Barclays Bank PLC – Dubai Branch

Pillar 3 Report

For the year ended 31 December 2023

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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 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.

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.

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 December 2023.

The following public disclosure presents the annual 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).

Capital, Liquidity and other regulatory information of the bank as at 31st December , 2023 are provided in our annual financial statements.

Management's Responsibility Statement

Barclays Bank UAE management is responsible for the preparation and fair presentation of the annual financial statements of the Branch, comprising the statement of financial position as of 31 December 2023, and disclosure requirements.

Preparation and Approval

- The Pillar 3 report inputs are reviewed and approved by the heads of functions i.e. HR, Credit, Finance, Risk, Treasury and others.
- The Pillar 3 report is presented at the Asset Liability Forum (ALFo), where it is reviewed and challenged by the senior management.
- The Country Manager/ COO & CFO review and provide approval to publish the final report.

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2. Overview of risk management and RWA

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.

		Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
Sl No		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	2,474,649	2,285,676	2,290,319	2,288,104	2,293,518
1a	Fully loaded ECL accounting model	2,474,649	2,285,676	2,290,319	2,288,104	2,293,518
2	Tier 1	2,474,649	2,285,676	2,290,319	2,288,104	2,293,518
2a	Fully loaded ECL accounting model Tier 1	2,474,649	2,285,676	2,290,319	2,288,104	2,293,518
3	Total capital	**2,500,109**	**2,314,291**	**2,321,925**	**2,322,163**	**2,327,414**
3a	Fully loaded ECL accounting model total capital	2,500,109	2,314,291	2,321,925	2,322,163	2,327,414
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,225,427	2,478,045	2,718,370	2,913,459	2,923,047
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	111.20%	92.24%	84.25%	78.54%	78.46%
5a	Fully loaded ECL accounting model CET1 (%)	111.20%	92.24%	84.25%	78.54%	78.46%
6	Tier 1 ratio (%)	111.20%	92.24%	84.25%	78.54%	78.46%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	111.20%	92.24%	84.25%	78.54%	78.46%
7	Total capital ratio (%)	112.34%	93.39%	85.42%	79.70%	79.62%

Sl No.		Dec-23 AED (000)	Sep-23 AED (000)	Jun-23 AED (000)	Mar-23 AED (000)	Dec-22 AED (000)
	Additional CET1 buffer requirements as a percentage of RWA					
7a	Fully loaded ECL accounting model total capital ratio (%)	112.34%	93.39%	85.42%	79.70%	79.62%
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.06%	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.56%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	101.84%	82.89%	74.92%	69.20%	69.12%
	Leverage Ratio					
13	Total leverage ratio measure	6,687,411	6,900,111	8,323,063	7,316,340	7,651,147
14	Leverage ratio (%) (row 2/row 13)	37.00%	33.13%	27.52%	31.27%	29.98%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	37.00%	33.13%	27.52%	31.27%	29.98%
14 b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	37.00%	33.13%	27.52%	31.27%	29.98%
	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.

Sl No.		Dec-23 AED (000)	Sep-23 AED (000)	Jun-23 AED (000)	Mar-23 AED (000)	Dec-22 AED (000)
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.
	ELAR					
21	Total HQLA	2,949,139	3,163,927	2,692,123	2,162,516	2,421,800
22	Total liabilities	3,102,760	3,863,763	3,707,080	3,583,289	3,980,628
23	Eligible Liquid Assets Ratio (ELAR) (%)	95.05%	81.89%	72.62%	60.35%	60.84%
	ASRR					
24	Total available stable funding	4,520,057	4,676,001	4,712,057	4,311,785	4,575,159
25	Total Advances	1,766,316	2,273,292	2,816,982	2,791,620	2,854,736
26	Advances to Stable Resources Ratio (%)	39.08%	48.62%	59.78%	64.74%	62.40%

Risk management approach (OVA)

This section outlines the governing bodies that are in place in the region that support the Middle East Risk & Governance framework.

Risk Exposure and Assessment

Introduction

The Barclays Enterprise Risk Management Framework (ERMF) governs the way in which Barclays (the firm) identifies and manages its risks.

Barclays engages in activities which entail risk taking, every day, throughout its business. The firm is vulnerable to credit losses in its lending and banking transactions. It experiences gains and losses from Market Risk in its traded positions. It is subject to Treasury Risk (including liquidity, leverage and capital loss) in its financial management. Many important activities are managed and controlled by models, which introduce risk in themselves. Across its business, the firm is subject to Operational Risk, including from fraud, and process or technology failure. Reputation is important when it comes to trust in the firm's integrity and competence. In addition, Barclays may, in its activities, create Conduct risk in relation to its customers, clients and the markets in which it operates. Lastly, Barclays faces the risk of being penalised for not meeting its legal obligations.
All employees regardless of their positions, functions or locations must play their part in the firm's risk management. Employees are required to be familiar with risk management policies which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by this ERMF.

The purpose of the ERMF is to:

- Set out clear standards of risk management to protect Barclays, and our clients, customers and markets.
- Support the Group (CEO) in embedding a strong risk culture within the firm by setting out clear risk management practices and requirements.
- Identify the Principal Risks faced by the firm.

- Describe the way in which the firm establishes a Risk Appetite, in aggregate for each Principal Risk (as appropriate) and operates within it. The Risk Appetite is the level of risk that Barclays is prepared to accept in pursuit of its business strategy.
- Delineate the key responsibilities of different groups of employees in enabling the firm to operate within its Risk Appetite (the Lines of Defense).
- Specify risk management accountabilities and responsibilities for key roles.
- Explain the role of Frameworks, Policies and Standards within risk management in implementing this Framework.
- Describe the governance for managing risk within the firm.

The following nine risks, referred to as Principal Risks have been identified as accounting for the vast majority of the total risk faced by the firm:

Principal Risk	Description / Details
Credit Risk	The risk of loss to the firm from the failure of clients, customers or counterparties (including sovereigns), to fully honor their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables.
Market Risk	The risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.
Treasury & Capital Risk	Liquidity Risk: The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. Capital Risk: The risk that the firm has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the firm's pension plans. Interest Rate Risk in the Banking Book: The risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities
Operational Risk	The risk of loss to the firm from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.
Climate Risk	The impact on Financial and Operational Risks arising from climate change through, physical risks, risks associated with transitioning to a lower carbon economy and connected risks arising as a result of second order impacts on portfolios of these two drivers.
Model Risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Reputation Risk	The risk that an action, transaction, investment or event will reduce trust in the firm's integrity and competence by clients, counterparties, investors, regulators, employees or the public.
Compliance Risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the firm's products and services (also known as 'Conduct Risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the firm (also known as Laws, Rules and Regulations Risk 'LRR Risk').
Legal Risk	The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.

Credit Risk, Market Risk, and Treasury and Capital Risk are collectively known as Financial Principal Risks. The remaining risks are referred to as Non-Financial Principal Risks.

Frameworks, Policies and Standards

The Enterprise Risk Management Framework outlines what Frameworks are required for each Principal Risk, to be developed by the accountable officer and must include a list of all the associated policies for that Principal Risk. These frameworks should be reviewed and approved by the respective accountable officer and the relevant Board committee. These frameworks are required to be uniformly understood and acted upon, and any question of interpretation may be decided only by the accountable officer for the Framework.

Policies must satisfy the minimum requirements set out in the "Policy and Standards Requirements" document, must be lodged in the central policies database, and must include:

a. Control objectives that are specific, measurable, achievable, realistic and can be met in a timely manner.
b. List of all Standards that support implementation of the Policy.

Both first and second line Policies are implemented in business units and functions using standards. Standards must be documented in line with the minimum requirements set out in the "Policy and Standards Requirements" document. The controls employed by the organisation in operating to its desired standards are subject to the control framework established by the Chief Controls Officer of the firm.

The Policy and Standards Requirements Document outlines the requirements for the management of governance and control documentation as set out by the Group Policy Hierarchy.

Risk Appetite

Risk Appetite is defined as the level of risk which the firm is prepared to accept in carrying out its activities. The Risk Appetite of the firm must;

- Specify the level of risk we are willing to take and why, to enable specific risk taking activities.
- Consider all Principal Risks individually and, where appropriate, in aggregate, and apply them only at these levels. All components of Principal Risks not specifically identified above may be subject to limits and tolerances which derive from the Principal Risk Appetite but will not have a separate specification of Risk Appetite.
- Consistently communicate the acceptable level of risk for different risk types. This may be expressed in financial or non-financial terms, and should be measured, as applicable, and effectively monitored.
- Describe agreed parameters for the firm's performance under varying levels of financial stress with respect to:
  - i) Profitability, loss and return metrics.
  - ii) Capital ratios and Liquidity metrics.
- Be considered in key decision-making processes, including business planning, mergers and acquisitions, new product approvals and business change initiatives.

Internal Control Framework

All colleagues have a specific responsibility for enabling the firm to operate within its Risk Appetite. These responsibilities are defined in terms of the role of the employee in the “Three Lines of Defence”.

