of the model is that risk management capability must be embedded within the business to be effective. The role of each line is:

First Line – Businesses own risks and obligations, and the controls and mitigation strategies that help manage them.

Second Line – Functionally segregated Risk Management and Compliance functions develop risk management frameworks, define the risk management principles in the bank's Polices, provide objective review and challenge regarding the effectiveness of risk management within the first line businesses, and execute specific risk management activities where the functional segregation of duties is required or a specific expertise is required.

Third Line – An independent Internal Audit function reporting to the Board, monitors the effectiveness of risk management in the first and second lines and compliance with the Enterprise wide Risk Management Framework and the Bank's Policies.

We then apply a structured approach to risk measurement and reporting which is assessed against our Risk Appetite and is overseen by specialized risk governance committees to ensure transparency and that any position outside appetite or trending in that direction has appropriate remediation action plans approved and governed to finalization.

Risk governance is key to successful risk taking. It involves a formal structure used to support risk based decision making and oversight across all our operations.

The Board has established the Board Risk Committee, to assist it in carrying out its responsibilities that are set out in its Charter. It receives regular reporting from management and it provides guidance to management where required as well as consideration and approval of specific matters referred to it.

Management has a number of management committees focused on our Material Risk classes or categories that are tasked with decision making and oversight of remediation where required.

Our Material Risks are defined as:

Credit Risk

Credit Risk is defined within NBF as: The risk of loss arising from the non-performance by a customer, client or counterparty in any of its financial obligations towards NBF. The definition of Credit Risk includes country risk, concentration risk and related party risks.

NBF's detailed policies in respect of Credit Risk are set out in the NBF Credit Risk Management Framework ("CRMF") and supporting policies.

Treasury Risk

The risk of loss arising from activities undertaken in, or impacted by, financial markets generally. This includes both Market Price Risk as well as ancillary risk such as Liquidity, Funding (liability) and Interest Rate Risk in the Banking Book.

NBF's detailed policies in respect of Treasury Risk are set out in the NBF Group Market Risk Management Policy and Liquidity Risk Management Policy as well as the Treasury Risk Process Guidance.

Operational Risk

The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes strategic and reputational risk.

NBF's detailed policies in respect of Operational Risk are set out in the NBF Operational Risk Management Framework (ORMF). The ORMF aggregates the following additional elements of risks:

- Information Technology Risk
- Disaster Recovery and Business Continuity Management
- Human Resources/Personnel Risk
- Processing Risks
- Insurance Risk and
- Risks in new Businesses, Products & Systems.

Regulatory Compliance Risk

The risk of losses, fines or penalties resulting from the failure of people, or of the organization to comply with legislation or regulation.

NBF’s policies in respect of compliance risk are set out in the Bank’s Compliance Policy. Anti-Money Laundering and Counter Terrorist Financing (‘AML/CTF’) Risks are documented in the Bank’s AML Policy, and Sanctions Risks are documented in the Sanctions Policy and supporting processes.

Information Security Risk

The potential that a given threat will exploit vulnerabilities of an asset or group of assets and thereby cause harm to the organization.

NBF's Information Security Risk Management Framework (ISRMF) ensures that information security risks in the entity are identified, assessed, and evaluated, and that these risks are treated in accordance with the information security requirements and business objectives of NBF.

NBF’s detailed policies in respect to Information Security are defined in the Information Security Management System (ISMS) Framework. This ensures:

- NBF’s Information resources in whatever form they exist both electronic and non-electronic are appropriately protected from compromise of their confidentiality, integrity and availability.
- Controls and protection requirements are accomplished in a manner consistent with the business and work flow requirements of NBF ISRMF and ISMS supports the general concepts specified in National Electronic Security Authority (NESA), National Cyber Risk Management Framework (NCRMF) and ISO/IEC 27001 and is designed to assist the satisfactory implementation of information security controls at NBF.

Shari’ah Compliance Risk

Whilst considered and reported as part of the overall Operational Risk Management Framework for capital purposes, Shari’ah Compliance has such significance that it has its own Framework, Governance processes and Assurance. We have an Internal Shari’ah Supervision Committee to provide guidance on and approval for matters pertaining to Islamic Shari’ah.

Country and Transfer Risk

Country Risk is defined as the risk of loss resulting from events in a foreign country, which may include changes in economic, social, political or regulatory conditions that affect obligors in that country and, potentially, obligations denominated in that country's currency.

Transfer Risk is defined as the risk that a borrower will not be able to convert local currency into foreign exchange and so be unable to make foreign currency debt service payments..

NBF is always committed to the implementation of best practices and governance standards.

The Board of Directors has overall responsibility for the establishment and oversight of the enterprise risk management framework. The Board sets the overall risk appetite and strategy in consultation with the senior management and approves all principal governance committee charters, policies and guidelines to manage the above mentioned risks. The Board has established committees, as detailed in the Corporate Governance Report (published on the NBF website), to enhance the oversight mechanism to carry out its responsibilities effectively.

Risk Appetite, Enterprise wide Risk Management and the Internal Control Framework:

Risk Appetite is the degree of risk that it is prepared to accept in pursuit of its strategic objectives and strategic plan, considering the Bank's various stakeholders, including depositors, shareholders and other relevant parties. The Risk Appetite Statement (RAS) intends to document the Bank's willingness to undertake risk to achieve its strategic plan objectives. The RAS is used as the primary guiding document in the execution of the business strategy, and therefore all strategic decisions are also considered in context of the defined RAS.

The RAS is a Board approved articulation of the aggregate level and types of risk that the Bank will accept or avoid in order to achieve its business objective. For each material risk, the Board has defined the maximum level of risk that the Bank is willing to operate within.

The Board sets the risk appetite, policies and has approved the Enterprise-wide Risk Management Framework. The Bank follows a three lines of defence structure, as explained above, with management control being the first, independent risk management oversight being the second, and an independent audit assurance being the third. The principal responsibility for the execution and implementation of policies and procedures and internal controls rests with respective functions and departments in accordance with the approved framework. An independent Risk Management function carries out the oversight through independent review and approval of procedures, spot checks to assess adequacy of internal controls and meeting of compliance requirements. It performs specialist activities to monitor and assess, operational risk, credit portfolio risk, market risk and liquidity risk.

The role of the Internal Audit Function within the Group is to provide independent and objective assurance that the process for identifying, evaluating and managing significant risks faced by the Group is appropriate and effectively applied. In addition, it also provides an independent check on the compliance with laws and regulations and measuring compliance with the Group's policies and procedures. Additionally, Internal Audit provides consulting services which are advisory in nature, and are generally performed at the specific request of the Senior Management. It is led by the Head of Internal Audit who reports to the Audit Committee of the Board. To perform its role effectively, Internal Audit has organizational independence from management, to enable unrestricted evaluation of management activities and personnel.

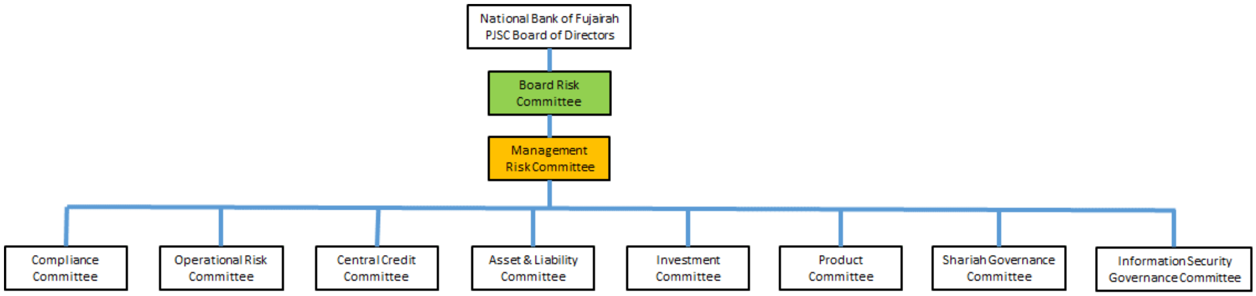
NBF has zero tolerance for non-compliance with its Risk Appetite, policies and procedures and strongly promotes a risk based culture across the Bank. The Bank reinforces it through various channels that include communication of Risk Appetite and risk policies annually to all staff for mandatory reading, a compulsory training program and quarterly compliance certification process. The Bank has also established robust operational risk program to report any error or process failure and, regular monitoring of Key Risk Indicators.

The Bank has a well-established mechanism to set and monitor operating limits, with any deviations from risk thresholds captured in the Breach register with clear delegation of authority for approval of remediation at management and board governance committees.

Responses to the Risk Profile being outside our Appetite is based on whether there is a breach of a hard limit, a Management Action Trigger or a target range. These indicators are measured through management information systems and platforms developed by the Bank. Responses to risks that arise in our business will depend on the type and level of the risk. Risks can be Accepted, Avoided, Treated or Transferred.

All risks within Appetite are deemed to be accepted. Risks outside our Appetite require decision making.

