

Barclays Bank PLC – Dubai Branch

Pillar 3 Report

For the Quarter ended 31 March 2024

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1. Introduction

Barclays Bank UAE, incorporated in 1975 in the UAE, is a full branch of Barclays Bank PLC (the Group). It has a restricted wholesale banking license and is regulated by the Central Bank of the UAE (CBUAE), while the Head Office (BBPLC) is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The frameworks, policies, standards and procedures of Barclays Group are applied consistently across its operating businesses and subsidiaries, amended where necessary to ensure compliance with local regulatory requirements.

Barclays Corporate Banking is operating in the UAE with the following set-up:

- Barclays offers onshore transaction banking products (i.e., Cash Management, Overdrafts, Trade & Working Capital and FX) in foreign and local (AED) currencies.
- Debt Finance products (i.e., long term debt and revolving credit facilities) are booked and serviced out of Barclays offices in the UK and UAE.
- Corporate Banking clients are serviced by Barclays Bank UAE through teams based in UAE and is supplemented by support from other Barclays' offices.
- Focus is on a select client portfolio that is aligned to the global Corporate Banking client strategy.

The registered office and the address of the Bank is Barclays, Office 109 , Level 1, The Offices 3, One Central , Dubai World Trade Centre, P.O.Box . 1891,Dubai, United Arab Emirates.

The Pillar 3 disclosures reflect the activities of the branch in the United Arab Emirates only and exclude all transactions, assets and liabilities of the head office and its other branches elsewhere.

1.1 Overview of Basel III requirements

The Basel III framework implemented in the Bank is made up of three pillars.

- Pillar 1: Minimum Capital Requirements - This Pillar includes the calculation of RWAs for credit risk including counterparty credit risk, market risk and operational risk.
- Pillar 2: Supervisory Review and Evaluation Process (SREP) – This Pillar covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. A firm’s own internal models and assessments support this process.
- Pillar 3: Market Discipline – This Pillar covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management.

1.2 Basis of Preparation

The purpose of this public disclosure is to provide detailed information on Barclays Bank Plc, UAE Branch (herein also referred to as the 'Bank') capital structure, capital adequacy, risk exposure and risk-weighted assets (“RWA”), leverage ratio and liquidity ratios as of 31 March 2024.

The following public disclosure presents the quarterly Pillar 3 disclosure of Barclays Bank UAE which has been prepared in accordance with the Central Bank of UAE “Standards and Guidance re Capital Adequacy in the UAE”, Reference to Notice CBUAE/BSD/2022/5280 dated 30 December 2022 and Explanatory notes updated date 09 May, 2022 (Notice No. : CBUAE/BSD/N/2022/1887), as applicable to branches of foreign banks with total RWA of less than AED 5 billion.

The Pillar 3 Disclosure document has been prepared and presented using local currency – UAE Dirhams (AED’000).

2. Overview of risk management and RWA

2.1 Key metrics (KM1)

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

		Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
Sl No.	Available capital (amounts)	AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
1	Common Equity Tier 1 (CET1)	2,474,788	2,474,649	2,285,676	2,290,319	2,288,104
1a	Fully loaded ECL accounting model	2,474,788	2,474,649	2,285,676	2,290,319	2,288,104
2	Tier 1	2,474,788	2,474,649	2,285,676	2,290,319	2,288,104
2a	Fully loaded ECL accounting model Tier 1	2,474,788	2,474,649	2,285,676	2,290,319	2,288,104
3	Total capital	2,502,103	2,500,109	2,314,291	2,321,925	2,322,163
3a	Fully loaded ECL accounting model total capital	2,502,103	2,500,109	2,314,291	2,321,925	2,322,163
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,474,365	2,225,427	2,478,045	2,718,370	2,913,459
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	100.02%	111.20%	92.24%	84.25%	78.54%
5a	Fully loaded ECL accounting model CET1 (%)	100.02%	111.20%	92.24%	84.25%	78.54%
6	Tier 1 ratio (%)	100.02%	111.20%	92.24%	84.25%	78.54%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	100.02%	111.20%	92.24%	84.25%	78.54%
7	Total capital ratio (%)	101.12%	112.34%	93.39%	85.42%	79.70%
7a	Fully loaded ECL accounting model total capital ratio (%)	101.12%	112.34%	93.39%	85.42%	79.70%

2. Overview of risk management and RWA (continued)

2.1 Key metrics (KM1) (continued)

Sl No.	Additional CET1 buffer requirements as a percentage of RWA	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.03%	0.06%	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.53%	2.56%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	90.62%	101.84%	82.89%	74.92%	69.20%
Leverage Ratio						
13	Total leverage ratio measure	7,468,484	6,687,411	6,900,111	8,323,063	7,316,340
14	Leverage ratio (%) (row 2/row 13)	33.14%	37.00%	33.13%	27.52%	31.27%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	33.14%	37.00%	33.13%	27.52%	31.27%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	33.14%	37.00%	33.13%	27.52%	31.27%
Liquidity Coverage Ratio						
15	Total HQLA	N.A.	N.A.	N.A.	N.A.	N.A.
16	Total net cash outflow	N.A.	N.A.	N.A.	N.A.	N.A.
17	LCR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.
Net Stable Funding Ratio						
18	Total available stable funding	N.A.	N.A.	N.A.	N.A.	N.A.
19	Total required stable funding	N.A.	N.A.	N.A.	N.A.	N.A.
20	NSFR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.