First Line of Defence:

The first line comprises all employees engaged in the revenue generating and client facing areas of the firm and all associated support functions, including Finance, Treasury, Technology and Operations, Human Resources, Administration etc. Employees in the first line have primary

responsibility for their risks, including:

1. Identifying and managing all the risks to which they are exposed as a result of the activities in which they are engaged.
2. Operating within any and all limits which the Risk and Compliance functions, as the second line of defence, establish in connection with the Risk Appetite of the firm.
3. Escalating risk events to senior managers and to Risk and Compliance (the latter where related to Conduct Risk).

The first line may establish their own Policies, Standards and controls (subject to the Barclays Control Framework) for their operational activities and require their colleagues to manage all controls to specified tolerances. These activities are permitted so long as they are within any applicable limits and/or tolerances, Policies and/or Standards.

Where activities are not within applicable limits and/or tolerances, Policies and/or Standards, the first line is responsible for identifying, raising and remediating these non-compliant activities.

All activities in the first line are subject to oversight from the relevant parts of the second and third lines.

Second Line of Defence :

Employees of Risk and Compliance comprise the second line of defence. The role of the second line is to establish the Frameworks, Policies and Standards, limits, rules and constraints under which all activities shall be performed, consistent with the Risk Appetite of the firm, and to oversee the performance of the firm against these Frameworks, Policies and Standards, limits, rules and constraints. Where these limits, rules and constraints are quantitative and/or model based, the measures may only be developed or approved by the second line. In the event that the first line breaches limits or contravenes rules or constraints, the second line may, at its discretion, direct the activities of the first line to bring it within compliance. Such activity will take place under the appropriate risk governance and/or oversight of the relevant risk committee. The second line has the authority and responsibility to perform independent challenge of all risks in the first line at any time.

The second line may establish limits for first line activities to manage risk exposure in line with Risk Appetite as appropriate. Controls for first line activities will ordinarily be established by

the Control Officers operating within the Control Framework of the firm. The inherent and residual risks of the firm will be self- assessed through a Risk and Control Self-Assessment program defined in the Operational Risk Framework, and subject to second line oversight.

The second line is responsible for defining in its Policies and Standards details of its own responsibilities and activities and governing them, establishing controls to manage its performance, and assessing its conformance to these Policies and Standards as well as controls.

Third Line of Defence:

Employees of Internal Audit comprise the third line of defence. They provide independent assurance to the Board and Executive Management of the effectiveness of governance, risk management and controls over current, systemic and evolving risks.

Legal Function:

The Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations and for discharging this responsibility in accordance with the LRR Risk Management Policy (including its underlying processes and implementation). This includes Legal having a responsibility for ensuring that LRRs are effectively allocated to, and adequately reflected within, the relevant Policies, Standards and controls. The relevant control owners are responsible for implementing the controls to comply with LRRs. Compliance is responsible for establishing the LRR framework and providing oversight of activities required by that framework.

The Legal function does not sit in any of the three lines of defence but supports them all. Except in relation to the legal advice it provides or procures, the Legal function is, however, subject to oversight from the Risk and Compliance functions with respect to its own Operational and Conduct Risks, as well as with respect to the Legal and Regulatory Risks to which Barclays is exposed.

Overview of RWA (OV1)

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

		RWA	RWA	Minimum Capital Requirement
		31 Dec 2023	30 Sep 2023	31 Dec 2023
		AED (000)	AED (000)	AED (000)
1	Credit risk (excluding counterparty credit risk)	2,036,411	2,288,581	213,823
2	Of which: standardised approach (SA)	2,036,411	2,288,581	213,823
3				
4				
5				
6	Counterparty credit risk (CCR)	364	591	38
7	Of which: standardised approach for counterparty credit risk	364	591	38
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	1,200	1,420	126
21	Of which: standardised approach (SA)	1,200	1,420	126
22				
23	Operational risk	187,453	187,453	19,683
24				
25				
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**2,225,428**	**2,478,045**	**233,670**

3. Linkages between financial statements and regulatory exposures

Main source of differences between regulatory exposures and financial statements (LI2)

Schedule of differences between financial statements and BRF 1, BRF 2 and BRF 3

			31-Dec-23
			AED'000
(1)	Cash & Balances with Central Bank as per BRF1 (Item 1)		3,140,582
	Less: Available for Sale financial instruments as per FS (part of BRF 1(Item 1))		0
	Less: Provision on balances with Central Bank as per FS (part of BRF 2 (Item 25.2))		0
	Balance as per financial statements		3,140,582
(2)	Due from Head Office and branches as per BRF1 (Item 2)		74,730
	Less: Provision on Bills discounted on own branches as per FS (part of BRF 2 (Item 25.2))		(1)
	Less: Deferred Income on Bills discounted with own branches as per FS (part of BRF 2 (Item 26.4))		(178)
	Add: Interest Receivable on group placements as per FS (part of BRF 1 (Item 11.1))		9
	Add: Fair value of derivatives from Head Office as per BRF 1(Item 12.1)		21
	Balance as per financial statements		74,581
(3)	Balance due from other banks as per BRF 1 (Item 3)		1,138,351
	Less: Provision on Bills discounted with other banks as per FS (part of BRF 2 (Item 25.2))		(329)
	Less: Deferred Income on Bills discounted with other banks as per FS (part of BRF 2 (Item 26.4))		(41,798)
	Add: Interest Receivable on Bills discounted with other banks as per FS (part of BRF 1 (Item 11.1))		0
	Balance as per financial statements		1,096,224
(4)	Loans and advances as per BRF 1 (Items 4,7,8)		1,034,226
	Less: Interest In Suspense as per BRF 2 (Item 25.3)		(3,300)
	Less: Provision for specific bad & doubtful debts as per BRF2 (Item 25.1)		(38,801)
	Less: Gen. Prov. for bad & doubtful debts as per BRF 2 (Item 25.2)		(32,160)
	Add: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))		25,640
	Add: Provision on balances with Central Bank as per FS (part of BRF 2 (Item 25.2))		0
	Add: Provision on Bills discounted on own branches as per FS (part of BRF 2 (Item 25.2))		1
	Add: Provision on Bills discounted with other banks as per FS (part of BRF 2 (Item 25.2))		329
	Add: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Items 25.2 and 25.6))		4,818
	Add: Interest Receivable Customers as per BRF 1 (Part of BRF1 Item 11.1)		6,334
	Add: Fee receivable (part of BRF 1 (Item 11.7))		0
	Less: Deferred Income (part of BRF 2 (Item 26.4))		(1,828)
	Loans and advances as per financial statements		995,259

Schedule of differences between financial statements and BRF 1, BRF 2 and BRF 3 (continued)

			31-Dec-23
			AED'000
(5)	Other Assets as per BRF 1 (Item 11)		44,429
	Less: Deferred tax as per FS (part of BRF 1 (Item 11.7))		(32,032)
	Less: Fee receivable as per FS (part of BRF 1 (Item 11.7))		0
	Less: Interest receivable from customers as per BRF 1 (Item 11.1)		(6,341)
	Less: Intangible Assets as per BRF 1 (Item 11.4)		(1,032)
	Balance as per financial statements		5,024
(6)	Deposit as per BRF 2 (Items 14,15,16,17)		2,410,572
	Add: Interest accrual on deposits as per BRF 2 (Item 26.1)		13,905
	Balance as per financial statements		2,424,477
(7)	Due to Head Office and Branches as per BRF 2 (Item 21)		374,410
	Add: Internal balance sheet liability -fair value uplift as per BRF 2 (part of Item 27.1)		141
	Balance as per financial statements		374,551
(8)	Balances due to Central bank and other banks as per BRF 2 (Item 20 &22)		0
	Balance as per financial statements		0
(9)	Impairment provision as per BRF 2 (Item 25.1 & 25.2)		70,961
	Less: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))		(25,640)
	Less: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Item 25.2))		(4,818)
	Balance as per financial statements		40,503
(10)	Other Liabilities as per BRF 2 (Item 26)		83,589
	Add: Staff benefits as per BRF 2 (Item 25.5)		1,440
	Add: Other provisions as per BRF 2 (Item 25.6)		2,185
	Add: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Item 25.2))		4,818
	Less: Deferred Income on Bills discounted with other banks as per FS (part of BRF 2 (Item 26.4))		(41,976)
	Less: Interest accrual on deposits as per BRF 2 (Item 26.1)		(13,905)
	Add: Bankers Draft as per BRF 2 (Item 19)		12,287
	Less: Deferred Income (part of BRF 2 (Item 26.4))		(1,828)
	Balance as per financial statements		46,610
(11)	Capital & Reserves as per BRF 2 (Item 28)		2,475,681
	Add: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))		25,640
	Balance as per financial statements		2,501,321
(12)	Letter of Credit as per BRF3 (Item 1)		325,178
	Add: Acceptances (part of item 2 in BRF 3)		252,611
	Balance as per financial statements		577,789
(13)	Guarantees as per BRF3 (Item 2)		1,585,564
	Less: Acceptances (part of item 2 in BRF 3)		(252,611)
	Balance as per financial statements		1,332,953

