SHARJAH ISLAMIC BANK

Pillar III Disclosure

30th June 2022

Contents

1) Overview of Risk Management

1.1. Introduction & basis of preparation

The purpose of the document is to fulfil regulatory disclosure requirements based on the revised Basel banking framework commonly known as "Basel III". The "Basel III" framework contains capital requirements for credit risk (including credit risk mitigation techniques), operational risk and market risk.

1.2. Scope of pillar III disclosures:

The Basel banking framework contains three main pillars:

- Pillar I -Minimum quantitative (capital) requirements
- Pillar II- Supervisory Review Process.
- Pillar III-Disclosure requirements in order to reach market discipline by transparency to the public

1.3. Summary of Basel III requirements

The Bank complies with the Basel III standards and guidance notes, which have been implemented in the UAE. Basel regulation has evolved to comprise three pillars concerned with minimum capital requirements (Pillar 1), supervisory review (Pillar 2), and market discipline (Pillar 3).

Pillar 1: The first Pillar deals, amongst other things, with the minimum capital requirements. Capital requirements are to be calculated for credit risk, market risk and operational risk. The capital charge for each risk category has to be calculated using an approach that is suitable and sufficient for the individual bank.

Pillar 2: Pillar 2 constitutes risks that are not covered under Pillar 1 assessment. Risk management best practices are at the heart of Pillar 2. Banks must undertake an ICAAP (Internal Capital Adequacy Assessment Process) that looks at all risks to which the bank is exposed. ICAAP allows bank and supervisors to assess on whether the bank is required to hold additional capital to cover the three Pillar 1 risk types or to cover other risks.

Pillar 3: Bolster market discipline through public disclosure Under Pillar 3, banks are required to disclose information regarding their capital structure and adequacy as well as their risk management. Pillar 3 includes a set of disclosure requirements, which are intended to improve the ability of market participants to assess banks' risk management processes, capital structures & adequacy, and exposures. This transparency is designed to incentivize banks to implement sound and robust risk management frameworks.

1.4. Significant capital adequacy, liquidity and funding related disclosure requirements

Capital adequacy, funding, liquidity and remuneration related disclosures in Pillar 3 report has been prepared in accordance with Central Bank of UAE Pillar 3 disclosure requirements as stipulated in Standards and Guidance re Capital Adequacy in the UAE (Notice CBUAE/BSD/N/2020/4980 dated 12 November 2020) and Explanatory Notes on Pillar 3 Disclosure requirements, the underlying BCBS guidance "Revised Pillar 3 disclosure requirements" issued in January 2015.

This report should be read in conjunction with the risk disclosures in audited financial statements.

1.5. Sharjah Islamic Bank (SIB) approach to pillar I.

- **Credit risk:** the Bank uses the standardised approach for calculating its capital requirements for credit risk. This approach allows the use of external ratings from designated credit-rating agencies wherever available in determining the appropriate risk weights. The risk weights are determined by the asset class and the external rating of the counterparty. The net exposure incorporates off-balance-sheet exposures after applying the credit conversion (CCF) and credit risk mitigation (CRM) factors.

- **Market risk:** the Bank uses the standardised approach for calculating regulatory market risk capital requirements.

- **Operational risk:** the Bank uses basic Indicator approach (BIA) for computing capital requirements for operational risk. Bank's operational risk is estimated as a percentage (alpha factor 15%) of the gross income (calculated as the average of the previous three financial years).

1.6. Minimum capital requirement

CBUAE Requirement	CBUAE Requirement
CET 1 must be at 7.0% of Risk Weighted Assets (RWA)	7.0%
Tier 1 Capital must be at least 8.5% of RWA	8.5%
Total capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5% of RWA	10.5%
In addition to the minimum CET1 capital of 7.0% of RWA, bank must maintain a Capital Conservative Buffer (CCB) of 2.5% of RWAs in the form of CET1 capital	2.5%
Countercyclical Buffer (CCyB) requirement will vary between 0% to 2.5% of RWA and be communicated by the Central Bank with an adequate notice period.	0 to 2.5%
Minimum Capital Required (Total Capital + Capital Conservative Buffer) = 10.5% + 2.5%	13%

1.7. Basis of consolidation

The Bank's Pillar 3 disclosures are presented on a consolidated basis incorporating all its subsidiaries excluding commercial entities. In accordance with paragraph 825 of International Convergence of Capital Measurement and Capital Standards issued by the Basel Committee, general disclosures of credit risk provided in this report have a wide range of information about overall credit exposure and may not be necessarily based on information prepared for regulatory purposes.

