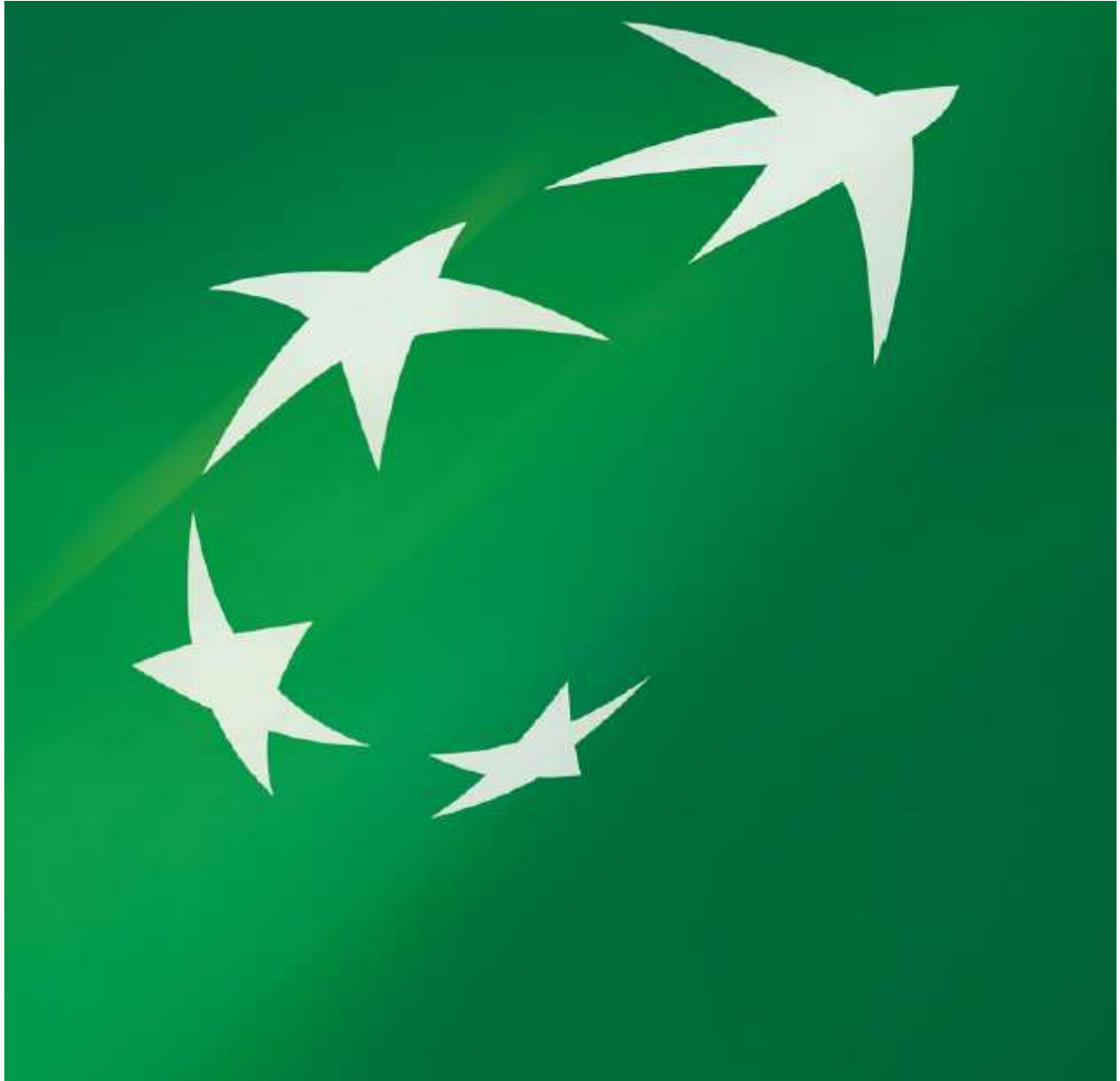


BNP Paribas UAE Branches Pillar III – Semi-annual 30 June 2023



Templates with nil reporting and those which are not applicable to BNP Paribas UAE branches are not included in this document.