			31-Dec-23
			AED'000
(14)	Other commitments to extend credit as per BRF3 (Item 3)		6,212,205
	Balance as per financial statements		6,212,205
(15)	Profit after tax as per BRF4		187,243
	Less: Movement (Release) for the year- Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 4 (Item 8.2.3))		(1,531)
	Balance as per financial statements		185,712

4. Composition of capital

Composition of regulatory capital (CC1)

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

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,540,214	Same as (h) from CC2 template
2	Retained earnings	(238,659)	
3	Accumulated other comprehensive income (and other reserves)	174,126	
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**	**2,475,681**	
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	1,032	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)	-	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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)**	2,474,649	
	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	-	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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)**	**0**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**2,474,649**	
	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	25,460	
45	**Tier 2 capital before regulatory adjustments**	**25,460**	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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**	0	
51	**Tier 2 capital (T2)**	25,460	
52	**Total regulatory capital (TC = T1 + T2)**	2,500,109	
53	**Total risk-weighted assets**	2,225,427	
	Capital ratios and buffers		
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	111.20%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	111.20%	
56	**Total capital (as a percentage of risk-weighted assets)**	112.34%	
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**	0.06%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	-	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	101.84%	

		Amount AED (000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	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)		
66	Significant investments in common stock of financial entities	-	
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)	25,460	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	25,460	
	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)*	-	

Reconciliation of regulatory capital to balance sheet (CC2)

This template enables users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1.

Please refer to note on Linkages between financial statements and regulatory exposures for the reconciliation.

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	31 Dec 2023 AED (000)	31 Dec 2023 AED (000)	
Assets			
Cash and balances at central banks	`3,140,582	3,140,582	(a)
Items in the course of collection from other banks	1,096,224	1,138,351	(b)
Trading portfolio assets	-	-	
Financial assets designated at fair value	-	-	
Derivative financial instruments	-	-	
Loans and advances to banks	74,581	74,730	(c)
Loans and advances to customers	995,259	1,034,226	(d)
Reverse repurchase agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	(a)
Current and deferred tax assets	32,032	32,032	
Prepayments, accrued income and other assets	5,024	11,386	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	-	-	
Of which: goodwill	-	-	
Of which: intangibles (excluding MSRs)	1,032	1,032	
Of which: MSRs	-	-	
Property, plant and equipment	2,225	2,225	
Total assets	**5,346,959**	**5,434,564**	

(a) Sl No. 1 of Template LI2

(b) Sl No. 3 of Template LI2

(c) Sl No. 2 of Template LI2

(d) Sl No. 4 of Template LI2

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	31 Dec 2023 AED (000)	31 Dec 2023 AED (000)	
Liabilities			
Deposits from banks	374,551	374,410	(e)
Items in the course of collection due to other banks	-	-	
Customer accounts	2,424,477	2,410,572	(f)
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	-	-	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	46,610	96,015	(g)
Current and deferred tax liabilities	-	-	
Of which: DTLs related to goodwill	-	-	
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	
Of which: DTLs related to MSRs	-	-	
Subordinated liabilities	-	-	
Provisions	-	77,886	
Retirement benefit liabilities	-	-	
Total liabilities	**2,845,638**	**2,958,883**	
Shareholders' equity			
Paid-in share capital			
Of which: amount eligible for CET1	2,540,214	2,540,214	
Of which: amount eligible for AT1	-	-	
Retained earnings	(38,893)	64,533	
Accumulated other comprehensive income	-	-	
Total shareholders' equity	**2,501,321**	**2,475,681**	(h)

(e) Sl No. 7 of Template LI2

(f) Sl No. 6 of Template LI2

(g) Sl No. 10 of Template LI2

(h) Sl No. 11 of Template LI2

Main features of regulatory capital instruments (CCA)

Quantitative Disclosures

The Bank operates as a branch of foreign bank in the UAE and share capital is composed only of the funding from the head office.

		Quantitative / qualitative information
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	
5	Post-transitional arrangement rules (i.e. grandfathering)	
6	Eligible at solo/group/group and solo	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step-up or other incentive to redeem	
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	Writedown feature	
25	If writedown, writedown trigger(s)	
26	If writedown, full or partial	

		Quantitative / qualitative information
27	If writedown, permanent or temporary	Not Applicable
28	If temporary write-own, description of writeup mechanism	
28 a	Type of subordination	
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
30	Non-compliant transitioned features	
31	If yes, specify non-compliant features	

5. Macro prudential Supervisory measures

Geographical distribution of credit exposures used in the countercyclical buffer

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

Geographical breakdown	a	b	c	d	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values (AED'000)	Risk-weighted assets (AED'000)		
United Arab Emirates	0%	1,957,904	722,754	0.00%	-
Switzerland	0%	422,395	271,482	0.00%	-
United States	0%	832,485	107,565	0.00%	-
Kuwait	0%	91,825	41,934	0.00%	-
Ireland	1%	200,000	28,380	0.02%	6.60
Luxembourg	1%	117,522	26,657	0.01%	2.91
Sweden	2%	45,300	16,227	0.03%	4.32
Portugal	0%	15,000	3,673	0.00%	-
Germany	1%	15,000	1,469	0.00%	0.01
Netherlands	1%	1,000	173	0.00%	0.00
United Kingdom	1%	27	0	0.00%	-
Cayman Islands	0%	128,555	0	0.00%	-
Total		**3,827,014**	**1,220,313**	**0.06%**	**754.37**

6. Leverage ratio

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.

		Dec-23	Sep-23	Jun-23	Mar-23	Dec-22
On-balance sheet exposures		AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	5,433,532	5,603,275	7,098,863	5,866,293	6,578,704
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)	1,032	1,173	1,699	2,419	3,138
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	5,432,500	5,602,102	7,097,164	5,863,874	6,578,704
Derivative exposures						
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	0	18.23	1.82	19.63	1.99
9	Add-on amounts for PFE associated with *all* derivatives transactions	1,358.02	2,104.89	10,804.16	9,235.11	5,173.80
10	(Exempted CCP leg of client-cleared trade exposures)	-	-	-	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-	-	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-	-	-	-

13	**Total derivative exposures (sum of rows 8 to 12)**	1,901.23	2,972.37	15,128.37	12,956.64	7,246.10
Securities financing transactions						
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	-	-	-	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-	-	-	-
16	CCR exposure for SFT assets	-	-	-	-	-
17	Agent transaction exposures	-	-	-	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	-	-	-	-	-
Other off-balance sheet exposures						
19	Off-balance sheet exposure at gross notional amount	8,124,769	7,559,507	7,410,411	6,933,916	6,742,742
20	(Adjustments for conversion to credit equivalent amounts)	-6,871,759	-6,264,471	-6,199,640	-5,494,407	-5,674,407
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)**	1,253,010	1,295,036	1,210,771	1,439,509	1,068,335
Capital and total exposures						
23	**Tier 1 capital**	2,474,649	2,285,676	2,290,319	2,288,104	2,293,518
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	6,687,411	6,900,111	8,323,063	7,316,340	7,651,147
Leverage ratio						
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	37.00%	33.13%	27.52%	31.27%	29.98%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	37.00%	33.13%	27.52%	31.27%	29.98%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%	3.00%	3.00%
27	**Applicable leverage buffers**	34.00%	30.13%	24.52%	28.27%	26.98%

7. Liquidity

Liquidity risk management (LIQA)

Barclays defines liquidity risk as the risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

The liquidity requirements could arise through (but not limited to) customer withdrawals, wholesale counterparties removing financing, or loan draw downs. Liquidity risk is inherent in all banking operations and can be affected by a range of name-specific and market-wide events which can result in:

- Inability to support normal business activity; and
- A failure to meet liquidity requirements.

At a Group level, Barclays undertakes an Individual Liquidity Adequacy Assessment Process (ILAAP). The ILAAP is produced for BPLC (Group) and material entities and is reviewed annually or as and when circumstances require (e.g. market events, new business activities, etc.). . The ILAAP contains an assessment of the key liquidity risk drivers along with a description of the controls in place to manage and mitigate these. These risks are analysed and assumptions are determined about potential outflows that could arise from these risks in the suite of internal stress testing scenarios known as the ILST. The sources of risk are analysed at least annually.

The ILAAP is fully documented and is subject to review and approval by the Board Risk Committee at least annually. Barclays has established a set of Liquidity Risk constraints which have been approved by the Board. This is reviewed on a continuous basis and is subject to formal review at least annually as part of the ILAAP.

Barclays Bank UAE is required to operate within approved metrics and constraints which are overseen by Funding and Liquidity Risk. The types of liquidity risk metrics and constraints deployed for Barclays Bank UAE are commensurate to the size and complexity of the local balance sheet and are reviewed periodically in line with Group guidelines. These are designed to mitigate and control liquidity risks within the acceptable tolerances.