Our Risk Governance Structure is set out below:



The Board Risk Committee and the Management Risk Committee consider and govern all risk types across the Bank. Other committees are accountable for oversight of the following risks in consideration of the requirements of the named policies.

Committee	**Risks**	**Policies**
Central Credit Committee	Credit Risk Country and Transfer Risk	Credit Risk Management Framework Credit Policy Credit Underwriting Guidelines Delegated Authorities for Lending Classification and Provisioning Policy
Operational Risk Committee	Operational Risks	Operational Risk Management Framework Operational Risk Policy Business Continuity and Disaster Recovery Policy Crisis Management Policy Outsourcing Policy Reputational Risk Framework Fraud Risk Framework Information Security Risk Management Framework Insurance Risk Policy Legal Risk Policy
Asset and Liability Committee	Funding Risk Liquidity Risk Capital Adequacy Market Risk	Liquidity Risk PolicyMarket Risk Policy Treasury Risk Process Guidelines Trading Book Policy
Shari'ah Governance Committee	Shari'ah Compliance Risk	Shari'ah Governance Framework
Information Security Governance Committee	Technology Risk	ISMRF ISMS
Compliance Committee	Regulatory Compliance Risk AML/CTF Risk Sanctions Risk	Compliance Policy AML Policy Sanctions Policy
Product Committee	Operational Risk Strategic Risk Legal Risk Compliance Risk	Product Development and Management Policy
Investment Committee	Investment Risk Market Risk	Investment Risk Policy Market Risk Policy

Stress Testing

Stress testing is an important aspect of our challenge and validation activities within the Second Line of Defence. It allows us to model critical metrics after application of a range of extreme but plausible stress scenarios on Capital Adequacy, Liquidity and Funding.

We conduct a major Econometric Stress test each year using the stress scenarios set by our regulator, which is approved by the Board of Directors and is reported to the Central Bank of the UAE.

In addition, we apply internally determined stress scenarios on our Capital, Funding and Liquidity on a monthly basis and these metrics have visibility in ALCO, Management Risk Committee and Board Risk Committee.

4. Table OV1: Overview of RWA

	a	b	c
	RWA		Minimum capital requirements
	T	T - 1	T
Credit risk (excluding counterparty credit risk)	**30,188,941**	**31,700,712**	**3,169,839**
Of which: standardised approach (SA)	30,069,790	31,599,445	3,157,328
Of which: foundation internal ratings based (F IRB) approach	-	-	-
Of which: supervisory slotting approach	-	-	-
Of which: advanced internal ratings based (A IRB) approach	-	-	-
Counterparty credit risk (CCR)	-	-	-
Of which: standardised approach for counterparty credit risk	-	-	-
Of which: Internal Model Method (IMM)	-	-	-
Of which: other CCR	-	-	-
Credit valuation adjustment (CVA)	109,202	92,203	11,466
Equity positions under the simple risk weight approach	-	-	-
Equity investments in funds look through approach	-	-	-
Equity investments in funds mandate based approach	9,949	9,064	1,045
Equity investments in funds fall back approach	-	-	-
Settlement risk	-	-	-
Securitisation exposures in the banking book	-	-	-
Of which: securitisation internal ratings based approach (SEC IRBA)	-	-	-
Of which: securitisation external ratings based approach (SEC ERBA)	-	-	-
Of which: securitisation standardised approach (SEC SA)	-	-	-
Market risk	**58,816**	**36,507**	**-**
Of which: standardised approach (SA)	58,816	36,507	6,176
Of which: internal models approach (IMA)	-	-	-
Operational risk	2,902,177	2,850,595	304,729
Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
Floor adjustment	-	-	-
Total	**33,149,934**	**34,587,814**	

NBF is principally exposed to credit risk which represent almost 90 per cent of the Bank's Risk Weighted Assets followed by operational risk which accounts for around 9% of Risk Weighted Assets. The Bank has a relatively small market risk exposure as reflected in its risk weighted assets.

5. Table LI1: Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counter party credit risk framework	Subject to the securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances with the UAE Central Bank	9,718,922	9,724,062	9,724,062	-	-	-	-
Due from banks and financial institutions	2,347,975	2,357,400	2,357,400	-	-	-	-
Investments and Islamic instruments	6,349,918	6,364,911	6,364,911	-	-	-	-
Loans and advances and Islamic financing receivables	26,914,854	27,824,516	27,824,516	-	-	-	-
Property and equipment	331,660	331,660	331,660	-	-	-	-
Intangibles	114,470	114,470	114,470	-	-	-	-
Acceptances	1,180,925	-	-	-	-	-	-
Other assets	665,544	420,244	367,795	52,449	-	-	-
Total Assets	**47,624,268**	**47,137,263**	**47,084,814**	**52,449**	-	-	-
Liabilities							
Due to banks	3,388,224	3,388,224	-	-	-	-	-
Term borrowing from Banks	440,760	440,760	-	-	-	-	-
Customer accounts	35,735,934	35,735,934	-	-	-	-	-
Acceptances	1,184,696	1,184,696	-	-	-	-	-
Other liabilities	1,024,190	1,024,190	-	-	-	-	-
Total Liabilities	**41,773,804**	**41,773,804**	-	-	-	-	-

Difference between carrying value reported in Financial statements and regulatory consolidation

Exposures under the scope of regulatory consolidation include accrued interest where as it is included in Other assets in the published financial statements. General / collective provision is netted from Loans and advances, Due from banks and Investments under published financial statements but not deducted for the purposes of Basel reporting as these are reported as Other Liabilities.

6. Table LI2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
			Items subject to:			
		Total	Credit risk framework	Securitisation framework	Counterparty credit risk framework	Market risk framework
1	**Asset carrying value amount under scope of regulatory consolidation (as per template LI1)**	47,137,263	47,084,814	-	52,449	-
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	41,773,804	-	-	-	-
3	Total net amount under regulatory scope of consolidation	-	-	-	-	-
4	Off-balance sheet amounts	7,672,608	7,672,608	-	-	-
5	*Differences in valuations*	-	-	-	-	-
6	*Differences due to different netting rules, other than those already included in row 2*	-	-	-	-	-
7	*Differences due to consideration of provisions*	-	-	-	-	-
8	*Differences due to prudential filters*	-	-	-	-	-
9	**Exposure amounts considered for regulatory purposes**	-	-	-	-	-

7. LIA: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

Exposure under the scope of regulatory consolidation includes accrued interest where as it is included in Other assets in the financial statements.

General provision is netted from Loans and advances, Due from banks and Investments in the Financial Statements but not deducted for the purposes of Basel reporting where these are reported as Other Liabilities.

Systems and Controls for Valuation Estimates

Classification and measurement of Financial instruments

The Group classifies its financial assets into the following measurement categories:

i. those to be measured at fair value (either through other comprehensive income, or through profit or loss); and
ii. those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the financial assets' cash flows. The Group classifies its financial liabilities at amortised cost unless it has designated liabilities at fair value through profit or loss or is required to measure liabilities at fair value through profit or loss such as derivative liabilities.

Financial assets measured at fair value through other comprehensive income

Debt instruments

Investments in debt instruments are measured at fair value through other comprehensive income where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at fair value. Gains and losses arising from changes in fair value are included in other comprehensive income within a separate component of equity. Impairment losses or reversals, interest revenue and foreign exchange gains and losses are recognised in the income statement. Upon disposal, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the income statement.

The measurement of credit impairment is based on the three-stage expected credit loss model as applied to financial assets at amortised cost.

Equity instruments

Investment in equity instruments that are neither held for trading nor contingent consideration, are measured at fair value through other comprehensive income, where an irrevocable election has been made by management.

Financial assets measured at fair value through profit or loss

Financial assets at fair value through profit or loss comprise:

- financial assets held for trading;
- financial assets specifically designated as fair value through profit or loss on initial recognition; and
- Financial instruments held at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in the income statement as incurred. Subsequently, they are measured at fair value and any gains or losses are recognised in the income statement as they arise. Where a financial asset is measured at fair value, a credit valuation adjustment is included to reflect the credit worthiness of the counterparty, representing the movement in fair value attributable to changes in credit risk.

Financial instruments held for trading

A financial instrument is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term, or forms part of a portfolio of financial instruments that are managed together and for which there is evidence of short-term profit taking, or it is a derivative not in a qualifying hedge relationship. Trading derivatives and trading securities are classified as held for trading and recognised at fair value.

Financial instruments designated as measured at fair value through profit or loss

Upon initial recognition, financial instruments may be designated as measured at fair value through profit or loss. A financial asset may only be designated at fair value through profit or loss if doing so eliminates or significantly reduces measurement or recognition inconsistencies (i.e. eliminates an accounting mismatch) that would otherwise arise from measuring financial assets or liabilities on a different basis.

A financial liability may be designated at fair value through profit or loss if it eliminates or significantly reduces an accounting mismatch or:

- if a host contract contains one or more embedded derivatives; or
- if financial assets and liabilities are both managed and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Where a financial liability is designated at fair value through profit or loss, the movement in fair value attributable to changes in the Group's own credit quality is calculated by determining the changes in credit spreads above observable market interest rates and is presented separately in other comprehensive income. The Group has no such financial liabilities as at 31 December 2022.

