

Innovation with Integrity

Basel III – Pillar 3 Disclosures
For the six months period ended 30 June 2024



Contents

Introduction..... 1

Key metrics for the Group (KM1)..... 3

Capital Management..... 5

Composition of regulatory capital (CC1)..... 6

Reconciliation of regulatory capital to balance sheet (CC2) 10

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1) 12

Leverage Ratio 14

Summary comparison of accounting assets versus leverage ratio exposure (LR1) 14

Leverage ratio common disclosure template (LR2) 15

Overview of Risk Management and Risk Weighted Assets (“RWAs”) (OV1)..... 17

Credit quality of assets (CR1) 18

Changes in stock of defaulted Financing Receivables and Sukuk (CR2)..... 20

Credit risk mitigation techniques – overview (CR3)..... 21

Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)..... 23

Exposures by asset classes and risk weights (CR5) 25

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

Credit valuation adjustment (CVA) capital charge (CCR2) 29

Standardized approach - CCR exposures by regulatory portfolio and risk weights (CCR3) 30

Market risk under the standardized approach (MR1) 32

Liquidity..... 33

Eligible Liquid Assets Ratio (ELAR)..... 33

Advance to Stable Resources Ratio (ASRR)..... 34

Acronyms 35

Glossary 36

Appendix A..... 38

Introduction

The Central Bank of the UAE (“CBUAE”) supervises Emirates Islamic Bank P.J.S.C. (“EI” or the “Bank”) and its subsidiaries (together referred to as the “Group”) on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. The capital requirements are computed at a Group level using the Basel III framework of the Basel Committee on Banking Supervision (“Basel Committee”), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework is structured around three ‘pillars’: minimum capital requirements (Pillar 1); supervisory review process (Pillar 2); and market discipline (Pillar 3).

Pillar 3 Disclosures

Pillar 3 complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing disclosure requirements which allow market participants to assess specified information on the scope of application of Basel III, capital, particular risk exposures and risk assessment processes, and hence the capital adequacy of the institution. Disclosures consist of both quantitative and qualitative information and are provided at the consolidated level.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (‘CET1’), Additional Tier 1 (‘AT1’) and Total Capital. Additional capital buffers (Capital Conservation Buffer and Countercyclical Capital Buffer - maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

In November 2020, CBUAE issued revised standards and guidelines for Capital Adequacy in UAE. The new version to the Standards also includes additional Guidance on the topics of Credit Risk, Market Risk, and Operational Risk. In December 2022, CBUAE published revised capital guidelines mainly focused on updates on Pillar 2.

CBUAE requires the Pillar 2 - Supervisory Review Process to focus on each bank’s Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar I Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

The revised Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Group, and provide a consistent and understandable disclosure framework that enhances transparency and improves comparability and consistency.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures include qualitative and quantitative information on the Group’s risk management objectives and policies, risk assessment processes, capital management and capital adequacy. The Group’s Pillar 3 disclosures are in line with the key elements governed by the disclosure policy framework in line with CBUAE Basel III standards and approved by the Group Board Audit Committee.

Verification

The Pillar 3 Disclosures for the six months period ended 30 June 2024 have been reviewed by the Group’s Internal auditors.

Implementation of Basel III standards and guidelines

The Group is compliant with Standardized Approach for Credit, Market and Operational Risk (Pillar 1) as applicable as of 30 June 2024.

The Group also assigns capital on other than Pillar 1 risk categories, which are part of Pillar 2 framework.

Group Structure

The Bank was incorporated by a decree of His Highness the Ruler of Dubai as a conventional Bank with a limited liability in the Emirate of Dubai on 3 October 1975. The Bank was reregistered as a Public Joint Stock Company in July 1995 and is regulated by the Central Bank of United Arab Emirates.

At an extraordinary general meeting held on 10 March 2004, a resolution was passed to transform the Bank's activities to be in full compliance with the Sharia rules and principles. The entire process was completed on 9 October 2004 (the "Transformation Date") when the Bank obtained the UAE Central Bank and other UAE authorities' approvals.

The Bank is a subsidiary of Emirates NBD Bank PJSC, Dubai (the "Group Holding Company"). The ultimate parent company of the Group Holding Company is Investment Corporation of Dubai (the "Ultimate Parent Company"), a company in which the Government of Dubai is the major shareholder. The Bank is listed in the Dubai Financial Market (TICKER: "EIB"). The Bank's website is www.emiratesislamic.ae. The Pillar 3 disclosures comprise of the Emirates Islamic Bank PJSC and its subsidiaries (together referred to as "the Group").

For details of Group's subsidiaries refer to Pillar 3 disclosures for year ended 31 December 2023 available on the Bank's website.

EMIRATES ISLAMIC BANK PJSC

 BASEL III - PILLAR 3 DISCLOSURES
 30 JUNE 2024
Key metrics for the Group (KM1)

Key prudential regulatory metrics have been included in the following table:

	30 June 2024 AED 000	31 March 2024 AED 000	31 December 2023 AED 000	30 September 2023 AED 000	30 June 2023 AED 000	
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	13,248,378	12,373,993	11,726,133	11,125,123	10,704,851
1a	Fully loaded ECL accounting model ¹	13,025,341	12,167,944	11,363,654	10,826,595	10,454,723
2	Tier 1	13,248,378	12,373,993	11,726,133	11,125,123	10,704,851
2a	Fully loaded ECL accounting model Tier 1	13,025,341	12,167,944	11,363,654	10,826,595	10,454,723
3	Total capital	14,061,748	13,116,467	12,426,801	11,800,012	11,355,876
3a	Fully loaded ECL accounting model total capital	13,838,711	12,910,418	12,064,322	11,501,484	11,105,748
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	71,891,487	65,781,946	61,985,868	58,293,212	56,367,564
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	18.43%	18.81%	18.92%	19.08%	18.99%
5a	Fully loaded ECL accounting model CET1 (%)	18.12%	18.50%	18.33%	18.57%	18.55%
6	Tier 1 ratio (%)	18.43%	18.81%	18.92%	19.08%	18.99%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.12%	18.50%	18.33%	18.57%	18.55%
7	Total capital ratio (%)	19.56%	19.94%	20.05%	20.24%	20.15%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.25%	19.63%	19.46%	19.73%	19.70%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	9.06%	9.44%	9.55%	9.74%	9.65%
Leverage Ratio						
13	Total leverage ratio measure	107,629,408	100,621,992	93,788,078	91,624,130	84,477,018
14	Leverage ratio (%) (row 2/row 13)	12.31%	12.30%	12.50%	12.14%	12.67%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	12.10%	12.09%	12.12%	11.82%	12.38%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.10%	12.09%	12.12%	11.82%	12.38%
Liquidity Coverage Ratio						
ELAR						
15	Total HQLA	18,540,907	18,102,674	16,857,378	15,406,242	13,221,521
16	Total Liabilities	86,883,724	80,491,544	76,155,337	73,314,045	68,992,098
17	Eligible Liquid Assets Ratio (ELAR) (%)	21.34%	22.49%	22.14%	21.01%	19.16%
ASRR						
18	Total available stable funding	84,163,118	78,189,322	70,318,681	69,445,927	67,036,789
19	Total Advances	68,354,485	61,563,170	57,499,992	54,703,611	53,302,573
20	Advances to Stable Resources Ratio (%)	81.22%	78.74%	81.77%	78.77%	79.51%

Key metrics for the Group (KM1) (Continued)

Significant change in each metrics compared with prior quarter has been explained below:

CET1 capital increase by AED 874 million as compared to the prior quarter, mainly driven by increase in profit for the quarter by AED 852 million, prudential filter by AED 17 million and fair value reserves by AED 12 million which is offset by regulatory deductions by AED 7 million.

Total Risk weighted assets (RWA) increased by AED 6,110 million during the quarter. Refer OV1 disclosure for further details on RWAs.

¹"Fully Loaded" means bank's regulatory capital compared with a situation where the transitional arrangement had not been applied. CBUAE introduced transitional arrangements as per circular no. 04/2020 "Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements".

Pursuant to the above regulation, CBUAE issued a regulation for a 'Prudential Filter' that permits Banks to add back increase in IFRS 9 provisions (stage 1 and stage 2) to the regulatory capital over a transition period of 5 years, on a proportionate basis. The increase in IFRS 9 provision requirements is determined by calculating the difference between the IFRS 9 provision as of 31 December 2019 and the IFRS 9 provision as at the respective reporting date. The proportion of the increase in IFRS 9 provisions that is permitted to be added-back to regulatory capital from 1 January 2020 onwards will be phased out over a 5-year transition period (100%, 100%, 75%, 50%, 25% for the years 2020 to 2024 respectively).

Capital Management

Approach and policy

The Group's approach to capital management is driven by strategic and organizational requirements, considering the regulatory, economic, and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent in the business and invest in accordance with strategy, meeting both consolidated and local regulatory capital requirements consistently.

Additional capital buffers (Capital Conservation Buffer (CCB) and Countercyclical Capital Buffer (CCyB) - maximum up to 2.5% for each buffer) introduced over and above the minimum CET1 requirement of 7%.

Regulatory Capital

The Group's capital base is divided into three main categories, namely CET1, AT1 and Tier 2, depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory, and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under 'CBUAE' guidelines.
- AT1 capital comprises eligible non-common equity capital instruments.
- Tier 2 capital comprises qualifying subordinated financing, and undisclosed reserve.

Details of the Group's qualifying equity instruments is set out in Appendix A.

Composition of regulatory capital (CC1)

This provides a breakdown of the constituent elements of the bank's capital.

	30 June 2024	31 December 2023	
	AED 000	AED 000	CC2 Reference
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	5,430,422	5,430,422	a
2 Retained earnings ¹	6,599,834	5,075,540	b
3 Accumulated other comprehensive income (and other reserves)	1,313,780	1,300,225	
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	13,344,036	11,806,187	
Common Equity Tier 1 capital regulatory adjustments			
7 Prudent valuation adjustments	-	-	
8 Goodwill (net of related tax liability)	-	-	
9 Other intangibles including mortgage servicing rights (net of related tax liability)	(95,658)	(80,054)	c
10 Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	-	
11 Cash flow hedge reserve	-	-	
12 Securitisation gain on sale	-	-	
13 Gains and losses due to changes in own credit risk on fair valued liabilities	-	-	
14 Defined benefit pension fund net assets	-	-	
15 Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	-	
16 Reciprocal cross-holdings in CET1, AT1, Tier 2	-	-	
17 Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-	
18 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-	
19 Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-	
20 Amount exceeding 15% threshold	-	-	
21 Of which: significant investments in the common stock of financials	-	-	
22 Of which: deferred tax assets arising from temporary differences	-	-	
23 CBUAE specific regulatory adjustments	-	-	
24 Total regulatory adjustments to Common Equity Tier 1	(95,658)	(80,054)	
25 Common Equity Tier 1 capital (CET1)	13,248,378	11,726,133	

Composition of regulatory capital (CC1) (Continued)

	30 June 2024	31 December 2023	
	AED 000	AED 000	CC2 Reference
Additional Tier 1 capital: instruments			
26 Directly issued qualifying Additional Tier 1 instruments plus related stock surplus			
27 Of which: classified as equity under applicable accounting standards	-	-	
28 Of which: classified as liabilities under applicable accounting standards	-	-	
29 Directly issued capital instruments subject to phase-out from additional Tier 1	-	-	
30 Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	-	
31 Of which: instruments issued by subsidiaries subject to phase-out	-	-	
32 Additional Tier 1 capital before regulatory adjustments	-	-	
Additional Tier 1 capital: regulatory adjustments			
33 Investments in own additional Tier 1 instruments	-	-	
34 Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	
35 Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	-	
36 CBUAE specific regulatory adjustments	-	-	
37 Total regulatory adjustments to additional Tier 1 capital	-	-	
38 Additional Tier 1 capital (AT1)	-	-	
39 Tier 1 capital (T1= CET1 + AT1)	-	-	
Tier 2 capital: instruments and provisions	13,248,378	11,726,133	
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	813,370	700,668	
45 Tier 2 capital before regulatory adjustments	813,370	700,668	d
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)	-	-	