The Liquidity metrics and constraints comprise of:

- Internal liquidity stress testing,
- Liquidity ratios as prescribed by the UAE regulator

At Barclays Bank UAE, the Head of Treasury is the Country Liquidity Principal Risk Owner (PRO). The Country Liquidity PRO must ensure that the processes and controls attributed to liquidity risk management operations in the country are embedded, and effective, capturing and managing liquidity risk in the country.

Liquidity metrics and constraints are monitored and reported to the local Treasury function and the branch's Assets & Liabilities Forum (ALFo). Barclays Bank UAE must, at all times, adhere to all local regulatory liquidity requirements and ratios set by the Central Bank of UAE, as well as meeting the requirements set out in the Group Liquidity Policy, where applicable.

Liquidity Risk Stress Testing

Barclays Bank UAE conducts liquidity stress tests on a monthly basis. The results of these stress tests are expressed in the form of positive cash flows over designated survival horizons.

The Stress test assumes that there are concerns over the immediate or short term viability of Barclays. As of 31 Dec 2023, UAE branch ran stress tests based on the following three scenarios:-

- Idiosyncratic (Barclays-specific) stress
- Market - wide stress.
- Combined stress

Liquidity Coverage Ratio (LIQ1)

Bank is using the alternative approach for Liquidity Coverage Ratio (LCR) as per the provisions in Liquidity Risk regulation of CBUAE (2015), i.e., Eligible Liquid Assets Ratio (ELAR) hence it is not applicable.

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	2,949,139	
s1.2	UAE Federal Government Bonds and Sukuks	-	
	Sub Total (1.1 to 1.2)	2,949,139	2,949,139
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**	**2,949,139**	**2,949,139**
2	Total liabilities		3,102,760
3	**Eligible Liquid Assets Ratio (ELAR)**		**95.05%**

Net Stable Funding Ratio (LIQ2)

Bank is using the alternative approach for Net Stable Funding Ratio (NSFR) as per the provisions in Liquidity Risk regulations of CBUAE (2015), i.e., Advances to Stable Resources Ratio (ASRR) hence it is not applicable.

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)	856,454
	1.2	Lending to non-banking financial institutions	157,823
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	37,585
	1.4	Interbank Placements	714,454
	1.5	**Total Advances**	1,766,316
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	2,451,565
		Deduct:	
	2.1.1	Goodwill and other intangible assets	1,079
	2.1.2	Fixed Assets	2,264
	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**	3,343
	2.2	**Net Free Capital Funds**	2,448,222
	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	595,561
	2.3.5	Customer Deposits	1,476,274
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	**Total other stable resources**	2,071,835
	2.4	**Total Stable Resources (2.2+2.3.7)**	4,520,057
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	39.08

The above represents simple average of three monthly ASRR returns submitted to CBUAE in Q4 2023

8. Credit Risk

General qualitative information about credit risk (CRA)

Credit risk is the risk of loss to the firm from the failure of clients, customers, or counterparties (including sovereigns), to fully honour their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables. For regulatory reporting and capital allocation purposes, credit risk is distinguished between Retail Credit Risk and or Wholesale Credit Risk.

Retail credit risk is credit risk arising from exposures to individuals, or SMEs where the total credit facilities (financing) provided by Barclays are less than £1mn (excluding owner occupied residential real estate).

Wholesale Credit Risk is credit risk arising from exposures to sovereigns, institutions, corporates and SMEs where the total credit facilities (financing) provided by Barclays are equal to or greater than £1mn (excluding owner occupied residential real estate) or where any obligor, irrespective of amount, is sufficiently idiosyncratic to be managed on an individual basis. From a regulatory capital perspective, all exposures are treated as Wholesale unless they specifically fulfil the requirements for classification as retail.

Credit Risk Management Objectives and Policies:

A key element in the setting of clear management objectives is the Enterprise Risk Management Framework (ERMF) which sets out key activities, tools, techniques and organizational arrangements so that material risks facing the Group are identified and understood, and that appropriate responses are in place to protect the Bank and prevent detriment to its customers, employees or community.

Credit Risk is referred to as one of the Principal Risks faced by the Bank, and hence monitored and managed in accordance with the ERMF.

Barclays Dubai office is a local branch of a Foreign Bank, and therefore Credit Risk is managed in accordance with the Barclays Group ERMF, Barclays Group Principal Risk framework: Credit Risk and Barclays Group Wholesale Credit Risk Policies, Standards and Procedures.

Credit risk management objectives are to:

- Maintain a framework of controls to ensure credit risk-taking is based on sound credit risk management principles.
- Identify, assess, and measure credit risk clearly and accurately across the Bank and within each separate business, from the level of individual facilities up to the total portfolio.
- Control and plan credit risk-taking in line with external stakeholder expectations and avoiding undesirable concentrations.
- Monitor credit risk and adherence to agreed controls; and
- Ensure that risk-reward objectives are met.

The framework for the management of credit risk is supported by a number of Credit Risk Frameworks, Policies and Standards that apply across the organization.

Structure and Organization

Barclays Bank UAE has a dedicated Wholesale Credit Risk Team which is responsible for the management and oversight of the corporate portfolio. The key activities of the team include, but are not limited to, the following:

• Oversight of macroeconomic and market trends.

• Review of the trends in the portfolio and associated Key Risk Metrics.

• Risk appetite is managed globally and not at individual branch level in line with the methodology set out in the Credit Risk Appetite Standards. Globally, Credit Risk Appetite for Barclays Bank Plc is controlled through; 1) Setting Stress Loss Limits based on impairments arising from an adverse internal stress test scenario – setting limits seeks to contain these impairments within loss tolerances and 2) Mandate and Scale Exposure Controls

• Carry out credit risk review activities, monitoring and control, for a predefined portfolio of corporate clients across multiple industries in the MENA region.

• Maintaining the asset quality of the designated portfolio supporting origination, interim reviews, annual reviews and on-going monitoring and control.

• Keep track of potential issues/concerns (internal and external impacts) and Identify "Early Warning List" /" Watch List" cases in a timely fashion, escalate any cases that may require referral to the Special Asset Management ("SAM") team.

• Project updates

• Credit Risk is managed in accordance with the Barclays Group ERMF, Barclays Group Principal Risk

framework: Credit Risk and Barclays Group Wholesale Credit Risk Policies, Standards and Procedures. We do not set/adopt local concentration risk limits and continue to rely on those set globally which the UAE branch adheres to.

• To ensure BBPLC operates within Risk Appetite, the Board sets Stress Loss Limit Allowances (A level) by legal entity and risk type. Risk managers at various levels, starting with the Group CRO & Barclays International CRO, then set operational limits to manage portfolio (Mandate & Scale) and single name (Maximum Exposure Governance) concentrations. Stress Loss, Mandate & Scale, and Maximum Exposure Governance limit frameworks then ensure that concentration risks do not develop and that the bank operates with Risk Appetite.

Credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers entrusted with the higher levels of delegated authority. ct.

As part of the control requirements, UAE credit risk team undertakes 'The Middle East Corporate & Investment Bank (CIB) Credit Risk Oversight Forum' quarterly which serves as a cross- functional governance meeting to provide oversight on credit risk matters of Middle East clients pertaining to Barclays Bank PLC ("Barclays") and its Dubai Branch (the "Branch"). The Forum derives its authority from the MENA Governance Framework.

In addition to this, KIs- Key Indicators for UAE credit risk function are reviewed/presented monthly as part of 'Middle East Regional Control Forum' headed by local Controls function.

Local Credit Risk Key Indicators include monitoring of Large Exposure cap at Dubai Branch level and Annual Review overdue position.

Control procedures include audit requirements in line with Barclay' global standards, as part of which the credit risk function operations are thoroughly reviewed as part of internal (Barclays Internal Audit of Emerging Markets team) and external audits, as and when due.

Credit risk monitoring

For effective monitoring of credit facilities, the relevant Risk Control Unit / Transaction Management Group verifies adherence to the terms of approval prior to commitment and disbursement of credit facilities.

Reporting, assessment and measurement

Risk management policies and processes are designed to identify and analyze risk, to set appropriate risk appetite, limits and controls, and to monitor the risks and adherence to limits by means of reliable and timely data. This process can be summarised in five broad stages:

- Measuring exposures and concentrations
- Monitoring performance and asset quality
- Monitoring weaknesses in portfolios
- Raising allowances for impairment and other credit provisions; and
- Returning assets to a performing status or writing off assets when the whole or part of a debt is considered irrecoverable.

Credit quality of assets (CR1)

The principal objective of credit risk measurement is to produce the most accurate possible quantitative assessment of the credit risk to which the Bank is exposed, from the level of individual facilities up to the total portfolio. Integral to this is the assignment of obligor ratings, which are used in numerous aspects of credit risk management and in the calculation of regulatory and economic capital.