1.8. Internal controls and verification

The key features of internal controls around Pillar 3 reporting are as follows:

a) Segregation of duties – maker-checker process is strictly followed in compiling Pillar 3 report;
b) Data-sourcing and reconciliation – data is sourced from multiple systems which are reconciled with the general ledger, sub ledgers and audited financial statements;
c) Reviews – Pillar 3 report undergoes several rounds of reviews by Finance and Risk functions;
d) Internal audit – Internal audit provides independent and objective assurance of disclosures in Pillar 3 report.
e) Attestation is obtained from Senior Management that Pillar 3 report has been prepared in accordance with the board-agreed internal control policies and procedures.

1.9. Ownership

Some of the major shareholders above 5% mentioned below

Shareholder	Percentage
Sharjah Asset Management LLC	28.46
Kuwait Finance House	18.18
Sharjah Social Security Fund	9.09

1.10. Board

The Board of Directors (' the Board") is responsible for the overall framework of the risk governance and management. The Board is responsible for determining risk strategy, setting the Group's risk limits and ensuring that risk exposure is monitored, controlled effectively and kept within the set limits. It is also responsible for establishing a clearly defined risk management structure and for approval of the risk policies and procedures, infrastructure and management of all risks related to the Group.

1.11. Risk Management Group (RMG)

In order to manage credit, market, operational and IT security risks, RMG is in place. Its role includes the following:

- Develop a strategy, policy framework for risk management such that these are aligned with business requirements;
- Provide support to the Group in implementation of the framework;
- Bring together analysis of risk concentrations and sensitivities across the Group;
- Act as a point of reference for risk and control matters, providing advice to management, sharing best practices and carrying out special reviews as directed by ALCO; and
- Provide independent assessment of, and challenge to the business areas' risk management and profiles to ensure that they are maintained in a robust manner.

In order to effectively discharge this responsibility, the Board is assisted by Board Committees and Management Committees.

1.12. Executive Committee (EC)

EC acts as the Board' s senior executive management assuring that the Board meets its strategic and operational objectives. EC consists of four members.

1.13. Audit Committee (AC)

The AC consists of Board members and its purpose is to assist the Board in fulfilling its oversight responsibility by:

- Overseeing the Group's financial reporting processes, maintaining accounting policies, reviewing and approving the financial information; and
- Reviewing reports on the internal controls.
- Managing the relationship with the Group's external auditors; and
- Reviewing the internal audit reports and monitors control issues of major significance of the Group.

1.14. Board Risk Committee (BRC)

The BRC consists of Board Members and its purpose is to assist the Board in fulfilling its oversight responsibility by:

- Overseeing the risks inherent in the businesses of the Group and the control processes with respect to such risks;
- Reviewing the risk profile of the Group;
- Managing the Risk Management Compliance and control activities of the Group;
- Providing a critical assessment of the organisation' s business strategies and plans from an Enterprise risk perspective; and
- Ensuring that appropriate policies and procedures are in place for managing risks to which the Group is exposed.

1.15. Nomination & Compensation Committee (NCC)

The basic purpose of the Board Nomination & Compensation Committee (NCC) is to lead the process for Board and Senior Management appointments, compensation, and make recommendations to the Board. This committee shall also recommend the appointment of Internal Shari'ah Supervisory Committee members to the Board for approval.

1.16. Management Committee (MC)

The scope of management committee includes all cross-functional issues that are not covered in the scope of other committees. Typically, MC covers the areas like strategic, policies, human resources, marketing and administrative processes. In addition, the MC is also responsible to liaise with all other units/divisions across the Group.

1.17. Investment Committee (IC)

The purpose of the IC is to review the quality of the Group's Investment portfolio on behalf of the Board of Directors, trends affecting the portfolio, the administration of investment related policies, as well as the approval of Investment proposals, including Sukuks and Syndicate Finance within the approval limit set by the BOD.

1.18. IT Steering Committee (ITSC)

The ITSC provides strategic and tactical guidance for managing the Group's overall technology systems in the long and short term, to ensure that Information Technology (IT) initiatives are consistent with the strategic business goals of the Group. The ITSC is charged with assisting the Board in:

- Providing guidance in the prioritization and implementation of technology initiatives and projects (including those related to infrastructure);
- Reviewing IT operations
- Reviewing IT Security plans, policies and reports relating to the effectiveness of information security, their
- implementation and measures taken to address any residual risks
- Reviewing Business Continuity plans, policies and reports relating to the effectiveness of business continuity, their
- implementation and measures taken to address any residual risks; and
- Reviewing the Group's IT development, strategic opportunities and plans

1.19. Asset and Liability Committee (ALCO)

The objective of ALCO is to derive the most appropriate strategy for the Group in terms of the mix of assets and liabilities given its expectations of the future and the potential consequences of profit rate movements, liquidity constraints, and foreign exchange exposure and capital adequacy. The ALCO is also responsible to ensure that all strategies conform to the Group's risk appetite and levels of exposure as determined by the Board of Directors.