Composition of regulatory capital (CC1) (Continued)

	30 June 2024	31 December 2023	<u>CC2 Reference</u>
	AED 000	AED 000	
49 CBUAE specific regulatory adjustments	-	-	
50 Total regulatory adjustments to Tier 2 capital	-	-	
51 Tier 2 capital (T2)	813,370	700,668	
52 Total regulatory capital (TC = T1 + T2)	14,061,748	12,426,801	
53 Total risk-weighted assets	71,891,487	61,985,868	
Capital ratios and buffers			
54 Common Equity Tier 1 (as a percentage of risk-weighted assets)	18.43%	18.92%	
55 Tier 1 (as a percentage of risk-weighted assets)	18.43%	18.92%	
56 Total capital (as a percentage of risk-weighted assets)	19.56%	20.05%	
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%	2.50%	
58 Of which: capital conservation buffer requirement	2.50%	2.50%	
59 Of which: bank-specific countercyclical buffer requirement	0.00%	0.00%	
60 Of which: higher loss absorbency requirement (e.g., DSIB)	0.00%	0.00%	
61 Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement. The CBUAE Minimum Capital Requirement	9.06%	9.55%	
62 Common Equity Tier 1 minimum ratio	7.00%	7.00%	
63 Tier 1 minimum ratio	8.50%	8.50%	
64 Total capital minimum ratio	10.50%	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 standardized approach (prior to application of cap)	1,901,333	1,734,142	
70 Cap on inclusion of provisions in Tier 2 under standardized approach	813,370	700,668	d
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	-	-	

Composition of regulatory capital (CC1) (Continued)

	30 June 2024 AED 000	31 December 2023 AED 000	CC2 Reference
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
73	-	-	
74	-	-	
75	-	-	
76	-	-	
77	-	-	
78	-	-	

CET1 capital increase by AED 874 million as compared to the prior quarter, mainly driven by increase in profit for the quarter by AED 852 million, prudential filter by AED 17 million and fair value reserves by AED 12 million which is offset by regulatory deductions by AED 7 million.

¹ Retained Earnings is after the inclusion of IFRS 9 prudential filers as prescribed by CBUAE.

Reconciliation of regulatory capital to balance sheet (CC2)

The following table enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between the bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1. Variances between the financial and regulatory consolidated balance sheets are consistent with LI1 disclosure.

30 June 2024 AED 000	Balance sheet as in published financial statements	Under regulatory scope of consolidation	CC1 Reference
Assets			
Cash and Deposits with Central Bank	17,080,362	17,080,362	
Due from Banks	8,669,979	8,669,979	
Investment Securities	12,087,413	12,087,413	
Financing Receivables	61,606,469	61,606,469	
Positive Fair Value of Derivatives	175,500	175,500	
Customer Acceptances	704,201	704,201	
Investment Properties	167,661	167,661	
Property & Equipment	327,246	327,246	
Other Assets	1,028,911	1,028,911	
Total Assets	101,847,742	101,847,742	
Liabilities			
Due to Banks	4,228,699	4,228,699	
Islamic Customer Deposits	69,829,422	69,829,422	
Sukuk Payable	9,263,125	9,263,125	
Negative Fair Value of Derivatives	170,570	170,570	
Customer Acceptances	704,201	704,201	
Other Liabilities	4,530,726	4,530,726	
Total Liabilities	88,726,743	88,726,743	
Issued Capital	5,430,422	5,430,422	a
Legal and Statutory Reserve	1,027,161	1,027,161	
Other Reserves	543,043	543,043	
Fair Value Reserve	(256,424)	(256,424)	
Retained Earnings ¹	6,376,797	6,599,834	b
Common equity tier 1 capital regulatory deductions	-	(95,658)	c
Provisions eligible for inclusion in Tier 2	-	813,370	d
Total Capital	13,120,999	14,061,748	

Reconciliation of regulatory capital to balance sheet (CC2) (Continued)

31 December 2023 AED 000	Balance sheet as in published financial statements	Under regulatory scope of consolidation	CC1 Reference
Assets			
Cash and Deposits with Central Bank	14,981,141	14,981,141	
Due from Banks	6,131,154	6,131,154	
Investment Securities	10,429,662	10,429,662	
Financing Receivables	53,747,737	53,747,737	
Positive Fair Value of Derivatives	184,173	184,173	
Customer Acceptances	1,036,534	1,036,534	
Investment Properties	184,806	184,806	
Property & Equipment	270,848	270,848	
Other Assets	845,676	845,676	
Total Assets	87,811,731	87,811,731	
Liabilities			
Due to Banks	5,792,375	5,792,375	
Islamic Customer Deposits	61,314,915	61,314,915	
Sukuk Payable	4,672,500	4,672,500	
Negative Fair Value of Derivatives	178,396	178,396	
Customer Acceptances	1,036,534	1,036,534	
Other Liabilities	3,373,303	3,373,303	
Total Liabilities	76,368,023	76,368,023	
Issued Capital	5,430,422	5,430,422	a
Legal and Statutory Reserve	1,027,160	1,027,160	
Other Reserves	543,043	543,043	
Fair Value Reserve	(269,979)	(269,979)	
Retained Earnings ¹	4,713,062	5,075,541	b
Common equity tier 1 capital regulatory deductions	-	(80,054)	c
Provisions eligible for inclusion in Tier 2	-	700,668	d
Total Capital	11,443,708	12,426,801	

¹ Retained Earnings is after the inclusion of IFRS 9 prudential filers as prescribed by CBUAE.

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1)

Following table provides an overview of the geographical distribution of private sector credit exposures relevant for the calculation of countercyclical buffer.