BNP PARIBAS

The bank
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OVERVIEW: Q2 2022

KM1 Key Metrics: Below is an extract of key metrics as of 30 June 2023 and comparative information

Amounts in AED 000

	a	b	c
	30-Jun-23	31-Mar-23	31-Dec-22
Available capital (amounts)			
Common Equity Tier 1 (CET1)	1,527,227	1,527,227	1,527,227
Tier 1	1,527,227	1,527,227	1,527,227
Tier 2	67,117	65,567	72,429
Total capital	1,594,344	1,592,794	1,599,656
Risk-weighted assets (amounts)			
Total risk-weighted assets (RWA)	5,644,796	5,514,320	6,071,904
Risk-based capital ratios as a percentage of RWA			
Common Equity Tier 1 ratio (%)	27.06%	27.7%	25.15%
Tier 1 ratio (%)	27.06%	27.7%	25.15%
Total capital ratio (%)	28.24%	28.88%	26.35%
Additional CET1 buffer requirements as a percentage of RWA			
Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%
Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%
Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%
Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%
CET1 available after meeting the bank's minimum capital requirements (%)	17.74%	18.38%	15.85%
Leverage Ratio			
Total leverage ratio measure	11,981,731	11,398,510	11,934,889
Leverage ratio (%) (row 2/row 13)	12.75%	13.40%	12.80%
ELAR			
Total HQLA	1,537,464	1,373,877	1,058,651
Total liabilities	5,994,695	5,787,511	5,975,443
Eligible Liquid Assets Ratio (ELAR) (%)	25.65%	23.74%	17.72%
ASRR			
Total available stable funding	4,920,397	4,705,439	5,565,907
Total Advances	1,873,719	1,736,285	2,440,434
Advances to Stable Resources Ratio (%)	38.08%	36.90%	43.85%

OV1: Overview of RWA

Amounts in AED 000

	RWA		Min capital requirements
	a	b	c
	30-Jun-23	31-Mar-23	30-Jun-23
Credit risk (excluding counterparty credit risk)	5,356,267	5,225,767	696,315
Of which: standardised approach (SA)	5,356,267	5,225,767	696,315
Counterparty credit risk (CCR)	13,112	19,562	1,705
Of which: standardised approach for counterparty credit risk	13,112	19,562	1,705
Market risk	29,678	23,252	3,858
Of which: standardised approach (SA)	29,678	23,252	3,858
Operational risk	245,739	245,739	31,946
Total	5,644,796	5,514,320	733,823

COMPOSITION OF CAPITAL

CC1: Composition of Regulatory Capital

Amounts in AED 000

	Amounts
Common Equity Tier 1 capital: instruments and reserves	
Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	446,431
Retained earnings	963,367
Accumulated other comprehensive income (and other reserves)	161,900
Common Equity Tier 1 capital before regulatory deductions	1,571,698
Common Equity Tier 1 capital regulatory adjustments	
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	44,471
Total regulatory adjustments to Common Equity Tier 1	44,471
Common Equity Tier 1 capital (CET1)	1,527,227
Additional Tier 1 capital: instruments	
Additional Tier 1 capital before regulatory adjustments	0
Additional Tier 1 capital: regulatory adjustments	
CBUAE specific regulatory adjustments	0
Total regulatory adjustments to additional Tier 1 capital	0
Additional Tier 1 capital (AT1)	0
Tier 1 capital (T1= CET1 + AT1)	1,527,227
Tier 2 capital: instruments and provisions	
Directly issued qualifying Tier 2 instruments plus related stock surplus	0
<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	0
Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0
<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0
Provisions	67,117
Tier 2 capital before regulatory adjustments	67,117
Tier 2 capital: regulatory adjustments	
Investments in own Tier 2 instruments	0
Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0
Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0
CBUAE specific regulatory adjustments	0
Total regulatory adjustments to Tier 2 capital	0
Tier 2 capital (T2)	67,117
Total regulatory capital (TC = T1 + T2)	1,594,344
Total risk-weighted assets	5,644,796
Capital ratios and buffers	
Common Equity Tier 1 (as a percentage of risk-weighted assets)	27.06%
Tier 1 (as a percentage of risk-weighted assets)	27.06%
Total capital (as a percentage of risk-weighted assets)	28.24%
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%
<i>Of which: capital conservation buffer requirement</i>	2.50%
<i>Of which: bank-specific countercyclical buffer requirement</i>	0
<i>Of which: higher loss absorbency requirement (e.g. DSIB)</i>	0
Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	2.50%
The CBUAE Minimum Capital Requirement	
Common Equity Tier 1 minimum ratio	7%
Tier 1 minimum ratio	8.50%
Total capital minimum ratio	10.50%
Amounts below the thresholds for deduction (before risk weighting)	
Significant investments in common stock of financial entities	0
Deferred tax assets arising from temporary differences (net of related tax liability)	0
Applicable caps on the inclusion of provisions in Tier 2	
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	0
Cap on inclusion of provisions in Tier 2 under standardised approach	0
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)	
<i>Current cap on CET1 instruments subject to phase-out arrangements</i>	0
<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	0
<i>Current cap on AT1 instruments subject to phase-out arrangements</i>	0
<i>Amount excluded from AT1 due to cap (excess after redemptions and maturities)</i>	0
<i>Current cap on T2 instruments subject to phase-out arrangements</i>	0
<i>Amount excluded from T2 due to cap (excess after redemptions and maturities)</i>	0