1.20. Information Security Working Group Committee (ISWGC)

The purpose of the Information Security Working Group Committee (ISWGC) is to ensure that there is clear direction and visible management support for information security initiatives. The committee shall be responsible for the following:

- To provide oversight of information security policies, procedures, plans, and execution intended to provide confidentiality, availability, and integrity of the information.
- To formulate the tasks related to Information Security Management System (ISMS) rollout like Risk Management, Policy and Procedure Deployment, Information Security Awareness, Information Security Incident Monitoring, Measurement of control effectiveness, etc.
- To oversee the effectiveness of the information security controls with respect to its information systems, including network security and data security.
- To monitor the significant development in information security related projects, incidents handling and risk mitigation.
- To review the changes to significant threats and exposures of information assets against cyberattacks, insider activity, error or control failure.

1.21. Credit Committee (CC)

CC manages the credit risk of the Group by continuous review of credit limits, policies and procedures, the approval of specific exposures and work out situation, constant revaluation of the finances portfolio and the sufficiency of provisions thereof.

1.22. Human Resource Committee (HRC)

HRC manages the resources, performance and hiring of individuals required by the Group on a time-to-time basis.

1.23. Disciplinary Committee (DC)

DC reviews all the cases in the bank and its subsidiaries of alleged misconduct of staff members and to endorse disciplinary action in the event of any violation.

2) Key Metrics (at Consolidated Group Level) and RWA – (KM1)

	30th June 2022	a	b	c	d	e
		Q2/2022	Q1 / 2022	Q4 / 2021	Q3 / 2021	Q2 / 2021
	Available capital (amounts) -					**AED 000**
1	Common Equity Tier 1 (CET1)	5,768,210	5,713,225	5,651,211	5,869,113	5,756,010
1a	Fully loaded ECL accounting model	5,682,028	5,597,112	5,506,611	5,742,937	5,650,675
2	Tier 1	7,604,710	7,549,725	7,487,711	7,705,613	7,592,510
2a	Fully loaded ECL accounting model Tier 1	7,518,528	7,433,612	7,343,111	7,579,437	7,487,175
3	Total capital	8,072,803	8,022,068	7,931,263	8,155,470	8,045,677
3a	Fully loaded ECL accounting model total capital	7,986,621	7,905,955	7,786,663	8,029,294	7,940,342
4	Total risk-weighted assets (RWA)	40,136,118	40,347,007	38,065,929	38,456,076	38,715,179
5	Common Equity Tier 1 ratio (%)	14.37%	14.16%	14.85%	15.26%	14.87%
5a	Fully loaded ECL accounting model CET1 (%)	14.16%	13.87%	14.47%	14.93%	14.60%
6	Tier 1 ratio (%)	18.95%	18.71%	19.67%	20.04%	19.61%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	18.73%	18.42%	19.29%	19.71%	19.34%
7	Total capital ratio (%)	20.11%	19.88%	20.84%	21.21%	20.78%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.90%	19.59%	20.46%	20.88%	20.51%
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Countercyclical buffer requirement (%)	0%	0%	0%	0%	0%
10	Bank D-SIB additional requirements (%)	0%	0%	0%	0%	0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	2.5%	2.5%	2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	7.37%	7.16%	7.85%	8.26%	7.87%
13	Total leverage ratio measure	59,404,842	57,903,198	58,056,689	57,516,522	57,366,694
14	Leverage ratio (%) (row 2/row 13)	12.80%	13.04%	12.90%	13.40%	13.24%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	12.66%	12.84%	12.65%	13.18%	13.05%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
15	Total HQLA	-	-	-	-	-

	30th June 2022	a	b	c	d	e
		Q2/2022	Q1 / 2022	Q4 / 2021	Q3 / 2021	Q2 / 2021
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
21	Total HQLA	7,099,705	7,633,357	10,243,993	7,445,130	8,157,302
22	Total liabilities	48,480,351	47,223,236	47,303,483	46,864,278	46,788,739
23	Eligible Liquid Assets Ratio (ELAR) (%)	14.64	16.16	21.66	15.89	17.43
24	Total available stable funding	44,156,127	44,966,679	45,290,482	44,163,214	43,055,037
25	Total Advances	30,249,688	31,197,809	30,265,830	31,162,301	30,821,810
26	Advances to Stable Resources Ratio (%)	68.51	69.38	66.83	70.56	71.59

3) Overview of Risk Management, Key Prudential Metrics and RWA (OV1)

	30th June 2022	a	b	c
		RWA		Minimum Capital Requirements
		Q2/ 2022	Q1/ 2022	Q2/2022
1	Credit risk (excluding counterparty credit risk)	37,447,475	37,787,451	4,868,172
2	Of which: standardized approach (SA)	37,346,603	37,772,098	4,855,058
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)	1.48	3.69	0.19
7	Of which: standardized approach for counterparty credit risk	1.48	3.69	0.19
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	85,525	-	11,118
11	Equity positions under the simple risk weight approach			
12	Equity investments in funds - look-through approach	15,346	15,349	1,995
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	Of which: securitisation internal ratings-based approach (SEC-IRBA)			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	322,260	193,173	41,894
21	Of which: standardised approach (SA)	322,260	193,173	41,894
22	Of which: internal models approach (IMA)			
23	Operational risk	2,366,383	2,366,383	307,630
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)**	40,136,118	40,347,007	5,217,695

4) Composition of Capital

The Bank's capital management aims to guarantee solvency and maximise profitability, while complying with regulatory requirements and risk appetite of the bank. It is a key strategic tool for decision making, enabling us to set a common framework of actions, criteria, policies, functions, metrics and processes.