30 June 2024

Geographical breakdown	a	b		c	d	e	f
	Counter cyclical capital buffer rate	Exposure values AED 000	Risk-weighted assets AED 000	Minimum Capital Requirement AED 000	Share of Minimum Capital (%)	Bank-specific counter cyclical capital buffer rate (%)	
		Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer					
Norway	2.50%	-	-	-	0.00%	0.000%	
Hong Kong	1.00%	76	57	7	0.00%	0.000%	
Luxembourg	0.50%	-	-	-	0.00%	0.000%	
Sweden	2.00%	5	3	-	0.00%	0.000%	
United Kingdom	2.00%	187,981	175,942	22,872	0.31%	0.006%	
Germany	0.75%	63	56	7	0.00%	0.000%	
Australia	1.00%	18	13	2	0.00%	0.000%	
France	1.00%	313	234	30	0.00%	0.000%	
Netherlands	1.00%	331	248	32	0.00%	0.000%	
Croatia (local name: Hrvatska)	1.00%	-	-	-	0.00%	0.000%	
Denmark	2.50%	44	33	4	0.00%	0.000%	
Romania	1.00%	-	-	-	0.00%	0.000%	
Slovakia (Slovak Republic)	1.50%	17	13	2	0.00%	0.000%	
Ireland	1.00%	40	30	4	0.00%	0.000%	
Estonia	1.50%	-	-	-	0.00%	0.000%	
Iceland	2.50%	-	-	-	0.00%	0.000%	
Bulgaria	2.00%	-	-	-	0.00%	0.000%	
Czech Republic	2.50%	6	5	1	0.00%	0.000%	
Lithuania	1.00%	-	-	-	0.00%	0.000%	
Slovenia	0.50%	-	-	-	0.00%	0.000%	
Korea, Republic of (South Korea)	1.00%	6	4	1			
Others	0.00%	78,456,956	55,718,996	7,243,469	99.69%	0.000%	
Sum¹		188,900	176,638				
Total²		78,645,856	55,895,634				

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1) (Continued)

31 December 2023

Geographical breakdown	a	b	c	d	e	f
	Counter cyclical capital buffer rate	Exposure values AED 000	Risk-weighted assets AED 000	Minimum Capital Requirement AED 000	Share of Minimum Capital (%)	Bank-specific counter cyclical capital buffer rate (%)
Norway	2.50%	-	-	-	0.00%	0.000%
Hong Kong	1.00%	-	-	-	0.00%	0.000%
Luxembourg	0.50%	-	-	-	0.00%	0.000%
Sweden	2.00%	16	16	2	0.00%	0.000%
United Kingdom	2.00%	110,408	95,616	12,430	0.20%	0.004%
Germany	0.75%	10	10	1	0.00%	0.000%
Australia	1.00%	22	22	3	0.00%	0.000%
France	0.50%	362	284	37	0.00%	0.000%
Netherlands	1.00%	107	106	14	0.00%	0.000%
Croatia (local name: Hrvatska)	1.00%	-	-	-	0.00%	0.000%
Denmark	2.50%	-	-	-	0.00%	0.000%
Romania	1.00%	-	-	-	0.00%	0.000%
Slovakia (Slovak Republic)	1.50%	-	-	-	0.00%	0.000%
Ireland	1.00%	14	14	2	0.00%	0.000%
Estonia	1.50%	-	-	-	0.00%	0.000%
Iceland	2.00%	-	-	-	0.00%	0.000%
Bulgaria	2.00%	-	-	-	0.00%	0.000%
Czech Republic	2.00%	-	-	-	0.00%	0.000%
Lithuania	1.00%	-	-	-	0.00%	0.000%
Slovenia	0.50%	-	-	-	0.00%	0.000%
Others	0.00%	69,923,185	48,417,790	6,294,313	99.80%	0.000%
Sum¹		110,939	96,068			
Total²		70,034,124	48,513,858			

¹Sum of private sector credit exposures and related RWA in jurisdictions with a non-zero countercyclical buffer rate only.

²Total of private sector credit exposures and related RWA across all jurisdictions.

LEVERAGE RATIO

Leverage Ratio

Summary comparison of accounting assets versus leverage ratio exposure (LR1)

The following table reconciles the total assets in the published financial statements to the leverage ratio exposure measure.

	30 June 2024	31 March 2024	31 December 2023
	AED 000	AED 000	AED 000
1 Total consolidated assets as per published financial statements	101,847,742	95,032,909	87,811,731
2 Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-
3 Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	-	-	-
4 Adjustments for temporary exemption of central bank reserves (if applicable)	-	-	-
5 Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
6 Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-	-
7 Adjustments for eligible cash pooling transactions	-	-	-
8 Adjustments for derivative financial instruments	506,981	515,335	408,911
9 Adjustment for securities financing transactions (i.e., repos and similar secured financing)	-	-	-
10 Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	6,074,544	6,315,484	6,684,024
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12 Other adjustments ¹	(799,859)	(1,241,736)	(1,116,588)
13 Leverage ratio exposure measure	107,629,408	100,621,992	93,788,078

¹ Includes assets deducted from CET1 capital and customer acceptances (considered as off-balance sheet)

Leverage Ratio (Continued)
Leverage ratio common disclosure template (LR2)

The table below provides a breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers as of period end.

	30 June 2024 AED 000	31 March 2024 AED 000	31 December 2023 AED 000
On-balance sheet exposures			
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	100,953,671	93,701,564	86,587,900
2 Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-	-
3 (Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-
4 (Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-	-
5 (Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-
6 (Asset amounts deducted in determining Tier 1 capital)	(95,658)	(88,320)	(80,054)
7 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	100,858,013	93,613,244	86,507,846
Derivative exposures			
8 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	189,870	177,928	187,297
9 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	307,881	317,260	238,566
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	696,851	693,263	596,208
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	11,254,494	11,044,186	11,341,894
20 (Adjustments for conversion to credit equivalent amounts)	5,179,950	4,728,701	4,657,870

Leverage Ratio (Continued)
Leverage ratio common disclosure template (LR2)

	30 June 2024 AED 000	31 March 2024 AED 000	31 December 2023 AED 000
21	-	-	-
22	6,074,544	6,315,485	6,684,024
	Capital and total exposures		
23	13,248,378	12,373,993	11,726,133
24	107,629,408	100,621,992	93,788,078
25	12.31%	12.30%	12.50%
25a	12.31%	12.30%	12.50%
26	3.00%	3.00%	3.00%
27	9.31%	9.30%	9.50%

EMIRATES ISLAMIC BANK PJSC

 BASEL III - PILLAR 3 DISCLOSURES
 30 JUNE 2024

Overview of Risk Management and Risk Weighted Assets (“RWAs”) (OV1)

The following table provides an overview of total RWA forming the denominator of the risk-based capital requirements.