Financial assets measured at amortised cost

Debt instruments

Investments in debt instruments are measured at amortised cost where they have:

- contractual terms that give rise to cash flows on specified dates, that represent solely payments of principal and interest on the principal amount outstanding; and
- are held within a business model whose objective is achieved by holding to collect contractual cash flows.

These debt instruments are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost. The measurement of credit impairment is based on the three-stage expected credit loss model described in annual Group financial statements.

Valuation methodologies, mark-to-market and mark-to-model

For Treasury related asset classes, the Bank uses market prices from independent sources for valuations. Bloomberg and FIS Front Arena are used for mark-to-market and mark-to-model methodologies. For equity instruments representing investment in funds, fund managers provide valuations on a periodic basis.

If a quoted market price is not available or if a market for a financial instrument is not active, the fair value is determined by using valuation techniques. Valuation techniques include net present value, discounted cash flow methods and comparison to similar instruments for which a market observable price exists.

The fair value of derivatives that are not exchange traded is estimated at the amount that the Bank would receive or pay to terminate the contract at the date of the consolidated financial statements, taking into account current market conditions and the current creditworthiness of the counterparty.

Description of the independent price verification process:

The price verification is carried out independently by the Treasury Middle Office function on a daily basis which is subject to internal audit process and review by external auditors each quarter to ensure pricing models are for fit for purpose.

8. Table CC1: Composition of regulatory capital

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non joint stock companies) capital plus related stock surplus	2,000,000	Same as (h) from CC2 template
2	Retained earnings	1,005,506	-
3	Accumulated other comprehensive income (and other reserves)	1,536,886	-
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**	**4,542,392**	**-**
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	49,732	CC2 (b) minus (e)
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 (IFRS 9 transitory adjustment)	-	-
24	**Total regulatory adjustments to Common Equity Tier 1**	49,732	-
25	**Common Equity Tier 1 capital (CET1)**	**4,492,660**	**-**
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	CC2 (i)
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)**	1,285,550	-
39	**Tier 1 capital (T1= CET1 + AT1)**	**5,778,210**	-
	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	377,362	1.25% of CRWA
45	**Tier 2 capital before regulatory adjustments**	**377,362**	-
	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)**	**377,362**	-
52	**Total regulatory capital (TC = T1 + T2)**	**6,155,572**	-
53	**Total risk weighted assets**	**33,149,934**	-
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk weighted assets)**	13.60%	-
55	**Tier 1 (as a percentage of risk weighted assets)**	17.43%	-
56	**Total capital (as a percentage of risk weighted assets)**	18.57%	-
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**	0.00%	-
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.**	6.6%	-
	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)		
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)	-	-
	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)	503,464	-
70	Cap on inclusion of provisions in Tier 2 under standardised approach	1.25% of CRWA	-
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	-	-
	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)*	-	-

9. Table CC2: Reconciliation of regulatory capital to balance sheet

	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Ref
	As at period end	As at period end	
Assets			
Cash and balances with the UAE Central Bank	9,718,922	9,724,062	
Due from banks and financial institutions	2,347,975	2,357,400	
Investments and Islamic instruments	6,349,918	6,364,911	
Loans and advances and Islamic financing receivables	26,914,854	27,824,516	a
Property and equipment	331,660	331,660	-
Intangibles	114,470	114,470	-
Acceptances	1,180,925	-	-
Other assets	665,544	420,244	b
Total assets	**47,624,268**	**47,137,263**	-
Liabilities			
Due to banks	3,388,224	3,388,224	-
Term borrowing from Banks	440,760	440,760	-
Customer accounts	35,735,934	35,735,934	-
Acceptances	1,184,696	1,184,696	-
Other liabilities	1,024,190	1,024,190	-
Total liabilities	**41,773,804**	**41,773,804**	-
Equity			
Paid in share capital	2,000,000	2,000,000	-
Of which: amount eligible for CET1	2,000,000	2,000,000	-
Of which: amount eligible for AT1	-	-	-
Retained earnings	859,827	1,005,506	c
Statutory reserve	981,616	981,616	-
Special reserve	607,462	607,462	-
Impairment reserve Specific	168,201	-	d
Tier 1 capital securities	1,285,550	1,285,550	-
Accumulated other comprehensive income	(52,192)	(52,192)	e
Total equity	**5,850,464**	**5,827,942**	-

Difference between carrying value reported in Financial statements and regulatory consolidation

(a) Exposures under scope of regulatory consolidation include accrued interest where as it is included in Other assets in the financial statements. General/ collective provision is netted from Loans and advances, Due from banks and Investments under Financials but not deducted for the purposes of Basel reporting where it is reported as Other Liabilities.
(b) Other assets in the financial statements include acceptances where as they are part of off-balance sheet exposure under Basel reporting.
(c) IFRS 9 transitional arrangement ECL is included in the Basel reporting.
(d) Impairment reserve forms part of Equity in the financial statements .
(e) Haircut of 55% is taken under Basel reporting for accumulated other comprehensive income. No haircut is applied in case of accumulated other comprehensive loss.

10. CCA: Main features of regulatory capital instruments

		Quantitative / qualitative information
1	Issuer	**National Bank of Fujairah**
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	**XS2053350133**
3	Governing law(s) of the instrument	Federal Decree Law No. 32 of 2021
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	CBUAE notice CBUAE/BSD/N/2020/1733: Grandfathering Rules for Additional Tier 1 and Tier 2 26. The below two grandfathering rules apply only to instruments that were issued before the effective date of the Capital Regulation (being 1 February 2017). i. Instruments that are fully Basel III complaint will be grandfathered at 100% eligibility for 10 years starting from Jan 1, 2018 until 31 Dec 2027. ii. Instruments that are not Basel III compliant do no longer qualify as non-common equity Tier 1 capital or Tier 2 capital and will be phased out beginning 1st January 2018. 27. Fixing the base at the nominal amount of such instruments outstanding on 1 January 2018, their recognition is/was capped at 90% from 1 January 2018, with the cap reducing by 10 percentage points in each subsequent year. 28. This cap is applied to Additional Tier 1 and Tier 2 Instruments on an individual instrument base and refers to the amount of that instrument outstanding that no longer meets the relevant entry criteria. 29. If an instrument is repaid in separate tranches, the cap is applied to the reduced amount in all circumstances.
5	Post transitional arrangement rules (i.e. grandfathering)	Same as above
6	Eligible at solo/group/group and solo	Group
7	Instrument type (types to be specified by each jurisdiction)	Perpetual Call 10/01/24@100.00

8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 1,285,550,000
9	Nominal amount of instrument	AED 1,285,550,000
9a	Issue price	AED 1,285,550,000
9b	Redemption price	100
10	Accounting classification	Equity under IFRS
11	Original date of issuance	24 September 2019
12	Perpetual or dated	Perpetual with 5 Year Call
13	Original maturity date	Not Applicable
14	Issuer call subject to prior supervisory approval	Issuer Call requires CBUAE Approval
15	Optional call date, contingent call dates and redemption amount	First Call Date 01st Oct 2024, No contingent Call date, Redemption @ 100 Face Value
16	Subsequent call dates, if applicable	First Call Date 01st Oct 2024 and thereafter on any semi-annual coupon payment date.
	Coupons / dividends	5.875
17	Fixed or floating dividend/coupon	Fixed till First call date , Variable thereafter
18	Coupon rate and any related index	Fixed rate coupon 5.875% until the first call date after which it will reset every 5 years to the 5yr US Treasury yield H1T5Y plus the Margin 4.301%)
19	Existence of a dividend stopper	Yes
20a	Fully discrectionary, partially discrectionary or mandatory (in terms of timing)	Fully discrectionary
20b	Fully discrectionary, partially discrectionary or mandatory (in terms of amount)	Fully discrectionary
21	Existence of step up or other incentive to redeem	None
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non convertible	Non convertible
24	Writedown feature	Exists
25	If writedown, writedown trigger(s)	"The notes can be written down permanently in whole or in part upon occurrence of a Non-Viability Event. The Loss Absorption mechanism is full or partial write down which means the securities shall be unconditionally and permanently written down on a pro rata basis of the amount determined by the regulator to be written down. "
26	If writedown, full or partial	Full or partial write down
27	If writedown, permanent or temporary	Permanent
28	If temporary write own, description of writeup mechanism	Not Applicable
28a	Type of subordination	Junior Subordinated

29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	The Securities are deeply subordinated and rank senior only to claims of holders of Ordinary Shares and in respect of Other Common Equity Tier 1 Instruments
30	Non compliant transitioned features	None. Fully Complaint as per CBUAE AT1 issuance guidelines
31	If yes, specify non compliant features	Not Applicable

11. Table CCyB1 : Geographical distribution of credit exposures used in the countercyclical capital buffer

The Group is not exposed to countercyclical capital buffer except for the following geographies:

	a	b	c	d	e
Geographical breakdown	Countercyclical capital buffer rate	Exposure values and/or risk weighted assets used in the computation of the countercyclical capital buffer		Bank specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk weighted assets		
Luxembourg	0.50%	202,398	90,331	0.50%	452
Sweden	1.00%	40,407	14,494	1.00%	145
Hong Kong	1.00%	29,719	2,034	1.00%	20
Sum		**272,524**	**106,859**		
Total		-	-		

12. Liquidity risk management

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It includes the risk of inability to fund assets at appropriate maturities and rates, and inability to liquidate assets at a reasonable price and in an appropriate time frame, and inability to meet obligations as they become due. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to diminish.