1.Composition of regulatory capital – (CC1)

	30th June 2022	a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		**AED 000**
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,081,598	Same as (h) from CC2 template
2	Retained earnings	1,207,168	
3	Accumulated other comprehensive income (and other reserves)	1,479,444	
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**	**5,768,210**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	-	CC2 (b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	

22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	**Total regulatory adjustments to Common Equity Tier 1**	-	
25	**Common Equity Tier 1 capital (CET1)**	5,768,210	
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	CC2 (i)
27	OF which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	*Directly issued capital instruments subject to phase-out from additional Tier 1*	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
32	Additional Tier 1 capital before regulatory adjustments	-	
	Additional Tier 1 capital: regulatory adjustments		
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	**Additional Tier 1 capital (AT1)**	**1,836,500**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**7,604,710**	
	Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
41	*Directly issued capital instruments subject to phase-out from Tier 2*	-	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	-	
43	*Of which: instruments issued by subsidiaries subject to phase-out*	-	
44	Provisions	-	
45	**Tier 2 capital before regulatory adjustments**	-	
	Tier 2 capital: regulatory adjustments		
46	Investments in own Tier 2 instruments	-	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
49	CBUAE specific regulatory adjustments	-	
50	**Total regulatory adjustments to Tier 2 capital**	-	

51	**Tier 2 capital (T2)**	468,093	
52	**Total regulatory capital (TC = T1 + T2)**	8,072,803	
53	**Total risk-weighted assets**	40,136,118	
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	14.37%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	18.95%	
56	**Total capital (as a percentage of risk-weighted assets)**	20.11%	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	2.50%	
58	**Of which: capital conservation buffer requirement**	2.50%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.00%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	0.00%	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	7.37%	
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)		
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-	
66	Significant investments in common stock of financial entities	-	
67	Mortgage servicing rights (net of related tax liability)	-	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	-	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	*Current cap on CET1 instruments subject to phase-out arrangements*	-	
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-	
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	
77	*Current cap on T2 instruments subject to phase-out arrangements*	-	
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	

5) Reconciliation of regulatory capital to balance sheet – (CC2)

The table below shows a breakdown of the bank's capital between Balance Sheet as published in financial statements and the regulatory capital.

30th June 2022	a	b	c
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at period-end	As at period-end	
Assets			
Cash and balances with banks & financial institutions	4,128,361	4,128,229	
Murabaha & Wakalah with financial institutions	10,318,367	10,318,367	
Investment securities measured at fair value	3,199,479	3,819,479	
Investment securities measured at amortised cost	4,076,561	4,076,561	
Investments in Islamic financing	28,830,420	28,830,420	
Imvestment properties	2,792,593	2,792,593	
Properties held-for-sale	666,294	666,294	
Other assets	1,098,567	1,087,035	
Property and equipment	956,890	347,947	
Total assets	**56,067,532**	**56,066,925**	
Liabilities			
Customers' deposits	37,364,264	37,506,720	
Due to banks	6,166,991	6,166,991	
Sukuk payable	3,668,707	3,668,707	
Other liabilities	1,235,721	1,104,148	
Zakat payable	13,119	13,119	
Total liabilities	**48,448,802**	**48,459,685**	
Shareholders' equity			
Share capital	3,081,598	3,081,598	
Tier 1 sukuk	1,836,500	1,836,500	(h)
Legal reserve	1,540,799	1,540,799	(i)
Statutory reserve	89,008	89,008	
General impairment reserve	124,466	124,466	
Fair value reserve	-150,363	-150,363	
Retained earnings	1,096,722	1,085,232	
Total shareholders' equity	**7,618,730**	**7,607,240**	
Total Liabilities & Shareholders' Equity	**56,067,532**	**56,066,925**	

6) Main features of regulatory capital instruments – (CCA)