The key building blocks in this quantitative assessment are:

- Probability of default (PD)
- Exposure at default (EAD)
- Loss given default (LGD)

Balances as on 31 December 2023

		Gross carrying values of		Allowances /Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposure	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	42,101	5,391,431	(66,165)	(38,801)	(27,364)	**5,367,367**
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	237	2,169,436	(4,796)	-	(4,796)	**2,164,877**
4	**Total**	**42,338**	**7,560,866**	**(70,961)**	**(38,801)**	**(32,160)**	**7,532,243**

Definition of Default is updated under Additional disclosure related to credit quality of assets

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

		As of 31 Dec 2023 (AED '000)
1	**Defaulted loans and debt securities at the end of the previous reporting period (as at 31 Dec 2022)**	53,611
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-default status	-
4	Amounts written off	(14.810)
5	Other changes	-
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**38,801**

Additional disclosure related to the credit quality of assets (CRB)

Definition of Default

The definition of default has been aligned to the Regulatory Capital CRR Article 178 definition of default (the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral, (UTP). The obligor is more than 90days past due on any material credit obligation to Barclays, (90dpd)) which considers indicators that the debtor is unlikely to pay, which includes exposures where financial concessions have been granted and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance.

The Bank's definition of default is consistent with the provisions of CUAE Circular 28/2010 (Regulation for Classification of Loans and their Provisions).

Within the Wholesale portfolios, the Basel definitions of default are used as default indicators. A default is deemed to have occurred with regard to a particular obligor if one or both of the following applies:

the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral

the obligor is 90 days or more past due on any material credit obligation to Barclays

Examples of unlikeliness to pay include:

- the Group puts the credit obligation on a non-accrued status
- the Group makes a charge-off or account specific identified impairment resulting from a significant perceived decline in credit quality
- the Group sells the credit obligation at a material credit-related economic loss
- the Group triggers a petition for obligor's bankruptcy or similar order
- the Group becomes aware of the obligor having sought or having been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the Group
- the Group becomes aware of an acceleration of an obligation by a firm ▪ where the obligor is a bank – revocation of authorisation where the obligor is a sovereign – trigger

of default definition of an approved External Credit Assessment Institution (ECAI) such as a rating agency

The DPD methodology requires the need to differentiate and understand the difference between a past due and breach:

Past due:

- Refers to any credit obligation that has not been paid at the date it was contractually due, specifically a past due commences from the date at which:
    - a payment was contractually due and has not been made; or
    - the facility expiry date has passed with a debit balance still outstanding; or
    - for overdrafts and other 'revolving credit' facilities, an obligor has breached the assigned limit, has been advised a limit smaller than the current outstanding balance, or has drawn an exposure without authorisation; or
    - for recourse factoring and purchased receivables: when the factoring account is in debit, i.e. from when the advances paid for the receivables exceed the percentage agreed with the obligor; or
    - for non-recourse factoring and purchased receivables: when the payment for a single receivable becomes due. In the specific case of undisclosed arrangements, past due commences from the moment when payments made by the debtor to the obligor should be paid across to Barclays
- Past due status is measured at the facility level, with credit obligations treated consistently irrespective of how the indebtedness is incurred, i.e. principal, interest or fees
- Where contractual terms and conditions allow the obligor to modify, restructure or suspend payments under defined conditions, and such terms are exercised, the exposure is not considered past due. In such circumstances, the counting of DPD is assessed relative to the revised contractual payment schedule once it is formally amended on the source booking system.

Breach:

- Breach is a regulatory capital concept and occurs when aggregate past due(s) to an obligor have exceeded both materiality thresholds

- Breach status is measured at the **obligor level**, defined as being all entities within a Grade as Group (GAG) or Grade as Intermediate Group (GAIG) arrangement
- The number of days in breach is measured by the number of consecutive days an obligor's aggregate past dues have exceeded both materiality thresholds, irrespective of how many days underlying past dues have been outstanding ("Continuous Count" is where past dues cross and you have younger past dues that the breach itself)
- Breach start date re-assessed (Breach reassessment) if:
    - Change in GAG or GAIG structure, then the materiality thresholds are applied backdated on the new GAG or GAIG structure. The breach start date is adjusted to reflect the number of consecutive days the new GAG or GAIG past dues have exceeded both the thresholds
    - Removed technical past due(s) originated before the remaining non-technical past dues, then the breach start date is adjusted to reflect the number of consecutive days the remaining non- technical past dues have exceeded both the thresholds
- A breach is closed when one of the following occurs:
    - The underlying past due(s) are resolved and remediated to be back in order on the source system(s)
    - One or both materiality thresholds are not exceeded in the daily calculation
    - One or more past dues are determined to be technical in nature and material enough to close the breach when removed from the next day's threshold calculation.

Impairment of financial assets

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortised cost and debt instruments classified as FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition;
Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and
Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired.

Accounting for the impairment of financial assets

The Bank recognises expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes. The ECL for intercompany exposures is immaterial.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12 month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.
Determining a significant increase in credit risk since initial recognition:

The Bank assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. The credit risk of an exposure is considered to have significantly increased when:

i) Quantitative test

The annualised lifetime PD has increased by more than an agreed threshold relative to the

equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of the point at which a PD increase is deemed 'significant', is based upon analysis of the portfolios' risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate.

For existing/historical exposures where origination point scores/data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:

- Back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible, (subject to a data start point no later than 1 January 2015); or
- Use of available historic account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

ii) Qualitative test

Accounts meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behavior exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, including industry and Head Office wide customer level data wherever possible or relevant.

Whilst the high risk populations applied for IFRS 9 impairment purposes are aligned with risk management processes, they are also regularly reviewed and validated to ensure that they capture any incremental segments where there is evidence of credit deterioration.

iii) Backstop criteria

Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk. This means that, at minimum: all payments must be up-to-date, the PD deterioration test is no longer met, the account is no longer classified as high risk, and the customer has evidenced an ability to maintain future payments. The Bank monitor such financial instruments for a minimum probationary period of 12 months to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Stage 2 to Stage 1.

Accounting for the impairment of financial assets (continued)

iii) Backstop Criteria (continued)

The Bank does not rely on the low credit risk exemption which would assume facilities of investment grade are not significantly deteriorated.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information

The measurement of ECL involves complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives (where contractual life is not appropriate), and estimation of EAD and assessing significant increases in credit risk.

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, five forward-looking economic scenarios are considered to ensure a sufficient unbiased representative sample of the

complete distribution is included in determining the expected loss. Stress testing methodologies are leveraged within forecasting economic scenarios.

The Bank utilises an external consensus forecast as the baseline scenario. In addition, two adverse and two favourable scenarios are derived, with associated probability weightings. The adverse scenarios are calibrated to a similar severity to internal stress tests, whilst also incorporating IFRS 9 specific sensitivities and non-linearity. The most adverse scenarios are benchmarked to the Bank of England's annual cyclical scenarios and to the most severe scenarios from Moody's inventory but are not designed to be the same. The favourable scenarios are calibrated to be symmetric to the adverse scenarios, subject to a ceiling calibrated to relevant recent favourable benchmark scenarios. The scenarios include six core variables, (GDP, unemployment and House Price Index in both the UK & US markets), and expanded variables which include emerging market indicators, using statistical models based on historical correlations. The Head Office considers these macroeconomic forecasts as reasonable proxy of the economic environment of the Branch.

The probability weights of the scenarios are estimated such that the baseline (reflecting current consensus outlook) has the highest weight and the weights of adverse and favourable scenarios depend on the deviation from the baseline; the further from the baseline, the smaller the weight. A single set of five scenarios is used across all portfolios and all five weights are normalised to equate to 100%. The impacts across the portfolios are different because of the sensitivities of each of the portfolios to specific macroeconomic variables.

Definition of default, credit impaired assets, write-offs, and interest income recognition

The definition of default for the purpose of determining ECLs has been aligned to the applicable UAE requirement of default (the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realising security), which considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance. The Bank's definition of default is consistent with the provisions of Central Bank of United Arab Emirates (CBUAE) Circular 28/2010 (Regulation for Classification of Loans and their

Provisions).

Credit impaired is when the exposure has defaulted which is also anticipated to align to when an exposure is identified as individually impaired.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Bank's internal processes and when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loan modifications and renegotiations that are not credit-impaired

When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile. With regards to exposures that are restructured, the Bank observe a probationary period of a minimum of 3 instalments (for repayments which are on a quarterly basis or shorter) and 12 months (in cases where instalments are on a longer frequency than quarterly) after the restructuring, before upgrading from Stage 3 to 2. No loan modification has occurred during the reporting period.

Where terms are substantially different, the existing loan will be derecognised and new loan recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life

Lifetime ECLs must be measured over the expected life. This is restricted to the maximum

contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. For revolving facilities, expected lifetime is analytically derived to reflect behavioural life of the asset, i.e. the full period over which the business expects to be exposed to credit risk. Behavioural life is typically based upon historical analysis of the average time to default, closure or withdrawal of facility.

Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated

to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting

ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk free rate. Lease receivables are discounted at the rate implicit in the lease. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

ECLs are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original EIR. The regulatory Basel Committee of Banking Supervisors (BCBS) ECL calculations are leveraged for IFRS 9 modelling but adjusted for key differences which include:

- BCBS requires 12 months through the economic cycle losses whereas IFRS 9 requires 12 months or lifetime point in time losses based on conditions at the reporting date and multiple forecasts of the future economic conditions over the expected lives.
- IFRS 9 models do not include certain conservative BCBS model floors and downturn assessments and require discounting to the reporting date at the original EIR rather than

using the cost of capital to the date of default.

- Management adjustments are made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process, for example forecast economic scenarios for uncertain political events.
- ECL is measured at the individual financial instrument level, however a collective approach where financial instruments with similar risk characteristics are grouped together, with apportionment to individual financial instruments, is used where effects can only be seen at collective level, for example for forward-looking information.

For the IFRS 9 impairment assessment, Banks' risk models are used to determine the PD, LGD and EAD. For Stage 2 and 3, Bank applies lifetime PDs but uses 12 month PDs for Stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Forbearance

A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in de-recognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forborne state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired

The following table breaks down the Bank's loan exposures (on balance sheet) exposure at their gross carrying amounts, as categorised by geographical regions as of 31 December 2023.

	Asset classes						
Sector	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	Grand Total
Sovereign	3,120,018	0	0	0	0	0	3,120,018
Financial industry (bank and non-bank)	0	0	1,213,081	142,927	0	60,364	1,416,371
Other services	0	564,316	0	0	0	2,539	566,855
Wholesale and retail trade	0	0	0	284,882	11,359	2,388	298,629
Real Estate	0	0	0	0	30,742	0	30,742
Mining & Quarrying	0	0	0	0	0	678	678
Transport, Storage & Communication	0	0	0	0	0	207	207
Manufacturing	0	0	0	0	0	31	31
Total	**3,120,018**	**564,316**	**1,213,081**	**427,809**	**42,101**	**66,207**	**5,433,532**

The following table breaks down the Bank's off balance sheet exposure at their gross carrying amounts, as categorised by geographical regions as of 31 December 2023.

	Asset classes						
Sector	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	Grand Total
Financial industry (bank and non-bank)	0	0	5,331,978	279,468	0	0	5,611,446
Wholesale and retail trade	0	0	0	1,039,455	0	0	1,039,455
Mining & Quarrying	0	0	0	645,451	0	0	645,451
Other services	0	46,783	0	477,127	237	0	524,147
Manufacturing	0	0	0	197,444	0	0	197,444
Transport, Storage & Communication	0	0	0	91,825	0	0	91,825
Construction	0	0	0	15,000	0	0	15,000
Total	**0**	**46,783**	**5,331,978**	**2,745,770**	**237**	**0**	**8,124,768**

The following table breaks down by on balance sheet exposure categorised by geography and asset class as at 31 December 2023.

	Asset classes						
Country of Incorporation	**Claims on Sovereign**	**Public Sector Entities**	**Claims on Bank**	**Claims on Corporates**	**Past Due**	**Other Assets**	**Grand Total**
Australia	0	0	7	0	0	0	7
Bahrain	0	0	0	0	0	0	0
Canada	0	0	5	0	0	0	5
Denmark	0	0	0	0	0	0	0
Egypt	0	0	0	0	0	0	0
Germany	0	0	1,890	0	0	0	1,890
Hongkong	0	0	1	0	0	0	1
India	0	0	535	0	0	0	535
Japan	0	0	9	0	0	0	9
Jordan	0	0	0	0	0	0	0
Kuwait	0	0	3,459	0	0	207	3,666
Luxembourg	0	0	0	0	0	0	0
Mauritius	0	0	1	0	0	0	1
Netherlands	0	252,519	0	0	0	1,546	254,065
New Zealand	0	0	1	0	0	0	1
Norway	0	0	0	0	0	0	0
Oman	0	0	5	0	0	0	5
Pakistan	0	0	8	0	0	0	8
Qatar	0	0	523,337	0	0	23	523,360
Saudi Arabia	0	0	607,737	0	0	-127	607,610
Singapore	0	0	10	0	0	0	10
South Africa	0	0	1,858	0	0	0	1,858
Sweden	0	0	5	0	0	0	5
Switzerland	0	0	10	142,927	0	1,857	144,794
United Arab Emirates	3,120,018	311,797	8,905	284,882	42,101	62,318	3,830,022
United Kingdom	0	0	26,266	0	0	21	26,287
United States of America	0	0	39,033	0	0	362	39,395
Total	**3,120,018**	**564,316**	**1,213,081**	**427,809**	**42,101**	**66,207**	**5,433,532**

The following table breaks down by off balance sheet exposure categorised by geography and asset class as at 31 December 2023.

Country of Incorporation	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	Grand Total
Bahrain	0	0	550,950	0	0	0	550,950
China	0	0	7,481	0	0	0	7,481
India	0	0	1	0	0	0	1
Ireland	0	0	87,885	0	0	0	87,885
Italy	0	0	165,829	0	0	0	165,829
Jordan	0	0	2,122	0	0	0	2,122
Kuwait	0	0	308,532	91,825	0	0	400,357
Luxembourg	0	0	0	20,171	0	0	20,171
Mauritius	0	0	4,408	0	0	0	4,408
Oman	0	0	163,449	0	0	0	163,449
Qatar	0	0	1,220,946	0	0	0	1,220,946
Saudi Arabia	0	0	1,049,912	0	0	0	1,049,912
South Africa	0	0	899	0	0	0	899
Spain	0	0	113,993	0	0	0	113,993
Switzerland	0	0	550,950	279,468	0	0	830,418
United Arab Emirates	0	46,783	717,812	1,705,470	237	0	2,470,302
United Kingdom	0	0	369,110	0	0	0	369,110
United States of America	0	0	17,702	648,835	0	0	666,538
Total	**0**	**46,783**	**5,331,979**	**2,745,770**	**237**	**0**	**8,124,769**

The following table breaks down by on balance sheet exposure categorised by Residual maturity as at 31 December 2023.

	Asset classes						
Residual Maturity	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	Grand Total
Less than 3 months	3,120,018	0	203,123	282,848	42,101	27,800	**3,675,890**
3 months to 1 year	0	311,797	1,009,958	144,961	0	35,104	**1,501,820**
1 year to 5 years	0	252,519	0	0	0	3,302	**255,821**
Total	**3,120,018**	**564,316**	**1,213,081**	**427,809**	**42,101**	**66,207**	**5,433,532**

The following table breaks down by off balance sheet exposure categorised by Residual maturity as at 31 December 2023.

	Asset classes						
Residual Maturity	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	Grand Total
Less than 3 months	0	46,783	5,331,978	2,463,090	237	0	**7,842,088**
3 months to 1 year	0	0	0	21,591	0	0	**21,591**
1 year to 5 years	0	0	0	261,089	0	0	**261,089**
Total	**0**	**46,783**	**5,331,978**	**2,745,770**	**237**	**0**	**8,124,768**

The following table breaks down the Bank's impaired exposures categorised by industry and related allowances and write-offs, broken down by industry as at 31 December 2023. All these exposures are based out of UAE.

Industry	**Exposure (AED'000)**	**Related Allowances (AED'000)**	**Write off during the year (AED'000)**
Construction	30,742	30,742	-
Other services	237	0	14,810
Trade*	11,359	8,059	-
Grand Total	**42,338**	**38,801**	**14,810**

All past due exposures of the Bank are due in excess of 181 days.
Exposure under other services are default off balance sheet exposures
All the exposures mentioned above are UAE based exposures

*Only restructured exposure

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

This template illustrates the effect of CRM (comprehensive and simple approach) on standardised approach capital requirements' calculations.

RWA density provides a synthetic metric on riskiness of each portfolio.

