

**BASEL II – PILLAR III
DISCLOSURES**

**For the year ended
31 December 2018**



BASEL II – PILLAR III DISCLOSURES

Contents	Page
Overview	1
Information on subsidiaries and significant investments	3
Consolidated capital structure as per Basel III	4
Gross credit exposure as per standardized approach	7
Capital requirement for market risk as per standardized approach	8
Gross credit exposure by currency	9
Gross credit exposure by geography	10
Gross credit exposure by economic activity	12
Gross credit exposure as per standardized approach	14
Gross credit exposure as per standardized approach (Rated / Unrated)	16
Exposure subject to deduction as per standardized approach (Rated / Unrated)	18
Credit risk mitigation as per standardized approach	20
Impaired financing by economic activity	21
Impaired financing by geography	23
Reconciliation of changes in provision for impaired financing	25
Quantitative disclosures for equity position in the banking book	26
Gross credit exposure by maturity	31

OVERVIEW

In November 2009, The Central Bank of the United Arab Emirates (“CBUAE”) issued guidelines for implementation of Basel II Capital Accord in the banks in UAE. As per the circular, the Standardized Approach for Credit Risk was to apply immediately with an expectation that internationally active UAE banks and larger institutions will migrate to the Foundation Internal Rating Based (FIRB) in due course. The CBUAE Basel II framework is intended to strengthen the market discipline and risk management while enhancing the safety and soundness of the banking industry in UAE.

The guidelines for Pillar 1 – Calculation of Credit Risk pertain to the Standardized Approach of Basel II only. One of the major changes brought in with the new guidelines is the ability to apply, on an asset class basis, risk weightings determined from ratings provided by External Credit Assessment Institutions (“ECAI”) approved by CBUAE.

CBUAE requires the Pillar 2 – Supervisory Review Process to focus on each bank’s Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar 1 Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational risk Capital.

The purpose of Pillar 3 – Market Discipline is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The CBUAE supports the enhanced market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the institution. The Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by a bank, and provide a consistent and understandable disclosure framework that enhances transparency and comparability.

In compliance with the CBUAE guidelines and Basel II accord, these disclosures include information on the Group’s risk management objectives and policies, risk assessment processes and computation, capital management and capital adequacy.

OVERVIEW (continued)

Quantitative information on risk assessment (per standardized approach) includes:

- Risk weighted assets of the Group - credit risk, market risk and operational risk
- Credit risk profile of gross credit exposure by counterparty classifications, rated/ unrated
- Profile of gross credit exposure by economic activity, geographical region and maturity
- Profile of credit risk mitigation by economic activity, geographical region and maturity
- Profile of impaired financing receivables by economic activity and geographical region

Information on capital adequacy includes:

- Capital adequacy computation
- Capital profile – Tier I and Tier II

Introduction

The CBUAE supervises Emirates Islamic Bank PJSC (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. Effective from 2017, 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, like Basel II, is structured around three ‘pillars’: minimum capital requirements (Pillar I); supervisory review process (Pillar II); and market discipline (Pillar III).

Pillar III disclosures 2018

Pillar III complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing a set of disclosure requirements which allow market participants to assess certain specified information on the scope of application of Basel II, 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 Conversion Buffer (CCB) and Countercyclical Capital Buffer (CCyB) - maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

Future Developments

The CBUAE issued Basel III Capital and Liquidity regulations. The increased capital and liquidity regulations are being implemented and complied with by the Group.

The CBUAE is in process of reviewing and incorporating residual Basel III regulations and the Group is tracking these developments and necessary dialogue conducted with the CBUAE, for timely changes to the Capital Management and Disclosure regimes.

OVERVIEW (continued)

Verification

The Pillar III Disclosures for the year 2018 have been appropriately verified internally and have been reviewed by the Group’s statutory auditors.

Implementation of Basel II guidelines

The Group is compliant with Standardized Approach for Credit, Market and Operational Risk (Pillar I) with effect from 31 October 2007.

The Bank also assigns capital on other than Pillar I risk categories, for ‘Profit Rate risk on Banking Book’ and for ‘Business Risk’, within the Pillar II framework. Details on Pillar II methodologies are contained in the section – “Capital Management and Stress Testing” of this report.

Group Structure

Emirates Islamic Bank PJSC (formerly Middle East Bank) (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 3rd of 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. The federal Law No. 2 of 2015, concerning Commercial Companies has come into effect from 1 July 2015, replacing the existing Federal Law No. 8 of 1984.

At an extraordinary general meeting held on 10th of 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 9th of 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 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 <http://www.emiratesislamic.ae>. In addition to its head office in Dubai, the Bank operates through 61 branches in the UAE. The consolidated financial statements comprise financial statements of the Bank and its following subsidiaries (together referred to as “the Group”).

	Date of incorporation & country	Principal activity	Ownership %	
			31 December 2018	31 December 2017
Emirates Islamic Brokerage Co. LLC	26 April 2006, UAE	Financial brokerage services	100%	100%
EIB Sukuk Company Limited	6 June 2007, Cayman Islands	Special Purpose Entity	100%	100%
EI Funding Limited	15 May 2014, Cayman Islands	Special Purpose Entity	100%	100%

The Bank provides full commercial and banking services and offers a variety of products through financing and investing instruments in accordance with Islamic Sharia.

The Bank’s registered office address is P.O. Box 6564, Dubai, United Arab Emirates.

CONSOLIDATED CAPITAL STRUCTURE AS PER BASEL III

BASEL II – PILLAR III DISCLOSURES
31 DECEMBER 2018

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 ('CET1'), Additional Tier 1 ('AT1') and Total Capital.

Additional capital buffers (Capital Conversion 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%.