The Group's approach to managing liquidity is to maintain, as far as possible, sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or putting the Group's reputation at risk.

Management of liquidity risk

Treasury is entrusted with the responsibility of ensuring compliance with both statutory liquidity requirements and internal risk limits. All liquidity risk management policies and procedures are subject to review and approval by the Asset and Liability Committee (ALCO), Management Risk Committee (MRC), Board Risk Committee (BRC) and the Board.

The Group maintains a portfolio of short term liquid assets, largely made up of cash and balances with the Central Bank of the UAE representing 20.4% (31 December 2021: 18.6%) of total assets which also include mandatory cash reserve deposits with the Central Bank of the UAE. Short term liquid assets also include investment grade marketable securities, due from banks and financial institutions and other interbank facilities, to ensure that sufficient liquidity is maintained both under normal conditions and simulated stress scenarios.

The Group uses lending to stable resource ratio (LSRR) of 1:1 and eligible liquid assets ratio (ELAR) of 10%, which represents high quality liquid assets as stipulated by the Central Bank of the UAE, as key risk indicators and monitors them on a regular basis. The Group uses more prudent internal LSRR measure of 0.925:1 as a trigger point for action planning.

The Group manages its concentration of deposits by continuing to widen the customer base and sources of liabilities and setting in place caps on individual size and varying maturities.

Liquidity positions, key risk indicators and actions are discussed at ALCO to monitor and review achievement of short and long term liquidity strategies and thresholds.

Liquidity risk appetite is prudently and proactively reviewed taking into consideration the market events and relevant risk management standards. Adherence to the longer stress period is being achieved through reliance on both higher quality and adequate level of liquid assets. The Group monitors 30 days stress test under two scenarios of local market crisis and one / two notch downgrade of NBF Issuer Credit Rating in line with its liquidity risk appetite. The Bank has also defined a contingency funding plan to manage any liquidity crisis situation.

The Bank has a Board approved Liquidity Policy and Treasury Risk Management Framework in place that:

1. Defines Liquidity Risk and the roles and responsibilities of those charged with responsibility for Liquidity Risk Management in relation to the activities and exposures taken by the Bank
2. Defines the organization structure relating to Liquidity Risk management
3. Establishes a framework of independent monitoring and reporting
4. Codifies standards of measurement of Liquidity Risk
5. Ensures compliance with the regulatory requirements relating to Liquidity Risk
6. Defines the Bank's plan for obtaining required funding in the event of a shortage of liquidity in the market (the Contingency Funding Plan)

Funding strategy

NBF's funding and liquidity strategy is an integral part of its planning and risk management framework. The Bank's funding strategy takes into consideration the Board approved liquidity risk appetite and policies, regulatory requirements and best practices. The Bank front runs its liquidity for the planned business growth and focuses on diversification of sources of funding in terms of customers, counterparties, geographies, industries, products and maturities.

The Bank's funding is raised through retail banking, corporate banking and financial institution, business banking and Treasury operations. Business segments are required to self-fund the credit growth and the interbank and capital markets funding are determined and managed through ALCO. NBF follows a fully centralized model which consolidates funding and liquidity management at the Asset and Liability Management (ALM) Desk within Treasury function. The ALM Desk distributes funding across various business segments and ensures compliance with strict mismatch limits and manages pools of liquid assets. The Bank has well defined funds transfer pricing (FTP) policy which is used as cost for transfer of liquidity to/from the ALM Desk to business segments.

Stress testing

Liquidity Stress testing is performed on a monthly basis. The liquidity stress test results are circulated to management and presented to ALCO. ALCO's Charter and processes ensure that the forecast Liquidity requirements, based on projections of loans, deposits and market conditions for proactive liquidity management, are considered with actions mandated. In addition, a daily predictive report for next 30 days is monitored by ALCO members outside the formal meetings to ensure early actions to deal with deterioration in liquidity ratios such as Advances to Deposits ("AD") ratio and ELAR .

In addition, Risk Management monitors Liquidity stress for three board approved scenarios, Business as usual, Local market crisis and one or two notch downgrade and assesses the adequacy of available funding to meet worst case events. NBF's liquidity stress scenarios take into consideration the Bank's business model, and market conditions that are dynamically adjusted in line with bank specific and market specific factors.

Liquidity stress covers the following aspects:

- Stickiness of funding sources (assess the likelihood of roll over of funding lines and how the fund providers are likely to behave under stress, including deposit run off)
- Drying up of market liquidity
- Access to Central Bank facilities
- Off balance sheet commitments and other contingent liabilities

The Stress Scenarios used include:

- 30 days Liquidity Cash flows Stress Testing (under business as usual, local market crisis and one / two notch downgrade); and
- Structural Liquidity Cash Flows Stress testing (scenarios covering deposits strains & defaults in loan repayments by borrowers. Stress testing of ELAR and Liquidity Coverage Ratios).

To effectively manage Liquidity Risk, the Bank actively diversifies its funding sources and maintains a healthy balance of cash and cash equivalents, and readily marketable securities. Furthermore, Deposits maintained by the top 20 depositors are monitored closely and presented to ALCO and MRC to ensure concentrations are understood.

Contingency Funding Plans

The Bank's Contingency Funding Plan (CFP) provides a framework with a high degree of flexibility and reliability to respond quickly in a variety of situations. Application of contingency measures is dependent upon whether an NBF specific crisis or market crisis exists. The Bank's CFP Policy requires both qualitative and quantitative analysis of the market and Bank's liquidity position to proactively manage any crisis situation.

The Bank has implemented systems for monitoring the balance sheet structure and liquidity profile on a daily basis including intraday monitoring capability with projected cash flows and liquidity position. The Bank monitors defined liquidity risk thresholds and corrective measures, if required, are initiated based on predictive position at warning limits that have been prudently established well within hard limits.

Some of the key liquidity measures that are measured and monitored on a daily basis include:

- Asset and liability cumulative cash flow gap less than 3 months with a minimum acceptable level to be less than 50% of the Liquid Assets was at 8.71% as at 31 December 2022.

- Net Funding Gap greater than 1 year with a minimum acceptable level to be < 25% of Liquid Assets was at 17.61% as at 31 December 2022.
- The Group uses lending to stable resource ratio (LSRR) of 1:1 and eligible liquid assets ratio of 10%, which represents high quality liquid assets as stipulated by the Central Bank of the UAE, as key risk indicators and monitors them on a regular basis. The Group uses more prudent internal LSRR measure of 0.925:1 as a trigger point for action planning.
- LCR and NSFR are calculated daily and circulated solely for internal readiness purposes as NBF is not a D-SIB and not yet approved by CBUAE to publish the same to meet regulatory expectations. Currently, only D-SIBs are required to publish LCR and NSFR.

Concentration limits on collateral pools and sources of funding (both products and counterparties)

The Bank manages concentration of its funding profile deliberately and set limits at individual trade and at counterparty level with due focus on spreading maturities. The Bank has relatively high level of concentration of deposits from related parties that is considered a strength given the significant historical stable source of this funding. Excluding related party deposits, our Top 20 Depositors represents 15.8% of deposits as at 31 December 2022. Per Party group level deposits to Total assets for Principal Shareholder which should be less than 10% of total assets, was at 9.0% as at 31 December 2022. Non Resident Deposits which should be a maximum of 20% were at 7.30% as at 31 December 2022.

Current Account and Savings Account balances (CASA) stands at 45.26% of total deposits as at 31 December 2022. Over a period of 30 days, the core balance represent 88% and 79% of CASA balances at 90% and 99% confidence level respectively. This is based on behavioural historical analysis using a regression approach.

Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of capital.

NBF does not have any significant subsidiaries and the Liquidity Exposure and funding needs are managed centrally at NBF for the Group .

Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.