30th June 2022	Quantitative / qualitative information
Issuer	**SIB Tier 1 Sukuk Company**
Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	**XS2010323009**
Governing law(s) of the instrument	English Law
Regulatory treatment	Tier 1 Capital
Transitional arrangement rules (i.e. grandfathering)	N/A
Post-transitional arrangement rules (i.e. grandfathering)	N/A
Eligible at solo/group/group and solo	At all levels
Instrument type (types to be specified by each jurisdiction)	Perpetual additional Tier 1 sukuk
Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 1,836 Mio
Nominal amount of instrument	USD 500,000,000
Issue price	USD 100
Redemption price	USD 100
Accounting classification	Tier 1 Equity
Original date of issuance	2nd July, 2019
Perpetual or dated	Perpetual
Original maturity date	Perpetual
Issuer call subject to prior supervisory approval	02/07/2025 (1st Call Date)
Optional call date, contingent call dates and redemption amount	-
Subsequent call dates, if applicable	Every 6th Anniversary after 1st call date
Coupons / dividends	Dividends
Fixed or floating dividend/coupon	fixed
Coupon rate and any related index	5.000 per cent
Existence of a dividend stopper	restrictions on distribution on redemptions, or repurchase of share capital , equity securities and parity securities until the following profit payment has been paid in full (or set aside)
Fully discretionary, partially discretionary or mandatory (in terms of timing)	-
Fully discretionary, partially discretionary or mandatory (in terms of amount)	-
Existence of step-up or other incentive to redeem	-
Non-cumulative or cumulative	Non-Cumulative
Convertible or non-convertible	Non-convertible
Writedown feature	-
If writedown, writedown trigger(s)	Non-Viability Event
If writedown, full or partial	Partial
If writedown, permanent or temporary	Permanent
If temporary write-own, description of writeup mechanism	-
Type of subordination	-
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Subordinated in right of payment to Senior Obligations, pari passu with all Pari Passu Obligations and subject to the Solvency Conditions and no bankruptcy order, in priority to Junior Obligations. To the extent the Solvency Conditions are not satisfied or if a bankruptcy order in respect of SIB has been issued by a court in the UAE, claims shall be extinguished
Non-compliant transitioned features	-
If yes, specify non-compliant features	-

7) Leverage Ratio

Basel III introduced a 3% minimum leverage ratio. The bank does not see any material changes for this reporting period.

Summary comparison of accounting assets vs leverage ratio exposure LR1

	30th June 2022	AED 000	
		Q2 / 2022	Q1 / 2022
1	Total consolidated assets as per published financial statements	56,067,532	54,711,073
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(607)	1,525
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-
7	Adjustments for eligible cash pooling transactions	-	-
8	Adjustments for derivative financial instruments	4	9.8
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	1,605,397	1,508,295
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-
12	Other adjustments	1,732,516	1,682,296
13	**Leverage ratio exposure measure**	**59,404,842**	**57,903,199**

Leverage ratio common disclosure template – (LR2)

	30th June 2022	a	b
		Q2 / 2022	Q1 / 2022
On-balance sheet exposures			**AED 000**
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	55,675,635	54,256,397
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	55,675,635	54,256,397
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with *all* derivatives transactions	3	7
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)**	4.2	9.8
Securities financing transactions			
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	1,716,282	1,716,282
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	407,523	422,215
17	Agent transaction exposures		
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	2,123,805	2,138,497
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	2,720,892	2,635,990
20	(Adjustments for conversion to credit equivalent amounts)	(1,115,495)	(1,127,695)
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)**	1,605,397	1,508,295
Capital and total exposures			
23	**Tier 1 capital**	7,604,710	7,549,725
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	59,404,841	57,903,199

	30th June 2022	a	b
		Q2 / 2022	Q1 / 2022
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	12.80%	13.04%
25 a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	-	-

8) Liquidity

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

The Group's approach for managing liquidity risk is to ensure that, management has diversified funding sources and closely monitors liquidity to ensure adequate funding.

The Group's board of directors set the Group's strategy for managing liquidity risk and delegates responsibility for oversight of the implementation of this policy to ALCO. ALCO approves the Group's liquidity policies and procedures. Treasury department manages the Group's liquidity position on a day-to-day basis and reviews daily reports covering the liquidity position of both the Group and operating subsidiaries. All liquidity policies and procedures are subject to review and approval by ALCO.

1. Governance of liquidity risk management: ALCO is the primary committee responsible for liquidity and funding risk management based on guidelines approved by the Board Risk Management Committee (BRMC). Liquidity policies and framework are reviewed by the ALCO and approved by the BRMC prior to implementation.

2. Funding strategy: The Bank's liquidity and funding positions are supported by the Bank's significant government and retail deposit base, accompanied by funding from wholesale markets. The Bank's retail deposit base comprises current and savings deposits which, although payable on demand, have traditionally in aggregate provided stable sources of funding. The Bank's reputation, earnings generation capacity, strong credit rating, financial and capital strength including offering of competitive deposit rates are core attributes to preserve depositors' confidence and ensure liquidity. The Bank accesses the wholesale markets through the issuance of debt instruments, time deposits to meet short-term obligations.

3. An explanation of how stress testing is used. A liquidity stress test program is in place to ensure liquidity stress tests are systematically performed to determine the impact on the counterbalancing capacity under the "bank-specific" and "market wide" scenarios and the possible sources of funding to meet the shortfalls during a liquidity crisis.