For 2018, CCB is effective in transition arrangement and is required to keep at 1.88% of the Capital base and from 2019; it will be required to keep at 2.5% of the Capital base. CCyB is not in effect and is not required to keep for 2018.

Regulatory Capital

The Bank's capital base is divided into three main categories, namely CET1, AT1 and Tier 2 ('T2'), depending on their characteristics.

- CET 1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserves, 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.
- T2 capital comprises qualifying subordinated debt, undisclosed reserve.

The capital overview as per Basel III framework is given below:

	2018 <u>AED 000</u>	2017 <u>AED 000</u>
Available capital		
Common equity tier 1 capital	7,211,162	7,313,259
Tier 1 capital	7,211,162	7,313,259
Total eligible capital	7,684,756	7,822,625
Risk-weighted assets		
Credit risk	37,887,486	40,749,303
Market risk	17,938	21,601
Operational risk	4,342,402	4,301,798
Total risk-weighted assets	42,247,826	45,072,702

CONSOLIDATED CAPITAL STRUCTURE AS PER BASEL III (continued)

	Minimum capital requirement 2018	Minimum capital requirement by 2019	<u>2018</u>	<u>2017</u>
Capital Ratio				
a. Total capital ratio for consolidated Group	12.38%	13.00%	18.19%	17.36%
b. Tier 1 ratio only for consolidated Group	10.38%	11.00%	17.07%	16.23%
c. CET1 ratio only for consolidated Group	8.88%	9.50%	17.07%	16.23%

The consolidated capital structure as per Basel III is given below:

	<u>2018</u> <u>AED 000</u>	<u>2017</u> <u>AED 000</u>
Common Equity Tier 1 (CET1) Capital		
Share Capital	5,430,422	5,430,422
Eligible Reserves	888,600	727,222
Retained Earnings / (-) Loss	892,140	1,155,615
Total CET1 capital after the regulatory adjustments and threshold deduction	7,211,162	7,313,259
Total CET1 capital after transitional arrangement for deductions (CET1) (A)	7,211,162	7,313,259
Additional Tier 1 (AT1) Capital		
Eligible AT1 capital	-	-
Other AT1 Capital e.g. (Share premium, minority interest)	-	-
Total AT1 capital	-	-
Total AT1 capital after transitional arrangements (AT1) (B)	-	-
Tier 2 (T2) Capital		
Other Tier 2 capital (including General Provisions, etc.)	473,594	509,366
Total T2 Capital	473,594	509,366
Total T2 capital after transitional arrangements (T2) (C)	473,594	509,366
Total Regulatory Capital (A+B+C)	7,684,756	7,822,625

CAPITAL ADEQUACY (STANDARDISED APPROACH)

	2018	2017
	Capital Charge AED 000	Capital Charge AED 000
	-----	-----
Total Capital Requirements		
Credit Risk	4,688,576	4,889,916
Market Risk	2,220	2,592
Operational Risk	537,372	516,216
	-----	-----
Total Capital Requirements	5,228,168	5,408,724
	=====	=====

Standardized Approach – Credit risk & credit risk mitigation

Under Standardized Approach, all credit exposures are assessed according to the counterparty classifications and against the External Credit Assessment Institutions (“ECAI”) ratings as advised under national discretion (November 2009):

- Claims on sovereign and central banks in the GCC are risk weighted at 0%.
- Domestic currency claims on a non-commercial GCC Public Sector Enterprise (PSE) are treated as claims on their sovereigns if their central bank or monetary authority treats them as such. Foreign currency claims on such a PSE are risk weighted one grade less favorable than its sovereign i.e. 20% risk weight. Claims on other foreign PSEs are risk weighted one grade less favorable than its sovereign.
- Claims on commercial companies owned by a GCC sovereign or PSEs that operate as commercial organizations are treated as claims on a corporate and risk weighted in accordance with ratings from acceptable ECAIs.
- ECAI ratings are also used to determine the capital requirements against exposures to banks and financial institutions. The group uses option 2 (one of alternative risk weight and ECAI ratings matrices as prescribed in the Basel II accord) for determining the capital requirements in line with the supervisory discretion adopted by the CBUAE.
- Claims on corporate entities are risk weighted at prescribed risk weights applicable per the latest ECAI rating of the counterparty. Claims on unrated corporate entities are risk weighted at 100%.
- Consumer banking exposure is classified into ‘Qualified Residential Mortgage’, ‘Qualified regulatory retail portfolio’ and ‘Others’; per the CBUAE Basel II guidelines and are risk weighted at 35%, 75% and 100% respectively.
- All other assets are classified between ‘assets under higher risk categories’ and ‘others’; and risk weighted at prescribed risk weights.

For standardized capital adequacy calculations, the following rules are applied consistently to determine the appropriate ECAI ratings:

- Where more ECAI ratings of two acceptable rating agencies are available, the lower (worse) of the two is considered.
- Where the ECAI ratings are split evenly between all four rating agencies, the more conservative ratings are considered.
- Acceptable ECAI agencies are Moody’s, S&P, Fitch and Capital Intelligence.

Credit Risk

The total capital charge for credit risk as at 31 December 2018 is AED 4,689 million (2017: AED 4,890 million).