On-balance sheet

At 31 December 2022	A.Less than 1 Month	B.1 Month to 3 Months	C.Over 3 to 6 Months	D.6 Months to 1 Year	E.Over 1 Year to 5 Years	F.Over 5 Years	Total
Cash and balances with the UAE Central Bank	5,362,012	569,993	2,076,732	1,710,185	-	-	**9,718,922**
Due from banks and financial institutions	1,581,139	315,922	160,356	290,558	-	-	**2,347,975**
Investments and Islamic Investment products	90,963	348,537	431,005	144,755	4,824,769	509,889	**6,349,918**
Loans and advances and Islamic financing	5,565,913	5,819,645	2,980,532	1,690,610	3,981,068	6,877,086	**26,914,854**
Property and equipment, capital work-in-progress and intangible assets	-	-	-	-	-	446,130	**446,130**
Acceptances and other assets	315,861	1,129,267	323,566	77,775	-	-	**1,846,469**
Total assets	**12,915,888**	**8,183,364**	**5,972,191**	**3,913,883**	**8,805,837**	**7,833,105**	**47,624,268**
Due to banks	1,410,104	344,913	185,088	115,523	1,332,596	-	**3,388,224**
Customer deposits and Islamic customer deposits	22,317,884	4,452,068	3,709,060	4,067,274	1,189,648	-	**35,735,934**
Term borrowings	-	-	257,110	183,650	-	-	**440,760**
Acceptances and other liabilities	315,861	1,491,684	323,566	77,775	-	-	**2,208,886**
Total equity	-	-	-	-	-	5,850,464	**5,850,464**
Total liabilities and equity	**24,043,849**	**6,288,665**	**4,474,824**	**4,444,222**	**2,522,244**	**5,850,464**	**47,624,268**
On Balance Sheet Gap	**(11,127,961)**	**1,894,699**	**1,497,367**	**(530,339)**	**6,283,593**	**1,982,641**	**-**
Cumulative Gap	**(11,127,961)**	**(9,233,262)**	**(7,735,895)**	**(8,266,234)**	**(1,982,641)**	**-**	**-**

Off-balance sheet

At 31 December 2022	Less than 1 month	1 month to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Guarantees	5,131,359	-	-	-	-	-	**5,131,359**
Letters of credit	294,284	686,196	230,209	49,737	6,105	-	**1,266,531**
Forward foreign exchange contracts	7,137,507	3,816,453	3,624,120	1,504,729	31,194	-	**16,114,003**
Currency options	-	231,084	441,417	354,195	4,117,478	-	**5,144,174**
Interest rate derivatives	-	246,253	306,230	318,755	2,058,770	1,680,561	**4,610,569**
Commodity derivatives	155,329	441,217	60,290	-	-	-	**656,836**
	12,718,479	**5,421,203**	**4,662,266**	**2,227,416**	**6,213,547**	**1,680,561**	**32,923,472**

13. Table LR1: Summary comparison of accounting assets vs leverage ratio exposure

		a
1	Total consolidated assets as per published financial statements	47,624,268
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 securitised 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 recognised 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 (ie repos and similar secured lending)	-
10	Adjustments for off balance sheet items (ie conversion to credit equivalent amounts of off balance sheet exposures)	-
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-
13	**Leverage ratio exposure measure**	**47,624,268**

14. Table LR2: Leverage ratio common disclosure template

		a	b
		T	**T - 1**
On balance sheet exposures			
1	On balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	47,624,268	44,373,752
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)**	**47,624,268**	**44,373,752**
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	180,486	242,188
9	Add on amounts for PFE associated with *all* derivatives transactions	433,242	301,355
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) * 1.4 (beta factor)**	**859,219**	**760,960**
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	7,582,586	7,836,836
20	(Adjustments for conversion to credit equivalent amounts)	-	-
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)**	**7,582,586**	**7,836,836**
Capital and total exposures			
23	**Tier 1 capital**	5,778,210	5,819,861
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**56,066,073**	**52,971,548**
Leverage ratio		**T**	**T - 1**
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	10%	11%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10%	11%
26	CBUAE minimum leverage ratio requirement	3%	3%
27	**Applicable leverage buffers**	7%	8%

The increase in on balance sheet exposure is primarily due to increase in investments and sovereign, corporate loans and claims secured by residential property exposures of the Bank. It is evident from the ratio NBF stands well above regulatory minima.

15. Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	7,844,636	
1.2	UAE Federal Government Bonds and Sukuks	172,629	
	Sub Total (1.1 to 1.2)	8,017,265	8,017,265
1.3	UAE local governments publicly traded debt securities	416,957	
1.4	UAE Public sector publicly traded debt securities	-	
	Subtotal (1.3 to 1.4)	416,957	416,957
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	53,033	53,033
1.6	**Total**	**8,487,255**	**8,487,255**
2	Total liabilities		40,201,258
3	**Eligible Liquid Assets Ratio (ELAR)**		**21.11%**

16. Advances to Stable Resource Ratio

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans specific and collective provisions + interest in suspense)	25,971,281
	1.2	Lending to non-banking financial institutions	222,472
	1.3	Net Financial Guarantees & Stand by LC (issued received)	831,560
	1.4	Interbank Placements	670,206
	1.5	**Total Advances**	**27,695,519**
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	6,312,680
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	719,510
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	1,116
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	**Total deduction**	**720,626**
	2.2	**Net Free Capital Funds**	**5,592,054**
	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	1,767,730
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	1,071,037
	2.3.5	Customer Deposits	28,809,016
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	**Total other stable resources**	**31,647,783**
	2.4	**Total Stable Resources (2.2+2.3.7)**	**37,239,837**
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	**74.37%**

17. CRA: General qualitative information about credit risk

The Bank's business model principally focuses on servicing the needs of customers in the Corporate Banking, Business Banking and Retail Banking space. The Bank has limited market risk appetite and the business model revolves around financing needs of the customers in the above business segments. The Bank also has a strong Treasury offering, Financial Institutions business and proprietary Investments which are additional sources of credit risk. The Bank is well regarded for its Trade Finance expertise and major component of credit risk profile represents trade related exposures.

Credit risk exposures are governed by the Board approved risk appetite statement and credit risk policies to ensure that NBF achieves an optimum level of return on its capital employed and operating within an acceptable level of Credit Risk, our policies and processes aim to:

i. maintain sound credit granting standards;
ii. monitor and control credit risk;
iii. properly evaluate new business opportunities;
iv. identify and administer recovery for problem credits;
v. ensure appropriate returns for the risks taken; and
vi. ensure proper diversification with reduced concentration

NBF employs the "Three Lines of Defence" risk management philosophy under the Bank's Enterprise wide Risk Management Framework (ERMF) which is explained in section 3 (OVA).

18. Table CR1: Credit quality of assets

		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	1,991,760	26,945,330	2,022,235	1,348,841	673,394	**26,914,855**
2	Debt securities*	-	6,333,999	14,993	-	14,993	**6,319,006**
3	Off balance sheet exposures	154,197	7,518,411	104,380	75,561	28,819	**7,568,228**
4	**Total**	**2,145,957**	**40,797,740**	**2,141,608**	**1,424,402**	**717,206**	**40,802,089**

* Debt securities includes the total portfolio of investment which qualifies for ECL under IFRS 9

Default status of an exposure is triggered when it passes 90 days past due. We also consider other risk indictors that may result in treating an exposure as default status after exercise of mature judgement.

The table presents Loans and Advances including Islamic financing in row 1. As the format of this template is fixed, acceptances have not been included under loans as it is presented in the Bank's financial statements. The total will therefore not match with the financial statement disclosure.

19. Table CR2: Changes in stock of defaulted loans and debt securities

		Amount
1	**Defaulted loans and debt securities at the end of the previous reporting period**	**3,061,791**
2	Loans and debt securities that have defaulted since the last reporting period	84,336
3	Returned to non default status	38,072
4	Amounts written off	747,874
5	Other changes	70,806
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**2,430,987**

The Bank managed to prudently provide for the defaulted customers during the year and write off loans after exhausting all possible recovery efforts. There has been no default observed in debt securities. The Bank's remedial team pursues the recovery, both locally and internationally, from defaulted assets.

The Bank has presented Loans and advances including Islamic financing in this template. As the format of this template is fixed, acceptances have not been included under loans as presented in the Bank's financial statements. The total will therefore not match with the financial statement disclosure.

20. CRB: Additional disclosure related to the credit quality of assets

The following definitions are used in managing our credit risk.

Past due: payments not made as per schedule but not impaired

Impaired: Assets that have well defined credit weaknesses that jeopardize settlement of the debt, financial soundness and repayment capacity of the borrower is not assured and timely repayment of obligations is in jeopardy. There is a distinct possibility that the Bank may sustain some loss unless the deficiencies are corrected. Accounts restructured more than twice and or past dues for 90 days and above.

CBUAE Notice 28/2010 states that there is no substitute for mature judgement, as some of the characteristics for classification do not necessarily apply to all cases. In addition Clarification and Guidelines Manual for Circular No 28/2010 issued by the CBUAE also states that for commercial and corporate facilities, the Bank is required to use the circular's classifications, unless it can demonstrate, based on evidence and sound judgment, that the listed criteria for a specific facility is not the best indication of impairment. In this case, the Bank can classify the loan to an alternate category (higher or lower).

In these cases, the evidence and judgement is documented in assessments and these are recommended by the Bank's Central Credit Committee (CCC) to the Management Risk Committee for approval.