4. An outline of the bank's contingency funding plans. Contingency funding plan is in place to identify early warning signals of a liquidity problem. The contingency funding plan also sets out the crisis escalation process as well as the various strategies to be employed to preserve liquidity including an orderly communication channel during a liquidity problem.

5. Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to the bank. The primary tools for monitoring liquidity and funding positions are the maturity mismatch analysis, assessment on the concentration of funding, the availability of unencumbered assets and the use of market-wide information to identify possible liquidity problems. Liquidity and funding positions are reported to the ALCO on a monthly basis and to BRMC on a quarterly basis.

1. Eligible Liquid Assets Ratio (ELAR)

1	High Quality Liquid Assets 30th June 2022	Nominal amount AED – 000 Q2 - 2022	Eligible Liquid Asset AED – 000 Q2 - 2022	Nominal amount AED – 000 Q1-2022	Eligible Liquid Asset AED - 000 Q1 - 2022
1.1	Physical cash in hand at the bank + balances with the CBUAE	6,151,108		6,840,353	
1.2	UAE Federal Government Bonds and Sukuks				
	Sub Total (1.1 to 1.2)	6,151,108	6151108	6,840,353	6,840,353
1.3	UAE local governments publicly traded debt securities	948,597	-	793,004	-
1.4	UAE Public sector publicly traded debt securities				
	Subtotal (1.3 to 1.4)	948,597	948,597	793,004	793,004
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-	-	-
1.6	**Total**	**7,099,705**	**7,099,705**	**7,633,357**	**7,633,357**
2	Total liabilities		**48,480,351**		**47,223,236**
3	Eligible Liquid Assets Ratio (ELAR)		**14.64%**		**16.16%**

2. Advances to Stables Resource Ratio (ASRR)

		30th June 2022 Items	Q2 - 2022	Q1 - 2022
			Amount AED 000	Amount AED 000
1		Computation of Advances		
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	29,047,288	30,155,699
	1.2	Lending to non-banking financial institutions	191,537	192,468
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	515,008	519,072
	1.4	Interbank Placements	495,855	330,570
	1.5	**Total Advances**	30,249,688	31,197,809
2		Calculation of Net Stable Resources		
	2.1	Total capital + general provisions	7,973,007	7,908,682
		Deduct:		
	2.1.1	Goodwill and other intangible assets	-	-
	2.1.2	Fixed Assets	347,905	354,143
	2.1.3	Funds allocated to branches abroad		
	2.1.5	Unquoted Investments	1,104,043	1,022,719
	2.1.6	Investment in subsidiaries, associates and affiliates	650,000	650,000
	2.1.7	Total deduction	2,101,948	2,026,862
	2.2	Net Free Capital Funds	5,871,059	5,881,820
	2.3	Other stable resources:		
	2.3.1	**Funds from the head office**	-	-
	2.3.2	**Interbank deposits with remaining life of more than 6 months**	1,716,213	1,741,214
	2.3.3	**Refinancing of Housing Loans**	-	-
	2.3.4	**Borrowing from non-Banking Financial Institutions**	830,848	1,309,135
	2.3.5	**Customer Deposits**	32,069,300	32,366,465
	2.3.6	**Capital market funding/ term borrowings maturing after 6 months from reporting date**	3,668,707	3,668,045
	2.3.7	Total other stable resources	38,285,068	39,084,859
	2.4	Total Stable Resources	44,156,127	44,966,679
3		Advances TO STABLE RESOURCES RATIO	68.51	69.38

9) Credit Risk

Credit risk is the risk that a customer or counterparty to a financial asset fails to meet its contractual obligations and cause the Group to incur a financial loss. It arises principally from the Group's investment in Islamic financing receivables, murabaha and wakala with financial institutions, international murabaha and wakalah with financial institutions, other assets (except prepayments and assets available for sale) and investments in sukuk. For risk management reporting purposes, the Group considers and consolidates all elements of credit risk exposures into different sectors.

The Group manages its credit risk exposure through diversification of its financing activities and investments to avoid concentration of risk with individuals or group of customers in specific location or business.

In addition, the Group manages the credit exposure by obtaining security where appropriate and limiting the duration of exposure. In certain cases, the Group may also close out transactions or assign them to other counterparties to mitigate credit risk.

Regular audits of business units and Group credit processes are undertaken by the internal audit division.

The Governance Structure at SIB, comprise of five levels with the Board and Board Committees at Level 1 and 2 respectively, followed by the three Lines of Defence.

1. 1st Line of Defence - The business line is the first line of defence and has ‘ownership’ of risk that it incurs in conducting its activities

2. 2nd Line of Defence - The compliance and risk management functions are deemed part of the second line of defence and are in charge of overseeing the risk exposure of the bank along with various Support Divisions

3. 3rd Line of Defence - The internal audit along with Shari’ah Audit provides independent assurance to the board that the overall governance framework is effective and that policies and processes are in place and consistently applied.