	30 June	31 March	31 December	Minimum capital requirements
	2024	2024	2023	30 June
	AED 000	AED 000	AED 000	2024
				AED 000
1 Credit risk (excluding counterparty credit risk)	63,972,164	58,317,149	55,128,443	8,326,255
2 Of which: standardized approach (SA)	63,972,164	58,317,149	55,128,443	8,326,255
3 Of which: foundation internal ratings-based (F-IRB) approach				
4 Of which: supervisory slotting approach				
5 Of which: advanced internal ratings-based (A-IRB) approach				
6 Counterparty credit risk (CCR)	454,636	432,886	376,369	59,103
7 Of which: standardized approach for counterparty credit risk	454,636	432,886	376,369	59,103
8 Of which: Internal Model Method (IMM)				
9 Of which: other CCR				
10 Credit valuation adjustment (CVA)	642,832	647,889	548,592	83,568
11 Equity positions under the simple risk weight approach				
12 Equity investments in funds - look-through approach				
13 Equity investments in funds - mandate-based approach				
14 Equity investments in funds - fallback approach				
15 Settlement risk				
16 Securitization exposures in the banking book				
17 Of which: securitization internal ratings-based approach (SEC-IRBA)				
18 Of which: securitization external ratings-based approach (SEC-ERBA)				
19 Of which: securitization standardized approach (SEC-SA)				
20 Market risk	79,901	84,453	101,515	10,387
21 Of which: standardized approach (SA)	79,901	84,453	101,515	10,387
22 Of which: internal models approach (IMA)				
23 Operational risk	6,741,954	6,299,569	5,830,949	876,454
24 Amounts below thresholds for deduction (subject to 250% risk weight)				
25 Floor adjustment				
26 Total (1+6+10+11+12+13+14+15+16+20+23)	71,891,487	65,781,946	61,985,868	9,355,767

The regulatory minimum capital requirement is calculated at 13.0% of the RWA including CBUAE assigned capital buffers.

Total credit risk weighted assets (CRWAs) increased as compared to previous quarter by AED 6,110 million due to overall volume growth in due from bank, financing receivables and off-balance sheet exposures.

Decrease in market risk weighted assets (MRWA) pertains to overall movement in USD net long position as compared to previous quarter.

EMIRATES ISLAMIC BANK PJSC

 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Credit Risk

Please refer Note no. 36 in the annual financial statements for criteria, approach, structure, and organization of credit risk management and reporting of risk exposures, risk mitigation and stress testing related to credit risk. For definition of default please refer Note 5(i) of annual financial statements.

Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of the Group's (on- and off-balance sheet) 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)
30 June 2024 AED 000		Defaulted exposures ³	Non- defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Financing receivables	3,470,181	62,803,527	4,667,239	3,022,595	1,644,644	61,606,469
2	Sukuk ¹	-	12,045,359	22,118	-	22,118	12,023,241
3	Total	3,470,181	74,848,886	4,689,357	3,022,595	1,666,762	73,629,710
4	Off-balance sheet exposures ²	330,435	33,517,377	299,529	76,567	222,962	33,548,283

¹ Sukuk includes only banking book securities, excluding equities / funds

² Includes letter of credit, guarantees, liability on risk participations, irrevocable financing commitments, customer acceptances and notional amount of derivatives

³ Defaulted exposures are net of profit in suspense (PIS)

EMIRATES ISLAMIC BANK PJSC

 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024
Credit quality of assets - CR1 (Continued)

	a		b	c	d		e	f
	Gross carrying values of		Non-defaulted exposures	Allowances/ Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Allocated in regulatory category of General	Net values (a+b-c)
	Defaulted exposures ³				Allocated in regulatory category of Specific			
31 December 2023								
AED 000								
1 Financing receivables	3,682,118	54,916,765		4,851,146	3,311,385	1,539,761	53,747,737	
2 Sukuk ¹	-	10,388,820		23,330	-	23,330	10,365,490	
3 Total	3,682,118	65,305,585		4,874,476	3,311,385	1,563,091	64,113,227	
4 Off-balance sheet exposures ²	330,468	28,775,336		159,289	-	159,289	28,946,515	

¹ Sukuk includes only banking book securities, excluding equities / funds

² Includes letter of credit, guarantees, liability on risk participations, irrevocable financing commitments, customer acceptances and notional amount of derivatives

³ Defaulted exposures are net of profit in suspense (PIS)

Changes in stock of defaulted Financing Receivables and Sukuk (CR2)

The following table identifies the changes in the bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

	30 June 2024	31 December 2023
	AED 000	AED 000
1	3,682,118	3,692,074
2	242,363	930,370
3	(55,492)	(20,213)
4	(373,131)	(934,224)
5	(25,677)	14,111
6	3,470,181	3,682,118

Credit risk mitigation techniques – overview (CR3)

The following table discloses the extent of use of credit risk mitigation techniques.

	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
30 June 2024							
AED 000							
1 Financing receivables	54,814,100	6,787,424	4,030,359	4,945	2,776	-	-
	12,023,241	-	-	-	-	-	-
2 Sukuk							
3 Total	66,837,341	6,787,424	4,030,359	4,945	2,776	-	-
4 Of which defaulted	378,296	69,290	12,555			-	-

EMIRATES ISLAMIC BANK PJSC

 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Credit risk mitigation techniques – overview (CR3) (Continued)

The following table discloses the extent of use of credit risk mitigation techniques.