		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	3,120,018	0	3,120,018	0	0	0%
2	Public Sector Entities	564,316	46,783	564,316	11,781	326,659	57%
3	Multilateral development banks	0	0	0	0	0	0%
4	Banks	1,213,081	5,331,979	1,213,081	694,442	725,705	38%
5	Securities firms	0	0	0	0	0	0%
6	Corporates	427,809	2,745,770	427,809	528,391	890,119	93%
7	Regulatory retail portfolios	0	0	0	0	0	0%
8	Secured by residential property	0	0	0	0	0	0%
9	Secured by commercial real estate	0	0	0	0	0	0%
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0%
11	Past-due loans	0	237	0	237	237	100%
12	Higher-risk categories	0	0	0	0	0	0%
13	Other assets	66,207	0	66,207	0	93,691	142%
14	**Total**	**5,391,431**	**8,124,769**	**5,391,431**	**1,234,851**	**2,036,410**	**31%**

The RWA density of 31% is calculated as Total risk-weighted assets/exposures post-CCF and post-CRM which includes soverign exposures.
Key Movements - RWAs decreased by AED 489 mn from AED 2525 bn reported in June 2023 primarily driven by repayments

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

This template presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

		a	b	c	d	e	f	g	h	i
	Risk Weight / Asset Class	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	3,120,018	0	0	0	0	0	0	0	3,120,018
2	Public Sector Entities	0	311,797	0	0	0	264,300	0	0	576,097
3	Multilateral development banks	0	0	0	0	0	0	0	0	0
4	Banks	0	768,319		1,134,333	0	4,863	8	0	1,907,523
5	Securities firms	0	0	0	0	0	0	0	0	0
6	Corporates	0	0	0	132,163	0	824,037	0	0	956,200
7	Regulatory retail portfolios	0	0	0	0	0	0	0	0	0
8	Secured by residential property	0	0	0	0	0	0	0	0	0
9	Secured by commercial real estate	0	0	0	0	0	0	0	0	0
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0	0	0	0
11	Past-due loans	0	0	0	0	0	237	0	0	237
12	Higher-risk categories	0	0	0	0	0	0	0	0	0
13	Other assets	20,564	0	0	0	0	13,611	0	32,032	66,207
14	**Total**	**3,140,582**	**1,080,116**	**0**	**1,266,495**	**0**	**1,107,048**	**8**	**32,032**	**6,626,282**

Key Movements - Total credit Exposures(post CCFand post CRM) decreased by AED 1641 mn from AED 8,267 bn reported in June 2023 largely driven by reduction due to repayments.

9. Market Risk

General qualitative disclosure requirements related to market risk (MRA)

Market Risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Currently, the UAE Branch does not hold any positions in commodities or equities. Bank also does not have a trading book positions. The UAE Branch has residual foreign currency exposures in its banking book, which are used in computing the market risk RWA.

Foreign Exchange Risk

Barclays Bank UAE executes foreign exchange transactions to serve its clients, and for its own balance sheet management purposes. Any significant exposures resulting from these activities are closed out in the foreign exchange markets.

Organisation, roles and responsibilities

UAE Treasury Middle Office team compiles FX risk reports and provides the same to UAE Treasury, ALM Risk team and to various other stakeholders. UAE branch Assets and Liabilities Forum (ALFo), together with the UAE Treasury, are responsible for monitoring and managing FX risk in line with the Banks management objectives and risk frameworks. ALM Risk team providing second line oversight of the management of FX risk.

Management of FX Risk

FX risk is measured in Value at Risk (VaR), a measure of the potential loss of value arising from unfavourable market movements at a specific confidence level, if current positions were to be held unchanged for the predefined holding period.

For internal market risk management purposes, a historical simulation methodology is used with a ten years historical data, at a 95% confidence level. VaR is calculated on a daily basis and exposure is monitored against defined limits.

Barclays Bank UAE Treasury executes the strategies to minimise FX risk and maintains it within the agreed FX DVaR limit.

Market risk under the standardised approach (MR1)

This table provides the components of the capital requirement under the standardised approach for market risk.

		RWA AED ('000)
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	1,200
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus method	-
7		
8	Securitisation	-
9	**Total**	**1,200**

10. Interest rate risk in the banking book (IRRBB)

IRRBB risk management objectives and policies (IRRBBA)

Definition

Interest rate risk in the banking book (IRRBB) is defined as the risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.

Overview

Interest rate risk in the banking book is driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Group's policy to remain within the defined risk appetite, hedging strategies are executed to mitigate the various IRRBB risks that result from these activities.

However, the Barclays Bank UAE remains susceptible to interest rate risk and other non- traded market risks arising mainly from the adverse impact by a change in interest rates, differences in the timing of interest rate changes between assets and liabilities, and other constraints on interest rate changes as per product terms and conditions.

Organisation, roles and responsibilities

UAE branch Assets and Liabilities Forum (ALFO), together with the UAE Treasury, are responsible for monitoring and managing IRRBB risk in line with the Banks management objectives and risk frameworks. Group ALM and ALM Risk team provide first and second line oversight of the management of IRRBB, respectively.

Management of IRRBB

Barclays Bank UAE Treasury executes the strategies to minimise IRRBB and maintain it within the agreed IRRBB limits. Therefore, the primary control for IRRBB is calculating the risk metrics described below and monitoring risk exposures.

Summary of measures for non-traded market risk

IRRBB is measured monthly using the following risk metrics:

Measure	*Definition*
Net Interest Income (NII)	A measure of the potential change in Net Interest Income (NII) due to an adverse interest rate movement over a predefined time horizon.
Economic Value of Equity (EVE)	A measure of the potential change in the present value of expected future cash flows due to an adverse interest rate movement, based on the existing balance sheet expected run-off profile.
Value at risk (VaR)	A measure of the potential loss of value arising from unfavourable market movements at a specific confidence level, if current positions were to be held unchanged for the predefined holding period.

Net Interest Income (NII)

NII measures the sensitivity of net interest income over a one-year period. It is calculated as the difference between the estimated income using the expected rate forecast and the lowest estimated income following a parallel increase or decrease of in interest rates.

The main model assumptions are:

Interest rate levels are shocked by +/-200bp as per the prescribed scenarios in line with The Central Bank of The UAE's Guidance on Capital Adequacy of Banks in the UAE. The balance sheet is kept at the current level with no assumed growth, and run-off balances are reinvested on a like-for-like basis to maintain a constant balance sheet. A number of temporary non-core funding balances are not reinvested. Structural non-maturing deposits are adjusted for an assumed behavioural profile, to align with the expected product life cycle.

NII sensitivity is calculated on a monthly basis for the entire banking book, including the investments in the liquid asset portfolio. The metric provides a measure of how interest rate risk may impact the Bank's earnings, providing a simple comparison between risk and returns. As NII provides a view on the next year's earnings impacts of interest rate risk, Barclays also monitors economic value metrics to complement the view as this captures the IRRBB impact of risk exposures beyond one year. However, this measure should not be interpreted as a projection of the bank's future expected earnings in each interest rate scenario.

Economic Value of Equity (EVE)

EVE calculates the change in the present value of the Bank's expected future cash-flows across the six prescribed scenarios in line with The Central Bank of The UAE's Guidance on Capital Adequacy of Banks in the UAE. Note that the EVE calculation measures sensitivity in terms of present value, while NII measures income sensitivity, and as such are complimentary.

The EVE measure is calculated on a monthly basis and is applied to the full life of transactions allowing the risk over the whole life of positions to be considered. It does not capture the impact of business growth or management actions and is based on the expected balance sheet run-off profile.

The main model assumptions are:
All cash flows are included within the EVE scenarios, with commercial margins excluded and discounted at the relevant risk-free interest rate.

The Bank's equity is excluded from the calculation. Deposits which have no defined maturity date have been profiled according to their relevant behavioural profile. The profiling of non-maturing deposits in shock scenarios is aligned to the baseline scenario as the baseline scenario is sufficiently prudent to mitigate expected customer behaviours in shocked scenarios.

EVE is calculated by currency and aggregated accounting for 50% of the benefit of any positive change in EVE.

Value at Risk (VaR) Process

In addition to the above measures, VaR is also used for IRRBB management. VaR is an estimate of the potential loss arising from unfavourable market movements if the current position were to be held unchanged for a set period. For internal market risk management purposes, a historical simulation methodology is used with a ten year historical data, at a 95% confidence level.

Internal risk management daily VaR is used to measure residual interest and foreign exchange risks. VaR is calculated on a daily basis and exposure is reported versus defined limits.

Maturity assigned to non-maturity deposits:

The average repricing maturity assigned to non-maturing deposits is 11 months, with the longest repricing maturity assigned to any portfolio of non-maturing deposits being 60 months. This is calculated using a simple weighted average maturity including all non- maturing deposits, regardless of hedging treatment.

Change in EVE and NII under the supervisory shock scenarios.

The following table shows the impact on the Bank's EVE and NII from the six standardised supervisory interest rate shock scenarios prescribed by the UAE Central Bank.

Table IRRBB1: Quantitative information on IRRBB

In reporting currency (AED '000)	ΔEVE	ΔEVE	ΔNII	ΔNII
Period	**31-Dec-2023**	**31-Dec-2022**	**31-Dec-2023**	**31-Dec-2022**
Parallel up	208	(14,855)	(4,619)	(21,658)
Parallel down	(7,282)	2,875	4,619	21,653
Short rate up	(2,983)	(22,784)		
Short rate down	(1,265)	9,502		
Steepener	2,461	8,492		
Flattener	(4,467)	(19,257)		
Maximum	**(7,282)**	**(22,784)**	**(4,619)**	**(21,658)**
Period	**31-Dec-2023**		**31-Dec-2022**	
Tier 1 capital	**2,474,649**		**2,293,518**	

The maximum EVE loss under the six scenarios was AED 7.282 Mn under the parallel down scenario as of 31 December 2023. The maximum one-year NII loss was AED 4.619 Mn under the parallel up scenario as of 31 December 2023.