Breakdown of Loans and advances, impaired exposures, related allowances and write-offs by Industry, including ageing analysis of accounting past-due exposures

2022	Gross Exposure	Impaired exposure - Stage 3 (f)	ECL Stage 3	Write-off	Ageing analysis of past due (g)	
					Upto 89 days	90 days to 180 days
Trade	11,975,381	549,228	582,507	286,167	10,164	9,697
Real estate	3,292,940	580,516	422,643	269,254	1,443	179,195
Government	908,583	-	-	-	-	-
Manufacturing	4,499,080	130,885	115,541	43,949	3,363	-
Financial institutions	822,383	-	-	-	-	-
Service industries	2,779,122	551,252	143,677	130,569	823	-
Individuals	4,659,600	179,879	84,473	17,935	643	-
Total	**28,937,089**	**1,991,760**	**1,348,841**	**747,874**	**16,436**	**188,892**

Breakdown of Loans and advances, impaired exposures, related allowances and write-offs by geography, including ageing analysis of accounting past-due exposures

2022	Exposure	Impaired exposure - Stage 3 (f)	ECL Stage 3	Write-off	Ageing analysis of past due (g)	
					Upto 89 days	90 days to 180 days
Within UAE	27,196,017	1,991,760	1,348,841	747,874	15,874	188,892
GCC countries	702,468	-	-	-	-	-
Europe	719,826	-	-	-	562	-
Americas	128,742	-	-	-	-	-
Other	190,036	-	-	-	-	-
Total	**28,937,089**	**1,991,760**	**1,348,841**	**747,874**	**16,436**	**188,892**

Exposures by Residual Maturity

	Less than 1 month	1 month to 3 months	Over 3months to 6 months	Over 6 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Loans and advances	5,565,913	5,819,645	2,980,532	1,690,610	3,981,068	6,877,086	**26,914,854**
Investments	90,963	348,537	431,005	144,755	4,824,769	509,889	**6,349,918**

Breakdown of restructured exposures between impaired and not impaired exposures

	Not impaired	Impaired	Total
Restructured portfolio	1,406,073	399,914	**1,805,987**

21. CRC: Qualitative disclosure requirements related to credit risk mitigation techniques

Core features of policies and processes for, and indication of the extent to which the bank makes use of, on and off balance sheet netting.

The Bank does not use on and off balance sheet netting for Capital Adequacy Reporting.

Core features of policies and processes for collateral evaluation and management.

The Bank's collateral management and evaluation for the purposes of capital adequacy reporting takes into consideration the Central Bank of the UAE and Basel requirements. The Collateral evaluation and consideration for determining risk mitigation towards risk weighted assets and capital calculation are as follows:

Cash 100%; Cash deposits held under margin or pledge in same currency as the loan / credit facility

Guarantees from Local and Federal Government of UAE and CBUAE, 100%. Foreign Sovereign Government Bonds rated BBB minus or above, 100%

Sovereign Government Bonds issued by other GCC countries and G 7 countries only will be considered as permissible collateral under this section. Attributable values of such Sovereign Government Bonds will be as follows:

• Countries with AAA rating 100%

• Countries with rating AA+ down to & including A minus 70%

• Countries with rating below A minus 0% subject to active & available Country Limit being in place

(Excludes countries included in the Bank's Sanctions List)

ECAI rating as follows:

• Banks with AAA rating 100%

• Banks with rating AA+ down to & including AA minus 80% Subject to active & available Bank Limit being in place.

Listed Shares on a recognized stock exchange 70% Previous 3 months' average closing price should be used. Should be traded on a deep and liquid market.

22. Table CR3: Credit risk mitigation techniques - overview

		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*	38,650,468	4,036,784	4,036,784	-	-	-	-
2	Debt securities	6,191,049	-	-	-	-	-	-
3	**Total**	**44,841,517**	-	-	-	-	-	-
4	Of which defaulted	1,510,704	1,134,643	1,134,643	-	-	-	-

*The above numbers reconcile with CR2 of the Basel return

23. CRD: Qualitative disclosures on banks' use of external credit ratings under the standardised approach for credit risk

Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) used by the bank, and the reasons for any changes over the reporting period;

NBF uses external ratings from recognized rating agencies and follows approach explained in document BCBS-28 para 96-98 for assigning risk weights:

96. If there is only one assessment by an ECAI chosen by a bank for a particular claim, that assessment should be used to determine the risk weight of the claim.

97. If there are two assessments by ECAIs chosen by a bank which map into different risk weights, the higher risk weight will be applied.

98. If there are three or more assessments with different risk weights, the assessments corresponding to the two lowest risk weights should be referred to and the higher of those two risk weights will be applied.

The Bank follows and complies with the same principle i.e. In case of two ratings, the lower rating is considered. For multiple ratings, the second lowest rating is considered.

The asset classes for which ECAI and ECA is used:

1. Claims on Sovereign

2. Claims on Multilateral Development Banks

3. Claims on Banks

4. Claims on Corporate (Rated Bonds)

5. Rated Off Balance sheet and Derivatives

A description of the process used to transfer the issuer to issue credit ratings onto comparable assets in the banking book

The Bank uses Moody's CreditLens system for Probability of Default (PD) mapping.

The alignment of the alphanumerical scale of each agency used with the risk buckets (except where the relevant supervisor publishes a standard mapping with which the bank has to comply)

Credit ratings of all exposures are determined from the ECAIs and mapped to the exposures assigning a risk weight according to the supervisory tables. Standardised approach risk weights corresponding to the Credit Ratings assigned by ECAIs have been prescribed by the Central Bank of the UAE for different asset classes and the same is followed by the Bank.

24. Table CR4: Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

		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	10,285,231	-	10,285,231	-	85,512	1%
2	Public Sector Entities	790,773	-	790,773	-	338,181	43%
3	Multilateral development banks	67,711	-	67,711	-	33,856	50%
4	Banks	6,994,536	813,511	6,994,536	768,122	3,174,898	41%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	20,830,876	21,320,829	20,830,876	5,053,300	20,670,836	49%
7	Regulatory retail portfolios	748,431	169,728	818,866	-	537,711	59%
8	Secured by residential property	2,957,576	-	2,957,576	-	1,815,036	61%
9	Secured by commercial real estate	1,557,481	-	1,557,481	-	1,557,481	100%
10	Equity Investment in Funds (EIF)	9,949		9,949		9,949	100%
11	Past due loans	2,645,347	155,817	1,413,519	155,817	476,459	17%
12	Higher risk categories	2,598	-	2,598	-	3,897	150%
13	Other assets	1,997,742	-	1,995,042	-	1,375,924	69%
14	**Total**	**48,888,251**	**22,459,885**	**47,724,158**	**5,977,239**	**30,079,739**	**42%**

25. Table CR5: Standardised approach - exposures by asset classes and risk weights

		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	10,169,630	14,633	-	36,764	-	64,204	-	-	10,285,231
2	Public Sector Entities	-	467,965	-	156,440	-	166,368	-	-	790,773
3	Multilateral development banks	-	-	-	67,711	-	-	-	-	67,711
4	Banks	466,211	2,232,484	-	4,684,327	-	366,433	13,203	-	7,762,658
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	3,934,867	244,271	-	629,616	-	15,953,768	-	5,121,653	25,884,175
7	Regulatory retail portfolios	101,918	-	-	-	716,948	-	-	-	818,866
8	Secured by residential property	-	-	1,757,755	-	-	1,199,821	-	-	2,957,576
9	Secured by commercial real estate	-	-	-	-	-	1,557,481	-	-	1,557,481
10	Equity Investment in Funds (EIF)	-	-	-	-	-	9,949	-	-	9,949
11	Past due loans	1,134,643	-	-	-	-	351,164	83,530	-	1,569,337
12	Higher risk categories	-	-	-	-	-	-	2,598	-	2,598
13	Other assets	381,485	297,041	-	-	-	1,316,516	-	-	1,995,042
14	**Total**	**16,188,754**	**3,256,394**	**1,757,755**	**5,574,858**	**716,948**	**20,985,704**	**99,331**	**5,121,653**	**53,701,397**

26. Qualitative disclosure related to counterparty credit risk

Our Risk Appetite Statement defines the amount of risk (volatility of expected results) the Bank is willing to accept in pursuit of a desired financial performance or strategic objectives. Limits are allocated based on an assessment of the credit worthiness of each counterparty together with exposure caps based on the creditworthiness of the country of origin and the individual characteristics of the counterparty.

The Bank has recently developed a Counterparty Credit Risk (CCR) policy. The primary objective of the CCR Policy is to set out principles, methodology and tools to enable effective recognition of CCR and its impact on the capital requirements of the Bank.

The CCR policy includes procedures with respect to identification and calculation of Wrong Way Risk (WWR) exposures.

We do not have any additional collateral requirement in the event of a rating downgrade.