	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
31 December 2023							
AED 000							
1 Financing receivables	46,561,945	6,790,505	3,979,138	395,287	7,218	-	-
2 Sukuk	10,365,490	-	-	-	-	-	-
3 Total	56,927,435	6,790,505	3,979,138	395,287	7,218	-	-
4 Of which defaulted	287,727	83,006	13,954	-	-	-	-

Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

The following table illustrates the effect of CRM on capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

Risk weight Regulatory portfolio 30 June 2024 AED 000	Exposure before CRM		Exposure post CCF and CRM		RWA and RWA Density	
	On Balance Sheet	Off Balance Sheet	On Balance Sheet	Off Balance Sheet	RWA	RWA Density
Sovereigns and their central banks	20,495,172	354,204	20,495,172	188,469	1,152,367	6%
Public Sector Entities	4,557,919	344,443	4,528,501	148,168	4,049,518	87%
Multilateral development banks	428,587	-	428,587	-	95,095	22%
Banks	11,472,909	883,520	11,472,909	784,916	7,049,246	58%
Securities firms	-	-	-	-	-	-
Corporates	24,802,691	7,736,428	20,941,119	4,223,973	23,870,917	95%
Regulatory retail portfolios	16,819,601	299,335	16,398,644	191,871	12,674,588	76%
Secured by residential property	14,300,016	1,350,047	14,299,791	543,018	6,460,073	44%
Secured by commercial real estate	6,671,517	622,524	6,327,525	330,138	6,657,663	100%
Equity Investment in Funds (EIF)	-	-	-	-	-	-
Past-due financing	3,736,106	330,435	353,321	330,435	898,342	131%
Higher-risk categories	-	-	-	-	-	-
Other assets	2,538,518	-	2,538,518	-	1,518,991	60%
Total	105,823,036	11,920,936	97,784,087	6,740,988	64,426,800	62%

EMIRATES ISLAMIC BANK PJSC

 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4) (Continued)

The following table illustrates the effect of CRM on capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

	Exposure before CRM		Exposure post CCF and CRM		RWA and RWA Density	
	On Balance Sheet	Off Balance Sheet	On Balance Sheet	Off Balance Sheet	RWA	RWA Density
31 December 2023						
AED 000						
Sovereigns and their central banks	17,447,050	28,793	17,447,050	26,285	1,020,892	6%
Public Sector Entities	3,839,799	428,628	3,810,381	307,562	3,867,862	94%
Multilateral development banks	238,328	-	238,328	-	-	-
Banks	9,179,744	1,624,379	8,724,085	1,537,587	5,763,383	56%
Securities firms	-	-	-	-	-	-
Corporates	20,628,810	7,559,948	16,830,408	4,045,323	19,867,195	95%
Regulatory retail portfolios	14,887,109	334,840	14,460,331	206,340	11,133,195	76%
Secured by residential property	13,604,425	1,294,344	13,602,910	621,363	6,230,824	44%
Secured by commercial real estate	5,669,948	291,543	5,266,898	160,146	5,427,044	100%
Equity Investment in Funds (EIF)	-	-	-	-	-	-
Past-due financing	3,947,383	330,468	347,200	330,468	868,629	128%
Higher-risk categories	-	-	-	-	-	-
Other assets	2,198,808	-	2,198,808	-	1,325,788	60%
Total	91,641,404	11,892,943	82,926,399	7,235,074	55,504,812	62%

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Exposures by asset classes and risk weights (CR5)

The following table illustrates the effect of CRM on capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

Risk weight Regulatory portfolio 30 June 2024 AED 000	0%	20%	35%	50%	75%	100%	150%	Others 85%	Total credit exposure
Sovereigns	17,857,981	1,608,592	-	772,839	-	444,229	-	-	20,683,641
Public Sector Entities (PSEs)	-	336,443	-	715,994	-	3,624,232	-	-	4,676,669
Multilateral development banks (MDBs)	238,397	-	-	190,190	-	-	-	-	428,587
Banks	-	1,615,306	-	7,842,716	-	2,789,758	10,045	-	12,257,825
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	78	-	2,083,604	-	21,399,352	-	1,682,058	25,165,092
Regulatory retail portfolios	-	32	-	-	15,663,604	926,879	-	-	16,590,515
Secured by residential property	-	-	11,890,243	-	2,616,317	336,249	-	-	14,842,809
Secured by commercial real estate	-	-	-	-	-	6,657,663	-	-	6,657,663
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
Past-due financing	-	-	-	-	-	254,585	429,171	-	683,756
Higher-risk categories	-	-	-	-	-	-	-	-	-
Other assets	1,042,242	11,563	-	-	-	1,420,779	63,934	-	2,538,518
Total	19,138,620	3,572,014	11,890,243	11,605,343	18,279,921	37,853,726	503,150	1,682,058	104,525,075

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Exposures by asset classes and risk weights (CR5) (Continued)

The following table illustrates the effect of CRM on capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

Risk weight								Others	Total credit
Regulatory portfolio	0%	20%	35%	50%	75%	100%	150%	85%	exposure
31 December 2023									
AED 000									
Sovereigns	15,247,696	1,156,212	-	559,554	-	509,873	-	-	17,473,335
Public Sector Entities (PSEs)	-	-	-	500,162	-	3,617,781	-	-	4,117,943
Multilateral development banks (MDBs)	238,328	-	-	-	-	-	-	-	238,328
Banks	-	2,067,649	-	5,700,517	-	2,481,330	12,176	-	10,261,672
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	-	730	-	1,605,587	-	17,901,708	-	1,367,706	20,875,731
Regulatory retail portfolios	-	-	-	726	14,132,451	533,494	-	-	14,666,671
Secured by residential property	-	-	11,327,136	-	2,523,244	373,893	-	-	14,224,273
Secured by commercial real estate	-	-	-	-	-	5,427,044	-	-	5,427,044
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
Past-due financing	-	-	-	-	-	295,748	381,920	-	677,668
Higher-risk categories	-	-	-	-	-	-	-	-	-
Other assets	902,986	1,949	-	-	-	1,230,821	63,052	-	2,198,808
Total	16,389,010	3,226,540	11,327,136	8,366,546	16,655,695	32,371,692	457,148	1,367,706	90,161,473

Analysis of counterparty credit risk (CCR) exposure by approach (CCR1)