CC2: Reconciliation of regulatory capital to balance sheet

Amounts in AED 000

	a	b
	Balance sheet as in BRF Reporting	Under regulatory scope of consolidation
	30-Jun-23	30-Jun-23
Assets		
Cash and balances at central banks	1,041,863	1,041,863
Financial assets at amortised cost	495,601	495,601
Derivative financial instruments	936,948	936,948
Due from other banks	605,072	605,072
Due from Head office and branches	2,901,122	2,901,122
Loans and advances to customers	1,970,939	1,970,939
Current and deferred tax assets	42,075	42,075
Prepayments, accrued income and other assets	202,095	202,095
Property, plant and equipment	10,927	10,927
Total assets	8,206,642	
Liabilities		
Balances due to Central bank	12,184	12,184
Due to other banks	1	1
Due to Head office and branches	1,012,904	1,012,904
Customer accounts	3,742,869	3,742,869
Derivative financial instruments	936,989	936,989
Accruals, deferred income and other liabilities	278,946	278,946
Provisions	466,291	466,291
Retirement benefit liabilities	10,802	10,802
Total liabilities	6,460,986	
Shareholders' equity		
Paid-in share capital	446,431	446,431
Of which: amount eligible for CET1	446,431	446,431
Retained earnings	1,050,410	963,367
Accumulated other comprehensive income & Reserves	248,815	184,547
Total shareholders' equity	1,745,656	

LEVERAGE RATIO

LR1: Summary comparison of accounting assets vs leverage ratio exposure

Amounts in AED 000

	30-Jun-23
Total consolidated assets	7,211,640
Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
Adjustments for temporary exemption of central bank reserves (if applicable)	-
Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
Adjustments for eligible cash pooling transactions	-
Adjustments for derivative financial instruments	18,666
Adjustment for securities financing transactions (ie repos and similar secured lending)	-
Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	4,795,896
Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
Other adjustments	(44,471)
Leverage ratio exposure measure	11,981,731

LR2: Leverage ratio common disclosure template

Amounts in AED 000

	a	b
	30-Jun-23	31-Mar-23
On-balance sheet exposures		
On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	7,211,640	6,651,630
(Asset amounts deducted in determining Tier 1 capital)	(44,471)	(44,471)
Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	7,167,169	6,607,159
Derivative exposures		
Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	12,055	25,369
Add-on amounts for PFE associated with <i>all</i> derivatives transactions	6,611	5,246
(Exempted CCP leg of client-cleared trade exposures)	0	0
Adjusted effective notional amount of written credit derivatives	0	0
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
Total derivative exposures (sum of rows 8 to 12)	18,666	30,615
Securities financing transactions		
Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-	-
(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
CCR exposure for SFT assets	-	-
Agent transaction exposures	-	-
Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures		
Off-balance sheet exposure at gross notional amount	9,685,950	9,523,216
(Adjustments for conversion to credit equivalent amounts)	(4,890,054)	(4,762,480)
(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
Off-balance sheet items (sum of rows 19 to 21)	4,795,896	4,760,736
Capital and total exposures		
Tier 1 capital	1,527,227	1,527,227
Total exposures (sum of rows 7, 13, 18 and 22)	11,981,731	11,398,510
Leverage ratio		
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	12.75%	13.40%

LIQUIDITY

ELAR: Eligible Liquid Assets Ratio

Amounts in AED 000		30-Jun-23	
High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset	
Physical cash in hand at the bank + balances with the CBUAE	1,537,464		
UAE Federal Government Bonds and Sukuks	-		
Sub Total	1,537,464	1,537,464	
UAE local governments publicly traded debt securities	-		
UAE Public sector publicly traded debt securities	-		
Sub Total	-	-	
Foreign Sovereign debt instruments or instruments issued by their respective central banks	-		
Total	1,537,464	1,537,464	
Total liabilities		5,994,695	
Eligible Liquid Assets Ratio (ELAR)		25.65%	

ASRR: Advances to Stables Resource Ratio

Amounts in AED 000		30-Jun-23	
Computation of Advances			
Net Lending (gross loans - specific and collective provisions + interest in suspense)		1,547,217	
Lending to non-banking financial institutions		-	
Net Financial Guarantees & Stand-by LC (issued - received)		20,460	
Interbank Placements		306,042	
Total Advances		1,873,719	
Calculation of Net Stable Resources			
Total capital + general provisions		1,745,656	
Deduct:			
Goodwill and other intangible assets		-	
Fixed Assets		10,927	
Funds allocated to branches abroad		-	
Unquoted Investments		-	
Investment in subsidiaries, associates and affiliates		-	
Total deduction		10,927	
Net Free Capital Funds		1,734,729	
Other stable resources:			
Funds from the head office		-	
Interbank deposits with remaining life of more than 6 months		-	
Refinancing of Housing Loans		-	
Borrowing from non-Banking Financial Institutions remaining life of more than 6 months		-	
85% of the rest of NBFI Deposits		82,146	
Customer Deposits with remaining life of more than 6 months		28,193	
85% of the rest of Customer Deposits		3,075,329	
Capital market funding/ term borrowings maturing after 6 months from reporting date		-	
Total other stable resources		3,185,668	
Total Stable Resources		4,920,397	
Advances TO STABLE RESOURCES RATIO		38.08%	