GROSS CREDIT EXPOSURE AS PER STANDARDISED APPROACH

	2018		2017	
	Gross Exposure	Risk Weighted Assets	Gross Exposure	Risk Weighted Assets
	AED 000	AED 000	AED 000	AED 000
Claims on sovereigns	15,402,609	654,354	13,621,881	311,480
Claims on non-central government public sector entities	474,892	33,012	491,265	11,480
Claims on multi-lateral development banks	14,690	-	14,503	-
Claims on banks	5,535,962	1,791,956	11,080,267	4,723,684
Claims on securities firms	-	-	-	-
Claims on corporate and Government related entities (GRE)	15,858,188	13,528,942	14,287,864	12,721,425
Claims included in the regulatory retail portfolio	11,365,184	8,588,334	11,215,931	8,407,346
Claims secured by residential property	9,409,744	8,219,904	8,281,982	7,281,092
Claims secured by commercial real estate	2,915,332	2,915,332	3,782,391	3,782,391
Past due financing	3,945,954	562,816	5,016,391	1,523,264
Higher-risk categories	121,612	182,419	516,375	774,562
Other assets	1,687,346	1,410,417	1,580,211	1,212,579
Claims on securitized assets	-	-	-	-
Credit derivatives (Banks selling protection)	-	-	-	-
Total	66,731,513	37,887,486	69,889,061	40,749,303

Market Risk

Market risks subject to capital charge are as follows:

- Profit Rate Risk
- Foreign Exchange Risk
- Equity Exposure Risk
- Commodity Risk
- Options Risk

Capital charge on profit rate risk and equity exposure risk is restricted to Bank's 'trading book', while capital charge on Foreign exchange risk applies on the bank's entire positions.

The total Capital requirement for Market Risk as at 31 December 2018 is AED 2.22 million (2017: AED 2.59 million) as detailed below:

CAPITAL REQUIREMENT FOR MARKET RISK AS PER STANDARDISED APPROACH

	2018 AED 000	2017 AED 000
	-----	-----
Profit rate risk	-	322
Equity position risk	-	-
Options risk	-	-
Foreign exchange risk	2,220	2,270
	-----	-----
Total capital requirement	2,220	2,592
	=====	=====

Operational Risk

Basel II framework outlines three methods for calculating the risk charge for operational risk – Basic Indicator, Standardized Approach and Advanced Measurement Approach. The Group presently follows the Standardized Approach.

The total capital requirement for Operational Risk as at 31 December 2018 is AED 537.37 million (2017: AED 516.22 million). This charge is computed by categorizing the Group's activities into 8 business lines (as defined by Basel II guidelines) and multiplying the line's three year average gross income by a pre-defined beta factor.

RISK MANAGEMENT OBJECTIVES AND POLICIES

CREDIT RISK

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies on Credit risk

GROSS CREDIT EXPOSURE – CURRENCY CLASSIFICATION

31 DECEMBER 2018

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
Foreign Currency	3,049,258	2,043,207	1,438,009	6,530,474	-	-	791,396	791,396	7,321,870
AED	37,710,522	-	18,468,688	56,179,210	192,560	-	3,037,873	3,230,433	59,409,643
Total	40,759,780	2,043,207	19,906,697	62,709,684	192,560	-	3,829,269	4,021,829	66,731,513

31 DECEMBER 2017

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
Foreign Currency	1,968,020	1,259,037	7,799,787	11,026,844	-	-	1,254,855	1,254,855	12,281,699
AED	36,309,953	-	17,088,183	53,398,136	742,612	-	3,466,614	4,209,226	57,607,362
Total	38,277,973	1,259,037	24,887,970	64,424,980	742,612	-	4,721,469	5,464,081	69,889,061

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Property & Equipment & Other Assets.

The group's credit exposure by Geography and Economic activity, both funded and non-funded is detailed below:

GROSS CREDIT EXPOSURE BY GEOGRAPHY

31 DECEMBER 2018

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
United Arab Emirates	38,179,943	1,322,189	18,735,954	58,238,086	192,560	-	3,798,629	3,991,189	62,229,275
GCC excluding UAE	1,130,678	630,557	407,083	2,168,318	-	-	269	269	2,168,587
Arab League (excluding GCC)	302,939	-	10,633	313,572	-	-	22	22	313,594
Asia	912,887	-	253,915	1,166,802	-	-	29,026	29,026	1,195,828
Africa	-	-	451	451	-	-	-	-	451
North America	-	-	358,821	358,821	-	-	215	215	359,036
South America	-	-	-	-	-	-	-	-	-
Caribbean	-	-	-	-	-	-	-	-	-
Europe	233,333	90,461	138,905	462,699	-	-	1,108	1,108	463,807
Australia	-	-	935	935	-	-	-	-	935
Others	-	-	-	-	-	-	-	-	-
Total	40,759,780	2,043,207	19,906,697	62,709,684	192,560	-	3,829,269	4,021,829	66,731,513

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Property & Equipment & Other Assets.

The group's credit exposure by Geography and Economic activity, both funded and non-funded is detailed below (continued):

GROSS CREDIT EXPOSURE BY GEOGRAPHY (continued)

31 DECEMBER 2017

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
United Arab Emirates	36,008,580	436,296	20,864,993	57,309,869	742,612	-	4,610,024	5,352,636	62,662,505
GCC excluding UAE	1,446,688	440,566	511,395	2,398,649	-	-	832	832	2,399,481
Arab League (excluding GCC)	352,958	-	12,594	365,552	-	-	22	22	365,574
Asia	395,390	196,470	131,415	723,275	-	-	64,653	64,653	787,928
Africa	37,632	-	44	37,676	-	-	-	-	37,676
North America	-	-	(93,015)	(93,015)	-	-	-	-	(93,015)
South America	-	-	-	-	-	-	-	-	-
Caribbean	-	-	-	-	-	-	-	-	-
Europe	36,725	185,705	3,459,593	3,682,023	-	-	45,938	45,938	3,727,961
Australia	-	-	951	951	-	-	-	-	951
Others	-	-	-	-	-	-	-	-	-
Total	38,277,973	1,259,037	24,887,970	64,424,980	742,612	-	4,721,469	5,464,081	69,889,061

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Property & Equipment & Other Assets.