The following table provides a comprehensive view of the methods used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

SA-CCR (for derivatives)

	a	b	c	d	e	f
30 June 2024 AED 000	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post- CRM	RWA
1 SA-CCR (for derivatives)	189,870	286,161	-	1.4	666,443	454,636
2 Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
4 Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
5 VaR for SFTs	-	-	-	-	-	-
6 Total	189,870	286,161	-		666,443	454,636

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Analysis of counterparty credit risk (CCR) exposure by approach (CCR1) (Continued)

	a	b	c	d	e	f
31 December 2023	Replacement	Potential	EEPE	Alpha used	EAD post-	RWA
AED 000	cost	future		for	CRM	
		exposure		computing		
				regulatory		
				EAD		
1 SA-CCR (for derivatives)	187,297	206,310	-	1.4	551,049	376,369
2 Internal Model Method (for derivatives and SFTs)	-	-	-	-	-	-
3 Simple Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
4 Comprehensive Approach for credit risk mitigation (for SFTs)	-	-	-	-	-	-
5 VaR for SFTs	-	-	-	-	-	-
6 Total	187,297	206,310	-		551,049	376,369

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

Credit valuation adjustment (CVA) capital charge (CCR2)

30 June 2024

	a	b
	EAD post-CRM	RWA
	AED 000	AED 000
1 All portfolios subject to the Standardised CVA capital charge	666,443	642,832
2 All portfolios subject to the Simple alternative CVA capital charge	-	-

31 December 2023

	a	b
	EAD post-CRM	RWA
	AED 000	AED 000
1 All portfolios subject to the Standardised CVA capital charge	551,049	548,592
2 All portfolios subject to the Simple alternative CVA capital charge	-	-

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

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

The following table presents information on the risk-weighting of CCR exposures under the standardized approach by regulatory portfolio.

	a	b	c	d	e	f	g	h
Risk weight	0%	20%	50%	75%	100%	150%	Others	Total credit
Regulatory portfolio							85%	exposure
30 June 2024								
AED 000								
Sovereigns	22,733	-	-	-	-	-	-	22,733
Public Sector Entities (PSEs)	-	-	-	-	13,971	-	-	13,971
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	13,598	355,899	-	-	-	-	369,497
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	228,000	-	1,635	229,635
Regulatory retail portfolios	-	-	-	-	30,607	-	-	30,607
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due financing	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	22,733	13,598	355,899	-	272,578	-	1,635	666,443

EMIRATES ISLAMIC BANK PJSC
 BASEL III – PILLAR 3 DISCLOSURE
 30 JUNE 2024

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

	a	b	c	d	e	f	g	h
Risk weight	0%	20%	50%	75%	100%	150%	Others 85%	Total credit exposure
Regulatory portfolio								
31 December 2023								
AED 000								
Sovereigns	23,778	-	-	-	-	-	-	23,778
Public Sector Entities (PSEs)	-	-	-	-	17,598	-	-	17,598
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	11,637	283,136	-	-	-	-	294,773
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	177,806	-	167	177,973
Regulatory retail portfolios	-	-	-	-	36,927	-	-	36,927
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due financing	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	23,778	11,637	283,136	-	232,331	-	167	551,049

Market risk under the standardized approach (MR1)

The following table provides the components of capital requirement under the SA for market risk:

	30 June 2024 AED 000 RWA	31 December 2023 AED 000 RWA
1 General Profit rate risk (General and Specific)	-	-
2 Equity risk (General and Specific)	-	-
3 Foreign exchange risk	79,901	101,515
4 Commodity risk	-	-
Options	-	-
5 Simplified approach	-	-
6 Delta-plus method	-	-
7 Scenario approach	-	-
8 Securitization	-	-
9 Total	79,901	101,515

Liquidity

Eligible Liquid Assets Ratio (ELAR)

The ELAR is calculated based on Central Bank of UAE regulations which is included in the following table.

1	High Quality Liquid Assets	Nominal Amount	Eligible Liquid Asset	Nominal Amount	Eligible Liquid Asset
		30 June 2024 AED 000	30 June 2024 AED 000	31 December 2023 AED 000	31 December 2023 AED 000
1.1	Physical cash in hand at the bank + balances with the CBUAE	16,771,722	-	15,809,882	-
1.2	UAE Federal Government Bonds and Sukuks	1,563,417	-	841,412	-
	Sub Total (1.1 to 1.2)	18,335,139	18,335,139	16,651,294	16,651,294
1.3	UAE local governments publicly traded sukuk securities	205,768	-	206,084	-
1.4	UAE Public sector publicly traded sukuk securities	-	-	-	-
	Sub Total (1.3 to 1.4)	205,768	205,768	206,084	206,084
1.5	Foreign Sovereign sukuk instruments or instruments issued by their respective central banks	-	-	-	-
1.6	Total	18,540,907	18,540,907	16,857,378	16,857,378
2	Total liabilities	-	86,883,724	-	76,155,337
3	Eligible Liquid Assets Ratio (ELAR)	-	21.34%	-	22.14%

The Group maintained ELAR of 21.34% (calculated on the basis of 90 days simple average). ELAR as of 30 June 2024 was 21.89%, which is in excess of the regulatory minimum of 10%. The ELAR is influenced by the amount of eligible liquid assets over the total liabilities.

The average Eligible Liquid Assets over the reporting period was AED 18.54 billion which mainly comprised of cash and reserves with Central Bank of UAE.

The average Total Liabilities over the reporting period was AED 86.88 billion.

Advance to Stable Resources Ratio (ASRR)

The ASRR computed based on Central Bank of UAE regulations is included in the following table.