CREDIT RISK

CR1: Credit quality of assets

Amounts in AED 000

	a	b	c	d	e	f
	Gross carrying values of		Allowances/ Impairments	Of which		Net values (a+b-c)
	Defaulted exposures	Non-defaulted exposures		Specific	General	
Loans	299,956	1,519,712	276,134	272,451	3,683	1,543,534
Off-balance sheet exposures	71,936	9,614,065	38,886	35,377	3,509	9,647,115
Total	371,892	11,133,777	315,020	307,828	7,192	11,190,649

CR2: Changes in the stock of defaulted loans and debt securities

Amounts in AED 000

	30-Jun-23
Defaulted loans and debt securities at the end of the previous reporting period	310,041
Loans and debt securities that have defaulted since the last reporting period	
Returned to non-default status	
Amounts written off	
Other changes	(10,085)
Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	299,956

CR3 Credit risk mitigation techniques

Amounts in AED 000

	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
Loans	1,819,668						
Debt securities	-						
Total	1,819,668						
Of which defaulted	299,956						

CR4 Standardised approach - Credit risk exposure and CRM effects

Amounts in AED 000

Asset classes	a	b	c	d	e
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA
Sovereigns and their central banks	1,537,437	-	1,537,437	-	-
Public Sector Entities	244,217	-	244,217	-	244,217
Multilateral development banks	-	-	-	-	-
Banks	3,505,398	10,009	716,625	10,009	239,592
Securities firms	-	-	-	-	-
Corporates	1,275,489	9,694,608	116,330	4,804,552	4,647,744
Regulatory retail portfolios	-	-	-	-	-
Secured by residential property	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-
Past-due loans	451,233	-	27,511	-	27,511
Higher-risk categories	-	-	-	-	-
Other assets	197,866	-	197,866	-	197,202
Total	7,211,640	9,704,616	2,839,986	4,814,561	5,356,267

CR5 Standardised approach - exposures by asset classes and risk weights

Amounts in AED 000

Asset classes	Risk weight									Total credit exposures amount (post CCF and post-CRM)
	a	b	c	d	e	f	g	h	i	
	0%	20%	35%	50%	75%	100%	150%	Others		
Sovereigns and their central banks	1,537,437	-	-	-	-	-	-	-	-	1,537,437
Public Sector Entities	-	-	-	-	-	244,217	-	-	-	244,217
Multilateral development banks	-	-	-	-	-	-	-	-	-	-
Banks	-	412,410	-	314,224	-	-	-	-	-	726,634
Securities firms	-	-	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	4,920,882	-	-	4,920,882
Regulatory retail portfolios	-	-	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	27,511	-	27,511
Higher-risk categories	-	-	-	-	-	-	-	-	-	-
Other assets	27	796	-	-	-	-	-	197,043	-	197,866
Total	1,537,464	413,206	-	314,224	-	244,217	4,920,882	224,554	-	7,654,547

COUNTERPARTY CREDIT RISK

CCR1: Analysis of CCR by approach

Amounts in AED 000

	EAD post-CRM	RWA
SA-CCR (for derivatives)	18,666	13,112
Simple Approach for credit risk mitigation (for SFTs)		
Comprehensive Approach for credit risk mitigation (for SFTs)		
Total		13,112

CCR2: Credit valuation adjustment capital charge

Amounts in AED 000

	a	b
	EAD post-CRM	RWA
All portfolios subject to the Simple alternative CVA capital charge	18,666	13,112

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

Amounts in AED 000

Risk weight	a	b	c	d	e	f	g	h
	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Regulatory portfolio								
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	1,833	8,176	-	-	-	-	10,009
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	8,658	-	-	8,658
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total								18,666

MARKET RISK

MR1 Market risk under the standardised approach

Amounts in AED 000

	30-Jun-23
	RWA
General Interest rate risk (General and Specific)	-
Equity risk (General and Specific)	-
Foreign exchange risk	29,678
Commodity risk	-
Options	-
Simplified approach	-
Delta-plus method	-
Securitisation	-
Total	29,678