27. Table CCR1: Analysis of counterparty credit risk (CCR) exposure by approach

	a	b	c	d	e	f
	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post CRM	RWA
SA CCR (for derivatives)	180,485	433,242	-	1.4	859,219	383,140
Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
VaR for SFTs	-	-	-	-	-	-
Total	-	-	-	-	-	-

28. Table CCR2: Credit valuation adjustment (CVA) capital charge

		a	b
		EAD post CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge*	743,218	109,203
2	All portfolios subject to the Simple alternative CVA capital charge	-	-

*all securities financing transactions (SFTs) that are subject to fair value accounting and except those transacted directly with a central counterparty. EAD post CRM: exposure at default. This refers to the amount used for the capital requirements calculation. It is therefore the amount of the credit valuation adjustments having applied the CRM techniques.

29. Table CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights

	a	b	c	d	e	f	g	h
Risk weight **Regulatory portfolio**	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	600,679	2,633	-	3,816	11,562	-	618,690
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	240,529	-	-	240,529
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past due loans	-	-	-	-	-	-	-	-
Higher risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**-**	**600,679**	**2,633**	**-**	**244,345**	**11,562**	**-**	**859,219**

30. Table CCR5: Composition of collateral for CCR exposure

	a	b	c	d	e	f
	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	-	-	-	-	-	-
Cash other currencies	-	-	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	-	-	-	-	-

31. Table CCR6: Credit derivative exposures

	a	b
	Protection bought	**Protection sold**
Notionals	-	-
Single name credit default swaps	-	-
Index credit default swaps	-	-
Total return swaps	-	-
Credit options	-	-
Other credit derivatives	-	-
Total notionals	-	-
Fair values	-	-
Positive fair value (asset)	-	-
Negative fair value (liability)	-	-

32. Table CCR8: Exposures to central counterparties

		a	b
		EAD (post CRM)	RWA
1	**Exposures to QCCPs (total)**	-	-
2	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	-	-
3	(i) OTC derivatives	-	-
4	(ii) Exchange traded derivatives	-	-
5	(iii) Securities financing transactions	-	-
6	(iv) Netting sets where cross product netting has been approved	-	-
7	Segregated initial margin	-	-
8	Non segregated initial margin	-	-
9	Pre funded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non QCCPs (total**	-	-
12	Exposures for trades at non QCCPs (excluding initial margin and default fund contribution); of which:	-	-
13	(i) OTC derivatives	859,219	383,140
14	(ii) Exchange traded derivatives	-	-
15	(iii) Securities financing transactions	-	-
16	(iv) Netting sets where cross product netting has been approved	-	-
17	Segregated initial margin	-	-
18	Non segregated initial margin	-	-
19	Pre funded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

33. MRA: General qualitative disclosure requirements related to market risk

NBF's Market Risk policy statement seeks to define market risks inherent in any business operation of the Bank and provides policy guidelines to measure, monitor, report and control all the identified risks. Market risk is inherent in lending, funding and financial markets operations activities (hereinafter referred to as 'banking operations'). Market risk management across the Bank is the responsibility of the Treasury department supported by independent Middle Office and Market Risk functions. The Bank's financial markets operations are governed by the objectives stated in its Liquidity Risk Management Policy, Investment Policy and in the Market Risk Management Policy. NBF adopts a well-managed risk philosophy in regards to the Bank's core business activities and this is the case for NBF's Treasury activities.

Structure and organisation of the market risk management function:

The Head of Treasury is accountable for managing the Market Risk in both the Trading Book and the Banking Book. The Asset and Liability Management Committee (ALCO) sets management parameters and tolerances for the different components of Market Risk. It ensures that the parameters and tolerances for the components of Market Risk deliver an outcome that is within the Bank's approved Risk Appetite. Treasury Middle Office (TMO) is accountable for the reporting of the Bank's position against the Parameters and Tolerance for all components of Market Risks in both the Trading Book and Banking Book on a daily basis. TMO uses indices and valuation criteria approved by ALCO to calculate the Bank's mark to market position for all components of the Bank's exposure to Market Risk. In the event that TMO detects a breach of the tolerance for Market Risk, it advises Risk Management. Risk Management confirms the calculations and provide this advice to the Head of TMO. In the event that breach or anticipated breach is confirmed, the Head of TMO advises the Chairman of ALCO and the Chief Risk Officer (CRO) who convenes a meeting of ALCO to provide direction to the Head of Treasury with regard to curing the breach and restoring the Bank to a position within its Risk Appetite and Tolerance.

The scope and nature of risk reporting and/or measurement systems

TMO monitors limit utilization on a daily basis through a multi layered Limit Monitoring System which uses data and reports from the treasury systems. Limit monitoring report is prepared on a daily basis and the historical utilizations for all limit exposures are presented for periodic management review. This forms a part of the monthly ALCO pack which is provided to senior management.

The following is a sample of limit types monitored by market risk on a daily basis:

• Stop loss limit for foreign exchange and interest rate derivatives trading desk.

• Overall DV01 / PV01 limits for the Interest Rate Derivatives.

• DV01 / PV01 Limits by time buckets.

• Open Position limits for foreign exchange by currency groups and overall open position limits.

• Option premium limits for buying options.

• Notional limits for Forward Rate Agreements and Interest Rate Swaps (IRS) /Currency Rate Swaps (CRS).

Market Risk is a function independent of business risk taking activities, and reports to the CRO. All limit breaches are recorded by Treasury Middle Office ("TMO") and reported to the CRO, Head of Treasury and the responsible desk head. Treasury must provide adequate explanation for any limit breaches and the strategy to remedy the breach. All limit breaches and related information are reported to ALCO and MRC on monthly basis.

34. Table MR1: Market risk under the standardised approach (SA)

		a
		RWA
1	General Interest rate risk (General and Specific)	9,282
2	Equity risk (General and Specific)	1
3	Foreign exchange risk	49,533
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta plus method	-
7	Scenario approach	-
8	Securitisation	-
9	**Total**	**58,816**

35. IRRBBA risk management objectives and policies

Qualitative disclosure

IRRBB refers to the current or prospective risk to a bank's capital and to its earnings arising from the impact of adverse movements in interest rates on interest rate sensitive positions in the Banking Book.

IRRBB arises because interest rates can vary significantly over time, while the business of banking typically involves intermediation activity that produces exposures to both maturity mismatch such as long-maturity assets funded by short-maturity liabilities and rate mismatch such as fixed rate loans funded by variable rate deposits. In addition, there is optionality embedded in many common banking products (non-maturing deposits, term deposits, fixed rate loans) that is triggered upon changes in interest rates.

When interest rates change, the present value and timing of future cash flows change. This in turn changes the underlying value of a bank's assets, liabilities and off-balance sheet items and hence its Economic Value. Changes in interest rates also affect a bank's earnings by altering interest rate-sensitive income and expenses, affecting its Net Interest Income (NII).

The main driver of IRRBB is a change in market interest rates, both current and expected, as expressed by changes to the shape, slope and level of a range of different yield curves.

The risk appetite for IRRBB is defined in terms of the risk to both Economic Value and earnings. It is defined as the maximum allowable impact of interest rate shocks in terms of change in the economic value of equity (ΔEVE) and net interest income (ΔNII), computed based on a set of prescribed interest rate shock and stress scenarios.

In addition the Bank also runs stress scenarios pursuant to internal policy guidelines.

If any breach of tolerance is identified, the Head of Treasury shall ensure that appropriate action by way of hedging is entered into to restore the position within tolerance.

IRRBB is assessed monthly. The outcome is assessed against the maximum tolerance defined in the Risk Appetite Statement in terms of changes in economic value of equity (ΔEVE) and net interest income (ΔNII).

Interest rate risk is reported monthly to ALCO, and Investment Committee at each meeting. Reports to Committees include:

1. The Bank's interest rate risk profile (Re-pricing GAP reports) over a relevant time horizon;
2. Projected Net Interest Income, Sensitivity to Net Interest Income (NII) over a 12-month horizon and
   based on predefined shocks calibrated for significant currencies
3. Economic Value of Equity based on predefined standardized shocks
4. Regulatory capital requirement to cover IRRBB
5. The Hedging strategies deployed and the assessed effectiveness of the strategies.

Six prescribed interest rate shock scenarios are used to capture parallel and non-parallel gap risks for EVE and two prescribed interest rate shock scenarios for NII. These scenarios are applied to IRRBB exposures in each currency for which the bank has material positions. The calibration of the interest rate shock size meets the Basel guidelines.

1. parallel shock up;
2. parallel shock down;
3. steepener shock (short rates down and long rates up);

4. flattener shock (short rates up and long rates down);
5. short rates shock up; and
6. short rates shock down

As part of a broader stress-testing framework, additional stress scenarios based upon historical market events and severe but plausible hypothetical scenarios are also undertaken. As the purpose of these scenarios is to consider the impact of additional stress, the directional impact is always negative.

The Bank uses Interest Rate Swaps to hedge Interest Rate Risk in the Banking Book specifically for Loans & Advances and Investment in Fixed Income Instruments. We currently follow Hedge accounting whereby the mark to market movement of Hedged instrument and Hedging instrument are accounted for under IFRS Accounting guidelines to the extent of Hedged risk (interest rate risk). Any ineffective hedge portion is recorded under the P&L.