The group's credit exposure by Geography and Economic activity, both funded and non-funded is detailed below (continued):

GROSS CREDIT EXPOSURE BY ECONOMIC ACTIVITY

31 DECEMBER 2018

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
Agriculture, fishing & related activities	35,702	-	-	35,702	-	-	8,527	8,527	44,229
Crude oil gas, mining & quarrying	44,602	-	-	44,602	-	-	2,063	2,063	46,665
Manufacturing	1,467,362	-	4,022	1,471,384	50,660	-	140,325	190,985	1,662,369
Electricity and water	310,321	165,059	-	475,380	-	-	635	635	476,015
Construction	930,123	-	-	930,123	34,900	-	1,922,664	1,957,564	2,887,687
Trade	6,375,452	-	-	6,375,452	60,600	-	500,288	560,888	6,936,340
Transport, Storage & Communication	263,417	-	-	263,417	-	-	43,042	43,042	306,459
Financial Institutions and Investment companies	2,017,617	808,401	18,387,708	21,213,726	-	-	562,741	562,741	21,776,467
Real Estate	4,222,158	292,885	549,614	5,064,657	10,600	-	35,107	45,707	5,110,364
Services	2,496,917	246,281	117,264	2,860,462	32,900	-	544,509	577,409	3,437,871
Sovereign	615,474	530,581	-	1,146,055	-	-	-	-	1,146,055
Personal	21,255,216	-	-	21,255,216	2,900	-	37,752	40,652	21,295,868
All Others	120,321	-	848,089	968,410	-	-	31,616	31,616	1,000,026
Add: Grossing up of profit in suspense	605,098	-	-	605,098	-	-	-	-	605,098
Total	40,759,780	2,043,207	19,906,697	62,709,684	192,560	-	3,829,269	4,021,829	66,731,513

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Property & Equipment & Other Assets.

The group's credit exposure by Geography and Economic activity, both funded and non-funded is detailed below (continued):**GROSS CREDIT EXPOSURE BY ECONOMIC ACTIVITY (continued)****31 DECEMBER 2017**

	Financing Receivables AED 000	Sukuk AED 000	Other assets AED 000	Total funded AED 000	Commitments AED 000	OTC derivatives AED 000	Other off- balance sheet exposures AED 000	Total non- funded AED 000	Total AED 000
Agriculture, fishing & related activities	17,253	-	-	17,253	1,000	-	13	1,013	18,266
Crude, oil gas, mining & quarrying	43,248	43,972	-	87,220	2,600	-	141	2,741	89,961
Manufacturing	1,242,317	-	-	1,242,317	36,700	-	234,189	270,889	1,513,206
Electricity and water	440,245	57,398	-	497,643	-	-	7,848	7,848	505,491
Construction	1,070,425	-	25	1,070,450	114,184	-	2,098,896	2,213,080	3,283,530
Trade	5,254,723	-	-	5,254,723	321,000	-	681,198	1,002,198	6,256,921
Transport, Storage & Communication	310,755	-	-	310,755	4,000	-	64,936	68,936	379,691
Financial Institutions and Investment companies	1,260,586	517,534	10,449,926	12,228,046	1,200	-	744,443	745,643	12,973,689
Real Estate	4,961,007	75,840	462,943	5,499,790	86,588	-	196,498	283,086	5,782,876
Services	2,193,034	126,782	-	2,319,816	107,340	-	674,089	781,429	3,101,245
Sovereign	103,675	437,511	-	541,186	-	-	-	-	541,186
Personal	20,483,287	-	-	20,483,287	68,000	-	19,218	87,218	20,570,505
All Others	-	-	13,975,076	13,975,076	-	-	-	-	13,975,076
Add: Grossing up of profit in suspense	897,418	-	-	897,418	-	-	-	-	897,418
Total	38,277,973	1,259,037	24,887,970	64,424,980	742,612	-	4,721,469	5,464,081	69,889,061

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Property & Equipment & Other Assets.

The group's gross credit exposures as per Standardized Approach with the effect of CRM as detailed below:

GROSS CREDIT EXPOSURE AS PER STANDARDISED APPROACH

31 DECEMBER 2018

	On Balance Sheet		Off Balance Sheet		Total Gross Exposure AED 000	Credit Risk Mitigation (CRM)		CRM AED 000	After CRM AED 000	Risk Weighted Assets AED 000
	Gross Outstanding AED 000	Net Exposure after Credit Conversion Factors (CCF) AED 000	Net Exposure after Credit Conversion Factors (CCF) AED 000	Exposure Before CRM AED 000						
Claims on sovereigns	15,402,609	-	-	15,402,609	-	15,402,609	-	15,402,609	654,354	
Claims on non-central government public sector entities	474,892	-	-	474,892	-	474,892	-	474,892	33,012	
Claims on multi-lateral development banks	14,690	-	-	14,690	-	14,690	-	14,690	-	
Claims on banks	5,535,962	-	-	5,535,962	-	5,535,962	-	5,535,962	1,791,956	
Claims on securities firms	-	-	-	-	-	-	-	-	-	
Claims on corporate and Government related entities (GRE)	11,836,359	4,021,829	-	15,858,188	-	15,858,188	2,293,988	13,564,200	13,528,942	
Claims included in the regulatory retail portfolio	11,365,184	-	-	11,365,184	-	11,365,184	-	11,365,184	8,588,334	
Claims secured by residential property	9,409,744	-	-	9,409,744	-	9,409,744	-	9,409,744	8,219,904	
Claims secured by commercial real estate	2,915,332	-	-	2,915,332	-	2,915,332	-	2,915,332	2,915,332	
Past due financing	3,945,954	-	-	3,945,954	-	540,429	-	540,429	562,816	
Higher-risk categories	121,612	-	-	121,612	-	121,612	-	121,612	182,419	
Other assets	1,687,346	-	-	1,687,346	-	1,687,346	-	1,687,346	1,410,417	
Claims on securitized assets	-	-	-	-	-	-	-	-	-	
Credit derivatives (Banks selling position)	-	-	-	-	-	-	-	-	-	
Total	62,709,684	4,021,829	4,021,829	66,731,513	2,293,988	63,325,988	2,293,988	61,032,000	37,887,486	