Regular reporting to the Senior Management and the Board Risk Committee is done by the CRO including credit risk top exposures, NPL, breaches (if any), etc.

1. Risk Management Structure

2.The Group considers a financial asset to be in default when:

1. The customer is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising collateral (if any is held);

2. It is becoming probable that the customer will restructure the asset as a result of bankruptcy due to the customer's inability to pay its credit obligations.

3.In assessing whether a customer is in default, the Group considers indicators that are:

1. Qualitative**:** e.g. breaches of covenant;
2. Quantitative**:** e.g. overdue status and non-payment on another obligation of the same issuer to the Group; and
3. Based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances. The definition of default largely aligns with that applied by the Group for regulatory capital purposes.

4.The key inputs into the measurement of ECL are the term structure of the following variables:

a) Probability of Default (PD);
b) Loss Given Default (LGD); and
c) Exposure at Default (EAD).

ECL for exposures in Stage 1 is calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL is calculated by multiplying the lifetime PD by LGD and EAD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. For financings secured by retail and commercial property, CBUAE haircuts are a key parameter in determining LGD. LGD estimates are recalibrated for different economic scenarios and, for real estate lending, to reflect possible changes in property prices. They are calculated on a discounted cash flow basis using the effective price rate as the discounting factor.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract and arising from amortisation. The EAD of a financial asset is its gross carrying amount at the time of default. For financing commitments, the EADs are potential future amounts that may be drawn under the contract, which are estimated based on historical observations and forward-looking forecasts. For financial guarantees, the EAD represents the amount of the guaranteed exposure when the financial guarantee becomes payable. For some financial assets, EAD is determined by computing credit conversion factors through modelling the range of possible exposure outcomes at various points in time using scenario and statistical techniques.

As described above, and subject to using a maximum of a 12-month PD for Stage 1 financial assets, the Group measures ECL considering the risk of default over the maximum contractual period (including any customer 's extension options) over which it is exposed to credit risk, even if, for credit risk management purposes, the Group considers a longer period. The maximum contractual period extends to the date at which the Group has the right to require repayment of a finance or terminate a finance commitment or guarantee.

However, for retail and credit card facilities that include both a financing and an undrawn commitment component, the Group measures ECL over a period longer than the maximum contractual period if the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group ' s exposure to credit losses to the contractual notice period. These facilities do not have a fixed term or repayment structure and are managed on a collective basis. The Group can cancel them with immediate effect but this contractual right is not enforced in the normal day-to-day management, but only when the Group becomes aware of an increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take, and that serve to mitigate ECL.

Where modelling of a parameter is carried out on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics that include:

a) Instrument type;
b) Credit risk grading;
c) Date of initial recognition;
d) Remaining term to maturity;
e) Industry; and Geographic location of the customer.

5.Financial assets with renegotiated terms

For the purposes of disclosures in these consolidated financial statements, 'Investment in Islamic financing with renegotiated terms' are defined as investment in Islamic financing that have been restructured due to a deterioration in the customer's financial position, for which the Group has made concessions by agreeing to terms and conditions that are more favorable for the customer than the Group had provided initially and that it would not otherwise consider.

The Group renegotiates investment in Islamic financing to customers in financial difficulties (referred to as ' forbearance activities') to maximise collection opportunities and minimise the risk of default. Under the Group's forbearance policy, forbearance is granted on a selective basis if the customer is currently in default on its liability or if there is a high risk of default, there is evidence that the customer made all reasonable efforts to pay under the original contractual terms and the customer is expected to be able to meet the revised terms.

1. Credit quality of assets – (CR1)

30-June - 2022	Gross carrying values of		Allowances/ Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values AED - 000
	Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
Loans	1,685,941	28,558,584	1,414,105	1,055,655	358,450	28,830,420
Debt securities	62,337	6,527,692	130,902	62,337	68,565	6,459,127
Off-balance sheet exposures	91	476,247	1,972	-	1,972	474,366
Total	1,748,369	35,562,523	1,546,979	1,117,992	428,987	35,763,913

2. Changes in the stock of defaulted loans and debt securities (CR2)

30th June 2022	AED-000
Defaulted loans and debt securities at the end of the previous reporting period	1,520,659
Loans and debt securities that have defaulted since the last reporting period	263,661
Returned to non-default status	1,693
Amounts written off	26,307
Other changes	8,042
Defaulted loans and debt securities at the end of the reporting period	1,748,278

3.Credit risk mitigation techniques – overview (CR3)

AED 000

	30th June 2022	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	28,316,757	1,029,778	513,663	141,094	141,094	-	-
2	Debt securities	-	-	-	-	-	-	-
3	**Total**	28,316,757	1,029,778	513,663	141,094	141,094	-	-
4	Of which defaulted	-	-	-	-	-	-	-