For ΔEVE, commercial margins and other spread components have been included in the cash flows used in the computation. The discount rates used are the benchmark rate / risk free rate for respective currencies such as EIBOR rates for AED and SOFR for USD. AED and USD are the major currencies that constitute the core of the Bank's balance sheet.

All Interest Bearing Non-Maturing Deposits (NMDs) are bucketed using an assumed six Month repricing maturity and all non-interest bearing NMDs are assigned 1 year repricing maturity. The average is approximately nine Months.

The Bank is using the prepayment model prescribed in the Basel guidelines. Prepayment speeds vary according to the interest rate shock scenario. There is baseline conditional prepayment rate (CPR) and the scenario multiplier utilised is defined in Basel Guidelines. The multipliers reflect the expectation that prepayments will generally be higher during periods of falling interest rates and lower during periods of rising interest rates.

The Bank uses the relevant interest rate curves for all major currencies to which bank has underlying exposure, for example SOFR curve for USD and EIBOR for AED. USD and AED exposures constitute more than 95% of the balance sheet of the Bank.

Quantitative disclosure:

1.	Average repricing maturity assigned to Non Maturing Deposits (NMDs) - All Interest Bearing NMDs are bucketed using a six month repricing maturity and all non-interest bearing NMDs are assigned one year repricing maturity.
2.	Longest repricing maturity assigned to Non Maturing Deposits (NMDs) – All non-interest bearing NMDs are assigned one year repricing maturity

36. Table IRRBB1: Quantitative information on IRRBB

In reporting currency AED	ΔEVE		ΔNII	
Period	**T**	**T-1**	**T**	**T-1**
Parallel up	(183,131)	-	126,591	-
Parallel down	279,824	-	(123,331)	-
Steepener	(234,780)	-	-	-
Flattener	201,951	-	-	-
Short rate up	94,656	-	-	-
Short rate down	(82,245)	-	-	-
Maximum	279,824	-	-	-
Period	**T**		**T-1**	
Tier 1 capital	5,778,210		-	

37. OR1: General qualitative information on a Bank's operational risk framework

(a) Policies, frameworks and guidelines for the management of operational risk.

Operational Risk is a Material Risk of the bank and its overarching governance is set out in the Enterprise wide Risk Management Framework. As a Material Risk it has its own Framework and Policy and specific operational risk categories such as Business Continuity risks and Outsourcing Risks are covered by their own policies and standards.

The Operational Risk Management Framework requires that all operational risks be identified, and assessed on an inherent, residual and target basis. The assessment methodology gives the risk a rating based on the Likelihood and Consequence of the risk materializing into an event. The risk rating takes into account internal loss data, external loss data and the business environment and internal control factors relevant for the risk in the specific context of the product or service.

The impact of new or changed systems, products and processes are assessed using a "Risk in Change" methodology. Risks are rated and reported against a Board approved matrix to allow us to produce an Operational Risk Profile which is presented at the Operational Risk Committee, Management Risk Committee and Board Risk Committee. BF has an overarching Board approved Operational Risk Management Framework (ORMF) which lays down the broad framework of Governance, Risk appetite, Policy and process structure of Operational Risk management and measurement of Operational Risk. The ORMF is supported by a documented and Board approved Operational Risk Policy (ORP) which details the Objectives, Governance, Risk classification, identification, reporting & assessment and accounting methodology. ORP includes a Risk and Control Assessment program that enables a risk based sample and review of controls over the risks that are assessed. Consideration is given to information gained through the operational risk assessments and reviews that have been conducted, as well as through other avenues such as exception reporting, operational loss events and near misses and internal and external audits. Operational Risk in new products is considered as part of Product Development Policy (PDP) governed by Product Committee and any new process or change in process is subjected to "Risk in Change" methodology.

Operational Risk Management function reports to the Chief Risk Officer and prudent governance is achieved through the Bank's Operational Risk Committee (ORC) that meets at least monthly to discuss ongoing operational risk issues as well as review the Bank's Operational Risk Profile and related metrics. The Committee reports to the Bank's Management Risk Committee (MRC) that supervises Enterprise wide Risks.

NBF uses the Standardized Approach for calculation of Operational Risk capital requirements. Our methodology for Operational Risk measurement has been described above. Risk ratings are formally reviewed each year in the Risk and Control Self-Assessment process but are also dynamically reviewed in light of changes to process, the effectiveness of controls as assessed through testing or in light of the root cause of an event and this can occur at any time. Monthly Operational Risk reporting to the ORC and MRC includes the Operational Risk profile, details of events and losses, analysis of the root cause of events and any emerging issues.

Quarterly reporting to Board Risk Committee (BRC) includes the overall profile, material developments and emerging issues. The reporting also includes an update on Operational Risk losses booked and action taken to mitigate reoccurrence, our five highest rated risks, Frauds, Key Risk Indicators and our Reputational Risk profile.

Risk mitigation generally involves a treatment plan to address shortcomings in the control environment. For some risk types, we mitigate loss through the use of insurance as a risk transfer method.

NBF maintains an annual insurance plan which outlines the transferable risks and the recommended coverage. Currently the Bank has the following risk coverage:

1. Bankers Blanket Bond, Professional Indemnity and Directors and Officers insurance;
2. Damage to Electronic Equipment;
3. Property All Risks including Business Interruption; and
4. Public Liability.

38. REMA: Remuneration policy

Qualitative disclosures

The Bank's remuneration policy focuses on fair compensation for all jobs in line with the market and it establishes close alignment to the performance of the bank, departments and staff members.

The Bank takes into consideration best practices and regulatory requirements for its remuneration policy and decisions. The Bank has established governance processes for overseeing the implementation of remuneration policy and practices. The Board has established the Board Nomination and Remuneration Committee that provides oversight and endorsement to principal remuneration policy and decisions. The governance process includes Management Committee and Human Resources Committee for ensuring all principal decisions relating to promotions, increases and bonus are moderated and agreed in line with the approved policies and Board guidance.

The Bank uses the services of Hay Korn Ferry for Job Evaluations and Annual Salary scale adjustments for benchmarking of remuneration with the market for all job roles. All roles are subject to formal job evaluation.

The Bank engaged AoN McLagan to conduct a special study to implement changes to compensation policy in line with the CBUAE Corporate Governance Regulation requirements.

The new policy was approved by the Board Nomination and Renumeration Committee and the Board in November 2022. This comes into effect for financial year ended 2022.

In line with the Central Bank requirements staff are placed into categories of Senior Management, Material Risk Takers (MRT) and Control Functions. In line with our Board approved policy, all staff in grades 20 and above that are not in control functions are classified in the MRT category. The CEO and his senior reports are classified as Senior Management. Control Functions include Risk Management, Compliance and Internal Audit, and the heads of those control functions are subject to the same bonus deferral arrangements as Senior Management.

The bonus scheme for Control Functions is as follows:

The Bonus Scheme for staff in the three Control Functions will be agreed and fixed to reflect the nature of their responsibilities and determined independently of the performance of the Bank.

The bonus shall be based on pre-determined performance targets as laid out by the Board Risk Committee for Risk Management and Compliance, and the Board Audit Committee for Internal Audit.

39. Table REM1: Remuneration awarded during the financial year

	Remuneration Amount		**a**	**b**
			Senior Management	**Other Material Risk-takers**
1	Fixed Remuneration	Number of employees	10	36
2		Total fixed remuneration (3 + 5 + 7)	19,854	40,427
3		Of which: cash-based	-	-
4		Of which: deferred	-	-
5		Of which: shares or other share-linked instruments	-	-
6		Of which: deferred	-	-
7		Of which: other forms	-	-
8		Of which: deferred	-	-
9	Variable Remuneration	Number of employees	10	36
10		Total variable remuneration (11 + 13 + 15)	1,032	1,308
11		Of which: cash-based	-	-
12		Of which: deferred	-	-
13		Of which: shares or other share-linked instruments	-	-
14		Of which: deferred	-	-
15		Of which: other forms	-	-
16		Of which: deferred	-	-
17	**Total Remuneration (2+10)**		**20,886**	**41,735**

The Variable pay reflects payout for year 2021 paid in the year 2022

The deferral scheme for bonus payments for Senior Management, Material Risk Takers and Heads of Control Functions is that 70% bonus will be paid in the year of declaration and 30% will be deferred and paid equally over 3 years subject to risk related earn out criteria. The scheme commences for bonus payments applicable for 2022 which will be made in 2023 after the Annual General Meeting. Therefore there are currently no deferrals to be recorded in this disclosure.

40. Table REM2: Special payments

Special Payments	Guaranteed Bonuses		Sign on Awards		Severance Payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
Senior Management	-	-	2	6,000	1	425
Other material risk-takers	-	-	-	-	1	225.6

41. Table REM3: Deferred remuneration

Deferred and retained remuneration	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
Senior management (no.)	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Other material risk-takers (no.)	-	-	-	-	-
Cash	-	-	-	-	-
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
Total	-	-	-	-	-

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