GROSS CREDIT EXPOSURE AS PER STANDARDISED APPROACH (continued)

31 DECEMBER 2017

	On Balance Sheet		Off Balance Sheet Net Exposure after Credit Conversion Factors (CCF)		Total Gross Exposure AED 000	Credit Risk Mitigation (CRM)		Risk Weighted Assets AED 000
	Gross Outstanding AED 000		Net Exposure after Credit Conversion Factors (CCF) AED 000			Exposure Before CRM AED 000	CRM AED 000	
Claims on sovereigns	13,621,881	-	-	-	13,621,881	-	-	311,480
Claims on non-central government public sector entities	491,265	-	-	-	491,265	-	-	11,480
Claims on multi-lateral development banks	14,503	-	-	-	14,503	-	-	-
Claims on banks	10,986,823	93,444	-	-	11,080,267	-	-	4,723,684
Claims on securities firms	-	-	-	-	-	-	-	-
Claims on corporate and Government related entities (GRE)	8,917,227	5,370,637	-	-	14,287,864	1,566,441	-	12,721,425
Claims included in the regulatory retail portfolio	11,215,931	-	-	-	11,215,931	6,136	-	8,407,346
Claims secured by residential property	8,281,982	-	-	-	8,281,982	-	-	7,281,092
Claims secured by commercial real estate	3,782,391	-	-	-	3,782,391	-	-	3,782,391
Past due financing	5,016,391	-	-	-	5,016,391	-	-	1,523,264
Higher-risk categories	516,375	-	-	-	516,375	-	-	774,562
Other assets	1,580,211	-	-	-	1,580,211	-	-	1,212,579
Claims on securitized assets	-	-	-	-	-	-	-	-
Credit derivatives (Banks selling position)	-	-	-	-	-	-	-	-
Total	64,424,980	5,464,081	69,889,061	66,097,274	1,572,577	64,524,697	40,749,303	

GROSS CREDIT EXPOSURE AS PER STANDARDISED APPROACH (RATED/ UNRATED)

31 DECEMBER 2018

	Rated AED 000	Unrated AED 000	Total Gross Exposure AED 000	Exposure Before CRM AED 000	After CRM AED 000	Risk Weighted Assets AED 000
Claims on sovereigns	530,581	14,872,028	15,402,609	15,402,609	15,402,609	654,354
Claims on non-central government public sector entities	165,059	309,833	474,892	474,892	474,892	33,012
Claims on multi-lateral development banks	14,690	-	14,690	14,690	14,690	-
Claims on banks	4,728,836	807,126	5,535,962	5,535,962	5,535,962	1,791,956
Claims on corporate and Government related entities (GRE)	488,502	15,369,686	15,858,188	15,858,188	13,564,200	13,528,942
Claims included in the regulatory retail portfolio	-	11,365,184	11,365,184	11,365,184	11,365,184	8,588,334
Claims secured by residential property	-	9,409,744	9,409,744	9,409,744	9,409,744	8,219,904
Claims secured by commercial real estate	-	2,915,332	2,915,332	2,915,332	2,915,332	2,915,332
Past due financing	-	3,945,954	3,945,954	540,429	540,429	562,816
Higher-risk categories	-	121,612	121,612	121,612	121,612	182,419
Other assets	-	1,687,346	1,687,346	1,687,346	1,687,346	1,410,417
Claims on securitized assets	-	-	-	-	-	-
Credit derivatives (Banks selling protection)	-	-	-	-	-	-
Total	5,927,668	60,803,845	66,731,513	63,325,988	61,032,000	37,887,486

GROSS CREDIT EXPOSURE AS PER STANDARD DISED APPROACH (RATED/ UNRATED) (continued)

31 DECEMBER 2017

	Rated	Unrated	Total Gross Exposure	Exposure Before CRM	After CRM	Risk Weighted Assets
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Claims on sovereigns	481,482	13,140,399	13,621,881	13,621,881	13,621,881	311,480
Claims on non-central government public sector entities	57,398	433,867	491,265	491,265	491,265	11,480
Claims on multi-lateral development banks	14,503	-	14,503	14,503	14,503	-
Claims on banks	262,789	10,817,478	11,080,267	11,080,267	11,080,267	4,723,684
Claims on corporate and Government related entities (GRE)	165,572	14,122,292	14,287,864	14,287,864	12,721,423	12,721,425
Claims included in the regulatory retail portfolio	-	11,215,931	11,215,931	11,215,931	11,209,795	8,407,346
Claims secured by residential property	-	8,281,982	8,281,982	8,281,982	8,281,982	7,281,092
Claims secured by commercial real estate	-	3,782,391	3,782,391	3,782,391	3,782,391	3,782,391
Past due financing	-	5,016,391	5,016,391	1,224,604	1,224,604	1,523,264
Higher-risk categories	-	516,375	516,375	516,375	516,375	774,562
Other assets	-	1,580,211	1,580,211	1,580,211	1,580,211	1,212,579
Claims on securitized assets	-	-	-	-	-	-
Credit derivatives (Banks selling protection)	-	-	-	-	-	-
Total	981,744	68,907,317	69,889,061	66,097,274	64,524,697	40,749,303