4.Standardised approach - credit risk exposure and CRM effects – (CR4)

AED000

	30th June 2022	a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
1	Sovereigns and their central banks	14,563,961	15	14,563,976	-	2,973,821	20%
2	Public Sector Entities	6,078,161	364	6,078,525	141,116	5,272,079	85%
3	Multilateral development banks	109,041	-	109,041	-	-	
4	Banks	9,195,295	56,090	9,251,385	-	2,381,249	26%
5	Securities firms	-	-	-	-	-	
6	Corporates	14,096,136	2,102,602	16,198,738	187,239	14,637,433	89%
7	Regulatory retail portfolios	3,217,544	523,361	3,740,800	315,836	2,475,174	61%
8	Secured by residential property	1,470,491	410	1,470,901	2,144	1,317,542	89%
9	Secured by commercial real estate	39,037	220	39,257	-	39,141	100%
10	Equity Investment in Funds (EIF)	12,843	-	12,843	-	15,346	119%
11	Past-due loans	2,189,090	37,656	1,066,955	996	1,386,363	130%
12	Higher-risk categories	-	-	-	-	-	
13	Other assets	6,827,841	25	6,827,866	7,427	6,863,803	100%
14	**Total**	57,799,440	2,720,742	59,360,287	654,757	-	820%

5.Standardised approach - exposures by asset classes and risk weights – (CR5)

The below reflects the breakdown of credit risk exposures under the standardised approach by asset class and risk weight.

30th June 2022									AED 000
Risk weight Asset classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Sovereigns and their central banks	11,367,005	91,825		299,350		2,805,781			14,563,961
Public Sector Entities	141,116			1,330,081		4,607,039			6,078,236
Multilateral development banks	109,041								109,041
Banks		7,664,298		1,476,398		110,190			9,250,886
Securities firms									0
Corporates	187,239					11,444,291	89,666	3,598,404	15,319,600
Regulatory retail portfolios	315,836				2,779,300	390,699			3,485,835
Secured by residential property	2,144				604,140	864,436			1,470,720
Secured by commercial real estate						39,141			39,141
Equity Investment in Funds (EIF)									12,843
Past-due loans	996					425,154	640,805		1,066,955
Higher-risk categories									0
Other assets	714,404					5,443,928	617,712	51,797	6,827,841
Total	12,837,781	7,756,123	-	3,105,829	3,383,440	26,130,659	1,348,183	3,650,201	58,225,059

10) Counterparty credit risk (CCR)

Analysis of counterparty credit risk (CCR) exposure by approach

	30th June 2022	a	b	c	d	e	f
		Replacement cost	**Potential future exposure**	**EEPE**	**Alpha used for computing regulatory EAD**	**EAD post-CRM**	**RWA**
1	SA-CCR (for derivatives)	0	2.12		1.4	3	1
2							
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5							
6	**Total**						**1**

11) Counterparty credit risk -Credit exposure amounts.

Standardised approach - CCR exposures by regulatory portfolio and risk weights

Risk weight / Regulatory portfolio	a	b	c	d	e	f	g	h
30th June 2022	**0%**	**20%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposure**
Sovereigns								
Public Sector Entities (PSEs)								
Multilateral development banks (MDBs)								
Banks			2.12					2.12
Securities firms								
Corporates								
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			**2.12**					**2.12**

12) Market Risk

Market risk is the risk that the Group's income and / or value of a financial instrument will fluctuate because of changes in market prices such as profit rates, foreign exchange rates and market prices of equity.

Market risk under the standardised approach – (MR1)

AED 000

30th June 2022	RWA
General Interest rate risk (General and Specific)	-
Equity risk (General and Specific)	-
Foreign exchange risk	322,260
Commodity risk	-
Options	
Simplified approach	-
Delta-plus method	-
Securitisation	-
Total	**322,260**

13) Abbreviation

ALCO – Asset Liability Committee
ASRR – Advance to Stable Resource Ratio
BIA – Basic Indicator Approach
BRMC – Board Risk Management Committee
CCB – Capital Conservative Buffer
CCF – Credit Conversion Factor
CCP – Central Counterparty
CCyB – Countercyclical Buffer
CET – Common Equity
CRM – Credit Risk Mitigation
CVA – Credit Valuation Adjustment
EAD – Exposure at Default
EIF – Equity Investment in Funds
ELAR – Eligible Liquid Assets Ratio
EVE – Economic Value of Equity
FCD – Financial Control Division
ICAAP –Internal Capital Adequacy Assessment Process
ILAA – Internal Liquidity Adequacy Assessment
IRB – Internal Rating Based
LCR – Liquidity Coverage Ratio
LGD – Loss Given Default
NSFR – Net Stable Funding Ratio
PD – Probability of Default
PRRBB – Profit Rate Risk in the Banking Book
RWA –Risk weighted assets
SIB –Sharjah Islamic Bank
SRP – Supervisory Review Process