		30 June 2024 AED 000	31 December 2023 AED 000
1	Items Computation of Advances		
1.1	Net Financing (gross financing - specific and collective provisions + profit in suspense)	60,799,615	52,865,562
1.2	Financing to non-banking financial institutions	550,158	566,396
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	584,058	540,352
1.4	Interbank Placements	6,420,654	3,527,682
1.5	Total Advances	68,354,485	57,499,992
2	Calculation of Net Stable Resources		
2.1	Total capital + general provisions	14,859,776	13,016,140
	Deduct:		
2.1.1	Goodwill and other intangible assets	-	-
2.1.2	Fixed Assets	327,247	270,855
2.1.3	Funds allocated to branches abroad	-	-
2.1.5	Unquoted Investments	64,172	63,052
2.1.6	Investment in subsidiaries, associates, and affiliates	30,000	30,000
2.1.7	Total deduction	421,419	363,907
2.2	Net Free Capital Funds	14,438,357	12,652,233
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	177,433	7,491
2.3.3	Refinancing of Home financing	-	-
2.3.4	Deposits from non-Banking Financial Institutions	483,814	507,744
2.3.5	Customer Deposits	59,800,389	52,478,713
2.3.6	Sukuk payable maturing after 6 months from reporting date	9,263,125	4,672,500
2.3.7	Total other stable resources	69,724,761	57,666,448
2.4	Total Stable Resources (2.2+2.3.7)	84,163,118	70,318,681
3	Advances to Stable Resources Ratio (1.5/ 2.4*100)	81.22%	81.77%

The Group maintained ASRR of 81.22 over the reporting period, which is below the regulatory limit of 100%.

Acronyms

ALCO	Asset and Liability Committee	IFRS	International Financial Reporting Standards
ALM	Asset and Liability Management	ICAAP	Internal Capital Adequacy Assessment Process
ASF	Available stable funding	LGD	Loss Given Default
ASRR	Advances to Stable Resources Ratio	MDB	Multilateral Development Banks
AT1	Additional Tier 1	MR	Market Risk
BCBS	Basel Committee on Banking Supervision	MTM	Mark-To-Market
BIS	Bank of International Settlements	NFI	Net Funded Income
BRC	Board Risk Committee	OTC	Over the counter
CBUAE	Central Bank UAE	PD	Probability of Default
CCF	Credit Conversion Factor	PFE	Potential Future Exposure
CCP	Central Counterparty	PIT	Point in Time
CCR	Counterparty Credit Risk	PM	Portfolio Management
CCyB	Countercyclical capital buffer	PRR	Profit Rate Risk
CET1	Common Equity Tier 1	PVA	Prudent Valuation Adjustment
CRM	Credit Risk Mitigation	QCCP	Qualifying Central Counterparty
CRO	Chief Risk Officer	RSF	Required stable funding
CVA	Credit Valuation Adjustment	RWAs	Risk-Weighted Assets
CCL	Commercial Company Law	SA	Standardized Approach
D-SIB	Domestic Systemically Important Bank	SCA	Securities and Commodities Authority
DVA	Debit Valuation Adjustment	SFT	Securities Financing Transactions
EAD	Exposure at default	SME	Small and Medium - sized Enterprise
ECAI	External Credit Assessment Institutions	SPE	Special Purpose Entity
ECL	Expected Credit Loss	T1	Tier 1 capital
ELAR	Eligible Liquid Asset Ratio	T2	Tier 2 capital
FSB	Financial Stability Board	TC	Total capital
GCC	Gulf Cooperative Council	TESS	Target Economic Support Scheme
GCRO	Group Chief Risk Officer	TM	Treasury Markets
G-SIB	Global Systemically Important Bank	VaR	Value at Risk
HQLA	High Quality Liquid Asset	XVA	Credit and Funding Valuation Adjustment

Glossary

Capital Conservation Buffer

A capital buffer prescribed by BCBS and CBUAE under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should the bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.

Countercyclical Capital Buffer (CCyB)

The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets.

Counterparty Credit Risk (CCR)

The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

Credit Conversion Factor (CCF)

As prescribed by CBUAE, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.

Credit Risk Adjustment (CRA)

This includes impairment allowances or provisions balances, and changes in ECL.

Credit risk mitigation (CRM)

Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

Internal Capital Adequacy Assessment Process (ICAAP)

A requirement under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.

Leverage Ratio

A ratio introduced under Basel III/CRD that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

Eligible Liquid Assets Ratio (ELAR)

The ratio of the stock of high-quality liquid assets to expected net cash outflows. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Advances to Stables Resource Ratio (ASRR)

The ratio of available stable funding to required stable funding. It is a longer-term liquidity measure designed to restrain the amount of wholesale deposit and encourage stable funding over a one-year time horizon.

RWA density

The risk-weighted asset as a percentage of exposure at default (EAD).

Glossary (Continued)**Securities Financing Transactions (SFT)**

Securities Financing Transactions are secured (i.e., collateralized) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g., stock financing or stock deposits or the financing or deposits of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

Standardized Approach (SA)

In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

Appendix A**Template CCA: Main features of regulatory capital instruments**

Sr no	Particulars	Equity Shares
1	Issuer	Emirates Islamic Bank PJSC
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	CBUAE, SCA, CCL
	Regulatory treatment	
4	Transitional arrangement rules (i.e., grandfathering)	Common Equity Tier I
5	Post-transitional arrangement rules (i.e., grandfathering)	Common Equity Tier I
6	Eligible at solo/group/group and solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Common Shares
8	Amount recognized in regulatory capital (AED in Millions, as of 30 June 2024)	5,430
9	Nominal amount of instrument	NA
9a	Issue price	
9b	Redemption price	NA
10	Accounting classification	Equity Attributable to Equity Holders
11	Original date of issuance	
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable Coupons / dividends	NA
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non- Cumulative
23	Convertible or non-convertible	NA
24	Write-down feature	NA
25	If write down, write down trigger(s)	NA
26	If write down, full or partial	NA
27	If write down, permanent or temporary	NA
28	If temporary write-own, description of writeup mechanism	NA
28a	Type of subordination	NA
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Perpetual Debt Instruments
30	Non-compliant transitioned features	NA
31	If yes, specify non-compliant features	NA



Emirates Islamic Bank P.J.S.C.

3rd Floor, Building 16,
Dubai Healthcare City, Dubai
PO Box: 6564, Dubai,
United Arab Emirates

emiratesislamic.ae

Emirates Islamic Bank P.J.S.C. is licensed by the Central Bank of the UAE