EXPOSURE SUBJECT TO DEDUCTION AS PER STANDARDISED APPROACH (RATED/ UNRATED)

31 DECEMBER 2018

	Rated AED 000	Unrated AED 000	Total Gross Exposure AED 000	Exposure Before CRM AED 000	After CRM AED 000	Risk Weighted Assets AED 000
Claims on sovereigns	-	-	-	-	-	-
Claims on non-central government public sector entities	-	-	-	-	-	-
Claims on multi-lateral development banks	-	-	-	-	-	-
Claims on banks	-	-	-	-	-	-
Claims on corporate and Government related entities (GRE)	-	3,921,227	3,921,227	3,921,227	1,627,239	1,627,239
Claims included in the regulatory retail portfolio	-	-	-	-	-	-
Claims secured by residential property	-	-	-	-	-	-
Claims secured by commercial real estate	-	-	-	-	-	-
Past due financing	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Claims on securitized assets	-	-	-	-	-	-
Credit derivatives (Banks selling protection)	-	-	-	-	-	-
Total	-	3,921,227	3,921,227	3,921,227	1,627,239	1,627,239

EXPOSURE SUBJECT TO DEDUCTION AS PER STANDARDISED APPROACH (RATED/ UNRATED) (continued)

31 DECEMBER 2017

	Rated AED 000	Unrated AED 000	Total Gross Exposure AED 000	Exposure Before CRM AED 000	After CRM AED 000	Risk Weighted Assets AED 000
Claims on sovereigns	-	-	-	-	-	-
Claims on non-central government public sector entities	-	-	-	-	-	-
Claims on multi-lateral development banks	-	-	-	-	-	-
Claims on banks	-	-	-	-	-	-
Claims on corporate and Government related entities (GRE)	-	4,767,691	4,767,691	4,767,691	3,201,251	3,201,251
Claims included in the regulatory retail portfolio	-	6,136	6,136	6,136	-	-
Claims secured by residential property	-	-	-	-	-	-
Claims secured by commercial real estate	-	-	-	-	-	-
Past due financing	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-
Other assets	-	-	-	-	-	-
Claims on securitized assets	-	-	-	-	-	-
Credit derivatives (Banks selling protection)	-	-	-	-	-	-
Total	-	4,773,827	4,773,827	4,773,827	3,201,251	3,201,251

CREDIT RISK MITIGATION AS PER STANDARDISED APPROACH

	2018		2017	
	Gross credit exposure (AED 000)	Risk weighted assets (AED 000)	Gross credit exposure (AED 000)	Risk weighted assets (AED 000)
Gross exposure prior to credit risk mitigation	66,731,513	43,586,999	69,889,061	46,113,667
Exposure covered by on-balance sheet netting	(3,405,525)	(3,405,525)	(3,944,757)	(3,944,757)
Exposure covered by eligible financial collateral	(2,293,988)	(2,293,988)	(1,419,607)	(1,419,607)
Exposures covered by Guarantees	-	-	-	-
Net exposure after credit risk mitigation	61,032,000	37,887,486	64,524,697	40,749,303

The details of impaired financing by Geography and Economic Activity are as below:

IMPAIRED FINANCING BY ECONOMIC ACTIVITY

31 DECEMBER 2018

	Overdue (Gross of Profit in Suspense/ Provisions)		Provisions		Adjustments		Profit in Suspense AED 000	Total Impaired Assets AED 000
	Less than 90 days AED 000	90 days and above AED 000	Specific * AED 000	General ** AED 000	Write-offs AED 000	Write-backs AED 000		
Agriculture, fishing & related activities	-	4,177	3,705	-	-	28	496	(24)
Crude, oil gas, mining & quarrying	-	39,121	37,671	-	-	-	1,450	-
Manufacturing	-	202,657	181,800	-	13,830	981	6,840	14,017
Electricity and Water	-	-	-	-	-	-	-	-
Construction	-	318,111	339,977	-	94,508	10,033	12,077	(33,943)
Trade	-	594,963	516,560	-	199,619	27,817	35,173	43,230
Transport, Storage & Communication	-	90,942	89,059	-	7,132	1,821	2,178	(295)
Financial Institutions	-	84,848	75,872	-	-	-	8,975	1
Real Estate	-	1,486,896	898,730	-	105,409	90,118	392,096	196,070
Services	-	506,326	249,652	-	103,014	40,651	11,357	245,317
Sovereign	-	-	-	-	-	-	-	-
Personal	-	599,765	388,155	-	735,221	70,785	134,311	77,299
All Others	-	18,150	19,246	-	772	64,266	145	(1,241)
Total	-	3,945,956	2,800,427	1,182,345	1,259,505	306,500	605,098	540,431

* Specific provisions represent Stage 3 Expected Credit Loss ('ECL').