2. Overview of risk management and RWA (continued)

2.1 Key metrics (KM1) (continued)

Sl No.	ELAR	Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
21	Total HQLA	3,226,263	2,949,139	3,163,927	2,692,123	2,162,516
22	Total liabilities	3,102,429	3,102,760	3,863,763	3,707,080	3,583,289
23	Eligible Liquid Assets Ratio (ELAR) (%)	103.99%	95.05%	81.89%	72.62%	60.35%
	ASRR					
24	Total available stable funding	4,467,504	4,520,057	4,676,001	4,712,057	4,311,785
25	Total Advances	2,015,452	1,766,316	2,273,292	2,816,982	2,791,620
26	Advances to Stable Resources Ratio (%)	45.11%	39.08%	48.62%	59.78%	64.74%

* ELAR is calculated based on the average of the daily balances during the quarter and ASRR is calculated based on the simple average of three monthly ASRR returns submitted to CBUAE during the quarter.

2.2 Overview of RWA (OV1)

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

		RWA	RWA	Minimum Capital Requirement
		01-Mar-24	31-Dec-23	01-Mar-24
		AED (000)	AED (000)	AED (000)
1	Credit risk (excluding counterparty credit risk)	2,184,537	2,036,411	229,376
2	Of which: standardised approach (SA)	2,184,537	2,036,411	229,376
3				
4				
5				
6	Counterparty credit risk (CCR)	695	364	73
7	Of which: standardised approach for counterparty credit risk	695	364	73
8				
9				
10				
11				
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	857	1,200	90
21	Of which: standardised approach (SA)	857	1,200	90
22				
23	Operational risk	288,276	187,453	30,269
24				
25				
26	Total (1+6+10+11+12+13+14+15+16+20+23)	2,474,365	2,225,428	259,808

3. Leverage ratio

3.1 Leverage ratio common disclosure template (LR2)

This template provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

		Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
On-balance sheet exposures						
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	6,398,833	5,433,532	5,603,275	7,098,863	5,866,293
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-	-	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-	-	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-	-	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-	-	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	891	1,032	1,173	1,699	2,419
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	6,397,942	5,432,500	5,602,102	7,097,164	5,863,874
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)	3.25	0	18.23	1.82	19.6314
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	2,479.20	1,358.02	2,104.89	10,804.16	9,235.11
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)	3,475.43	1,901.23	2,972.37	15,128.37	12,956.64

3. Leverage ratio (continued)

3.1 Leverage ratio common disclosure template (LR2) (continued)

		Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
Securities financing transactions						
14	Gross SFT <i>assets</i> (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	8,354,988	8,124,769	7,559,507	7,410,411	6,933,916
20	(Adjustments for conversion to credit equivalent amounts)	-7,287,921	-6,871,759	-6,264,471	-6,199,640	-5,494,407
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	1,067,067	1,253,010	1,295,036	1,210,771	1,439,509
Capital and total exposures						
23	Tier 1 capital	2,474,788	2,474,649	2,285,676	2,290,319	2,288,104
24	Total exposures (sum of rows 7, 13, 18 and 22)	7,468,484	6,687,411	6,900,111	8,323,063	7,316,340
Leverage ratio						
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	33.14%	37.00%	33.13%	27.52%	31.27%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	33.14%	37.00%	33.13%	27.52%	31.27%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%	3.00%	3.00%
27	Applicable leverage buffers	30.14%	34.00%	30.13%	24.52%	28.27%

4. Liquidity

4.1 Eligible Liquid Assets Ratio (ELAR)

Quantitative disclosures

This template presents the breakdown of a bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

1	High Quality Liquid Assets	Nominal amount AED (000)	Eligible Liquid Asset AED (000)
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,226,263	
1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	3,226,263	3,226,263
1.3	UAE local governments publicly traded debt securities	-	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	Total	3,226,263	3,226,263
2	Total liabilities		3,102,429
3	Eligible Liquid Assets Ratio (ELAR)		103.99%

* ELAR is calculated based on the average of the daily balances during the quarter.

4. Liquidity (continued)

4.2 Advances to Stable Resource Ratio (ASRR)

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

		Items	Amount
1		Computation of Advances	AED (000)
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	911,130
	1.2	Lending to non-banking financial institutions	165,276
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	40,782
	1.4	Interbank Placements	898,263
	1.5	Total Advances	2,015,452
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	2,519,119
		Deduct:	
	2.1.1	Goodwill and other intangible assets	938
	2.1.2	Fixed Assets	2,147
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	Total deduction	3,085
	2.2	Net Free Capital Funds	2,516,034
	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	-
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	544,872
	2.3.5	Customer Deposits	1,406,597
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	Total other stable resources	1,951,469
	2.4	Total Stable Resources (2.2+2.3.7)	4,467,504
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	45.11%

* The above represents simple average of three monthly ASRR returns submitted to CBUAE in Q1 2024