** General provisions represent Stage 1 and Stage 2 Expected Credit Loss ('ECL').

IMPAIRED FINANCING BY ECONOMIC ACTIVITY (continued)

31 DECEMBER 2017

	Overdue (Gross of Profit in Suspense/ Provisions)				Provisions		Adjustments		Total Impaired Assets AED 000		
	Less than 90 days		90 days and above		Total AED 000	Specific AED 000	General AED 000	Write-offs AED 000		Write- backs AED 000	Profit in Suspense AED 000
	AED 000	AED 000	AED 000	AED 000							
Agriculture, fishing & related activities	-	3,975	3,975	-	-	-	-	-	-	296	(54)
Crude, oil gas, mining & quarrying	-	39,120	39,120	-	37,551	-	-	1,449	-	1,570	(1)
Manufacturing	-	232,109	232,109	-	170,997	-	-	5,096	-	4,786	56,326
Electricity and Water	-	-	-	-	-	-	-	-	-	-	-
Construction	-	310,584	310,584	-	269,030	-	-	62,575	-	9,234	32,320
Trade	-	744,246	744,246	-	606,940	-	-	42,697	-	40,558	96,748
Transport, Storage & Communication	-	74,776	74,776	-	73,967	-	-	2,006	-	1,021	(212)
Financial Institutions	-	81,419	81,419	-	75,872	-	-	2,128	-	5,547	-
Real Estate	-	1,846,514	1,846,514	-	915,708	-	-	71,954	-	368,347	562,459
Services	-	667,551	667,551	-	366,576	-	-	43,698	-	54,544	246,431
Sovereign	-	-	-	-	-	-	-	-	-	-	-
Personal	-	1,016,097	1,016,097	-	373,995	-	680,316	48,910	-	411,515	230,587
All Others	-	-	-	-	-	-	-	-	-	-	-
Total	-	5,016,391	5,016,391	-	2,894,369	650,786	680,316	280,513	897,418	1,224,604	

IMPAIRED FINANCING BY GEOGRAPHY

31 DECEMBER 2018

	Overdue (Gross of Profit in Suspense/ Provisions)										Total Impaired Assets AED 000	
	Less than 90 days		90 days and above		Total		Provisions		Adjustments			Profit in Suspense AED 000
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	Specific * AED 000	General ** AED 000	Write-offs AED 000	Write-backs AED 000		
United Arab Emirates	-	3,844,759	3,844,759	2,706,930	-	1,183,539	298,392	600,986	536,843			
GCC excluding UAE	-	62,076	62,076	55,826	-	75,966	8,108	2,662	3,588			
Arab League (excluding GCC)	-	39,121	39,121	37,671	-	-	-	1,450	-			
Asia	-	-	-	-	-	-	-	-	-			
Africa	-	-	-	-	-	-	-	-	-			
North America	-	-	-	-	-	-	-	-	-			
South America	-	-	-	-	-	-	-	-	-			
Caribbean	-	-	-	-	-	-	-	-	-			
Europe	-	-	-	-	-	-	-	-	-			
Australia	-	-	-	-	-	-	-	-	-			
Others	-	-	-	-	-	-	-	-	-			
Total	-	3,945,956	3,945,956	2,800,427	1,182,345	1,259,505	306,500	605,098	540,431			

* Specific provisions represent Stage 3 Expected Credit Loss ('ECL').

** General provisions represent Stage 1 and Stage 2 Expected Credit Loss ('ECL').

IMPAIRED FINANCING BY GEOGRAPHY (continued)

31 DECEMBER 2017

	Overdue (Gross of Profit in Suspense/ Provisions)		Provisions		Adjustments		Profit in Suspense AED 000	Total Impaired Assets AED 000
	Less than 90 days AED 000	90 days and above AED 000	Specific AED 000	General AED 000	Write-offs AED 000	Write-backs AED 000		
United Arab Emirates	-	4,835,577	2,721,972	-	680,316	272,449	893,239	1,220,366
GCC excluding UAE	-	141,694	134,846	-	-	6,615	2,609	4,239
Arab League (excluding GCC)	-	39,120	37,551	-	-	1,449	1,570	(1)
Asia	-	-	-	-	-	-	-	-
Africa	-	-	-	-	-	-	-	-
North America	-	-	-	-	-	-	-	-
South America	-	-	-	-	-	-	-	-
Caribbean	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Total	-	5,016,391	2,894,369	650,786	680,316	280,513	897,418	1,224,604

RECONCILIATION OF CHANGES IN PROVISION FOR IMPAIRED FINANCING

	2018	2017
	AED 000	AED 000
	-----	-----
Balance of provision for impaired financing as at 1 January (as per IAS 39)	3,545,158	3,498,304
Reversal on transition to IFRS 9	(650,786)	-
ECL recognized under IFRS 9	1,548,144	-
Balance at 1 January (Adjusted opening as per IFRS 9)	4,442,516	-
 Add: Charge for the year		
Specific Provisions (ECL Stage 3)	1,115,168	1,202,173
General Provisions (ECL Stage 1 and Stage 2)	(356,044)	-
Less: Write-off of impaired financing	(1,259,505)	(680,316)
Less: Recovery of financing previously written off	-	-
Less: Write back / Recovery of loan loss provisions	(306,500)	(475,003)
Adjustments of loan loss provisions	347,137	-
Balance of provision for impaired financing as at 31 December	3,982,772	3,545,158
	=====	=====

RISK MANAGEMENT OBJECTIVES AND POLICIES**MARKET RISK**

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives.

QUANTITATIVE DISCLOSURES FOR EQUITY POSITION IN THE BANKING BOOK

31 DECEMBER 2018

(a) Quantitative Details of Equity Position

Type	FS Category (AFS/FVPL)	Basel II Category (Banking book)	Publicly Traded	Current Year Privately Held	AED 000
Equities	289,636	289,636	6,314	283,322	
Collective investment schemes	-	-	-	-	
Any other investment	192,017	192,017	382	191,635	
Total	481,653	481,653	6,696	474,957	

(b) Realized, Unrealized & Latent revaluation gains/ (losses) during the year

Particulars	AED 000	AFS
Gains (Losses)		
Realized gains (losses) from sale and liquidations	2,458	
Unrealized gains (losses) recognized in the balance sheet but not through profit and loss account	-	
Latent revaluation gains (losses) for investment recorded at cost but not recognized in balance sheet or profit and loss account	-	

Total

2,458

(c) Items in (b) above included in Tier I/ Tier II Capital**Tier Capital**

Amount included in Tier I capital (realized gains)

2,458

Amount included in Tier II capital (unrealized gains)

Total

2,458

QUANTITATIVE DISCLOSURES FOR EQUITY POSITION IN THE BANKING BOOK (continued)

31 DECEMBER 2018

(d) Capital requirements by Equity groupings

	AED 000
Grouping	Amount
Investments in associates and joint ventures	-
Investment Securities	59,605
Held for Trading	-
Total capital requirement	59,605

(e) Equity Investments (Quoted/ Unquoted) - Including private equity investments

	Banking Book (Per Basel II Definition)	Trading Book (Per Basel II Definition)	AED 000
Particulars			
Quoted	6,696	-	-
Unquoted	474,957	-	-
Total	481,653	-	-

QUANTITATIVE DISCLOSURES FOR EQUITY POSITION IN THE BANKING BOOK (continued)

31 DECEMBER 2017

(a) Quantitative Details of Equity Position

Type	FS Category (AFS/FVPL)	Basel II Category (Banking book)	Publicly Traded	Current Year Privately Held	AED 000
Equities	389,205	389,205	33,148	356,057	
Collective investment schemes	-	-	-	-	
Any other investment	160,310	160,310	-	160,310	
Total	549,515	549,515	33,148	516,367	

(b) Realized, Unrealized & Latent revaluation gains/ (losses) during the year

Particulars	AED 000
Gains (Losses)	AFS
Realized gains (losses) from sale and liquidations	73,439
Unrealized gains (losses) recognized in the balance sheet but not through profit and loss account	-
Latent revaluation gains (losses) for investment recorded at cost but not recognized in balance sheet or profit and loss account	-
Total	73,439

(c) Items in (b) above included in Tier I/ Tier II Capital

Tier Capital	AED 000
Amount included in Tier I capital (realized gains)	73,439
Amount included in Tier II capital (unrealized gains)	-
Total	73,439

QUANTITATIVE DISCLOSURES FOR EQUITY POSITION IN THE BANKING BOOK (continued)

31 DECEMBER 2017

(d) Capital requirements by Equity groupings

	AED 000
Grouping	Amount
Investments in associates and joint ventures	-
Investment Securities	65,942
Held for Trading	-

Total capital requirement	64,568
	=====

(e) Equity Investments (Quoted/ Unquoted) - Including private equity investments

	Banking Book (Per Basel II Definition)	AED 000 Trading Book (Per Basel II Definition)
Particulars		
Quoted	33,148	-
Unquoted	516,367	-
	-----	-----
Total	549,515	-
	=====	=====

RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign Exchange Risk

Foreign exchange risk hedging strategies are used to ensure that positions are always within established limits. The Group has a conservative policy towards foreign exchange risk and has set limits on positions by currency. Foreign exchange risk is measured using position reports showing the net long or short position for currencies, which are monitored on a real-time basis. Foreign exchange risk is actively managed using spot and forward foreign exchange instruments.

The capital requirement for foreign exchange risk as at 31 December 2018 is AED 2.22 million (as at 31 December 2017 is AED 2.27 million).

Operational Risk

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies for Operational risk.

Liquidity Risk

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies for Liquidity risk.

The following table lists the Group's exposures by Residual Maturity:

31 DECEMBER 2018

	Financing Receivables	Sukuk	Other assets	Total funded	Commitments	OTC derivatives	Other off- balance sheet exposures	Total non- funded	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Less than 3 months	13,403,870	-	14,707,705	28,111,575	192,560	-	2,307,257	2,499,817	30,611,392
3 months to 1 year	7,319,793	219,340	3,720,024	11,259,157	-	-	1,178,675	1,178,675	12,437,832
1 year to 5 years	9,368,050	1,369,178	-	10,737,228	-	-	343,335	343,335	11,080,563
Over 5 years	6,080,197	454,689	1,478,968	8,013,854	-	-	2	2	8,013,856
Add: Grossing up of profit in suspense & provisions	4,587,870	-	-	4,587,870	-	-	-	-	4,587,870
Total	40,759,780	2,043,207	19,906,697	62,709,684	192,560	-	3,829,269	4,021,829	66,731,513

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Investment in associate and joint ventures, Property & Equipment & Other Assets.

The following table lists the Group's exposures by Residual Maturity (continued):

31 DECEMBER 2017

	Financing Receivables	Sukuk	Other assets	Total funded	Commitments	OTC derivatives	Other off- balance sheet exposures	Total non- funded	Total
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
Less than 3 months	9,103,291	196,469	21,079,775	30,379,535	742,612	-	3,542,818	4,285,430	34,664,965
3 months to 1 year	6,261,253	153,898	2,001,218	8,416,369	-	-	894,175	894,175	9,310,544
1 year to 5 years	9,835,400	650,655	-	10,486,055	-	-	284,476	284,476	10,770,531
Over 5 years	9,286,239	258,015	1,806,977	11,351,231	-	-	-	-	11,351,231
Add: Grossing up of profit in suspense & provisions	3,791,790	-	-	3,791,790	-	-	-	-	3,791,790
Total	38,277,973	1,259,037	24,887,970	64,424,980	742,612	-	4,721,469	5,464,081	69,889,061

Other Assets include Cash & Deposits with Central Bank, Due from Banks, Investment securities [net of Sukuk], Investment properties, Investment in associate and joint ventures, Property & Equipment & Other Assets.

RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Reputational Risk

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies for reputation risk.

Regulatory/Compliance Risk

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies for Regulatory/compliance risk.

Internal Audit's role in overall risk management

Please refer Note no. 35 in the annual financial statements for detailed risk management objectives and policies for details on Internal Audit's role in overall risk management.