The material drivers of the maximum loss scenarios for NII and EVE are repricing mismatches in loans and deposits as part of the Corporate portfolio. The reduction in NII and EVE during 2023 is attributed to maturity of the corporate loans.

11. Operational Risk

Qualitative disclosures on operational risk (OR1)

OPERATIONAL RISK

Operational Risk is defined as the risk of loss to Barclays (the "Group" or the "Bank") from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.

Overview

The management of operational risk has three key objectives:

- Deliver an operational risk capability owned and used by business leaders.
- Provide the frameworks, policies and standards to enable management to meet their risk management responsibilities while the second line of defence provides robust, independent, and effective oversight and challenge.
- Deliver a consistent and aggregated measurement of operational risk that will provide clear and relevant insights, so that the right management actions can be taken to keep the operational risk profile consistent with the Group's strategy, the stated risk appetite and stakeholder needs.

The Bank operates within a strong system of internal controls that enables business to be transacted and risks taken without exposing the Group to unacceptable potential losses or reputational damages.

Operational Risk Categories

Operational risks are grouped into risk categories to support effective risk management, measurement and reporting. These are defined as follows:

•Data Management & Information Risk: The risk that Barclays Data and Records are not defined, captured, stored or managed in accordance with their value, and legal and regulatory requirements

•Financial Reporting Risk: The risk of a material misstatement or omission within the Group's

external financial reporting, regulatory reporting or internal financial management reporting

•Fraud Risk: The risk of financial loss when an internal or external party acts dishonestly with the intent to obtain an undue benefit, cause a loss to, or expose either the Group or its customers and clients to a risk of loss

•Information Security Risk: The risk that Barclays information is not protected against potential unauthorised access, use, modification, disruption or destruction

•Operational Recovery Planning Risk: The risk that Barclays does not understand the impact of operational disruption on its business services, is unable to recover business services within agreed timeframes, or does not have the ability to effectively respond to a crisis

•Payments Process Risk: The risk of payments being processed inaccurately, with delays, without appropriate authentication and authorisation. It also covers the risk associated with ineffective management associated with Payment/Card Scheme membership.

•People Risk: The set of risks associated with employing and managing people, including compliance with regulations, appropriate resourcing for requirements, recruitment and development risks

•Premises Risk: The risk of business detriment or harm to people due to premises and infrastructure issues

•Physical Security Risk: The risk of business detriment, financial loss or harm to people as a result of any physical security incident impacting the Group or a Group employee

- relating to harm to people, unauthorised access, intentional damage to premises or theft or intentional damage to moveable assets

•Change Delivery Management Risk: The risk of failing to deliver and implement the agreed change initiatives and business outcomes required to deliver the Group and Business Unit Strategy within agreed timelines.

•Supplier Risk: The risk that is introduced to the Group as a consequence of obtaining services or goods from another legal entity or entities whether third-party service providers or internal as a result of inappropriate and/or inadequate selection, management, or exit management resulting in operational, reputational and/or conduct risk to Barclays.

•Reporting Risk: The risk that risk reports within the scope of BCBS239, produced for internal risk decision-making or external regulatory purposes, are not adaptable, accurate, comprehensive, clear and useful, generated at appropriate frequency, or distributed to relevant parties.

•Tax Risk: The risk of unexpected tax cost in relation to any tax for which Barclays is liable, or of

reputational damage on tax matters with key stakeholders such as tax authorities, regulators, shareholders or the public. Tax cost includes tax, interest or penalties levied by a taxing authority.
•Technology Risk: The risk to Barclays that comes about through its dependency on Technological solutions

Transaction Operations Risk: The risk of an unintentional error in the execution of a customer transaction resulting in delayed or inaccurate processing which may lead to customer harm or loss (or gain) to the Bank, in the form of financial or non-financial impacts.

The Operational Risk Taxonomy also includes operational risks associated with other Principal Risks, including Compliance, Legal, Climate, Model, Reputation Risk, and Financial Risks (Credit, Market, Treasury and Capital). These risks may result in financial and/or non-financial impacts including legal/regulatory breaches or reputational damage.
Barclays also recognises that there are certain threats and risk drivers which are interconnected and have the potential to impact the Group's strategic objectives. Referred to as Connected Risks, these risks require an integrated risk management and reporting approach:

•Data: The risks associated with the management, quality and control of data, its protection and confidentiality and its correct usage
•Resilience: The risk of the organisation's ability to anticipate, prevent, adapt, respond to, recover and learn from internal or external disruption, continuing to provide important business services to customers and clients, and minimise any impact on the wider financial system
•Third-Party Service Management: The risk associated with Third-Party Service Providers - defined as all entities that have entered into an arrangement with Barclays in order to provide business functions, activities, goods, and/or services.

Roles and responsibilities

The prime responsibility for the management of operational risk and the compliance with control requirements rests with the legal entities, business and functional units where the risk arises. The operational risk profile and control environment are reviewed by business management through specific meetings which cover these items. Operational risk issues escalated from these meetings are further considered through the second line of defence review meetings. Depending on their

nature, the escalated outputs of these meetings are presented to the Control Forum.

Barclays legal entities, businesses and functions are required to report their operational risks on both a regular and an event-driven basis, where the reports include a profile of the material risks that may threaten the achievement of business objectives and the effectiveness of key controls, operational risk events and a review of scenarios.

The Group Head of Operational Risk is responsible for establishing, owning and maintaining an appropriate Group-wide Operational Risk Framework and for overseeing the portfolio of operational risk across the Group.

The Operational Risk function which acts in a second line of defence capacity is responsible for defining and overseeing the implementation of the framework and monitoring the Group's operational risk profile.

Operational risk framework

The Operational Risk Framework comprises a number of elements which allow the Bank to manage and measure its operational risk profile and to calculate the amount of operational risk capital that Bank needs to hold to absorb potential losses. The minimum, requirements for each of these elements are set out in the Operational Risk Framework and supporting policies implemented in Barclays Group across operating entities, businesses and functions.
The Operational Risk Framework which is a key component of the Group-wide Enterprise Risk Management Framework (ERMF) has been designed to promote effective risk management and to meet governance and regulatory requirements.

The Operational Risk Framework includes the following elements.

•Risk and Control Self-Assessment ("RCSA"): Risk and control self-assessments (RCSAs) are the way in which Barclays Group identifies and assesses the risks which are inherent in the material processes operated by Barclays Group. Managers in the business use the RCSA approach to evaluate the controls in place to mitigate those risks and assess the residual risk exposure to Barclays Group. The businesses / functions are then able to make decisions on what action, if any,

is required to reduce the level of residual risk to Barclays Group. These risk assessments are monitored on a regular basis to maintain that each business understands the risks it faces.

•Risk Events: An operational risk event is any circumstance where, through the lack or failure of a control, Barclays Group has actually, or could have, made a loss. The definition includes situations in which Barclays Group could have made a loss, but in fact made a gain, as well as incidents resulting in reputational damage or regulatory impact only. A standard threshold is used across Barclays Group for reporting risk events and part of the analysis includes the identification of improvements to processes or controls, to reduce the recurrence and/or magnitude of risk events.

For significant events, both financial and non-financial, this analysis includes the completion of a formal lessons learned report. Barclays Group also maintains a record of external risk events which are publicly available and is a member of the Operational Risk data eXchange (ORX), a not-for-profit association of international banks formed to share anonymous loss data information. This external loss information is used to support and inform risk identification, assessment and measurement.

• Operational Risk Appetite: The Board approves an Operational Risk Appetite Statement on an annual basis, establishing the level of operational risk that is acceptable in pursuit of Barclays Group's strategic objectives. Operational risks are assessed and monitored against the Board approved Operational Risk Appetite, with Risk Reduction Plans established for any risks that are above the acceptable level. The Operational Risk Profile is monitored through Risk Committees at legal entity, Barclays Group and Board level in the context of Operational Risk Appetite.

• Key Indicators: Key indicators (KIs) are metrics which allow the Operational Risk Profile to be measured and monitored against Management's Risk Appetite. KIs include defined thresholds and performance is reported regularly to Management to drive action when risk exceeds acceptable limits.

• Risk Scenarios: Risk scenarios are a summary of the extreme potential risk exposures for Barclays Group covering the complete range of risks. The scenarios include an assessment of the key drivers for the exposure, occurrence and impact of the scenario and a review of the corresponding control environment. The risk scenario assessments are a key input to the calculation and benchmarking of economic capital requirements (see following section on operational risk measurement). The assessment considers analysis of internal and external loss

experience, Key Risk Indicators, Risk and Control Self-Assessments and other relevant information. The businesses and functions analyse potential extreme scenarios, considering the:

- circumstances and contributing factors that could lead to an extreme event;
- potential financial impacts;
- controls that seek to limit the likelihood of such an event occurring; and
- the mitigating actions that would be taken if the event were to occur (for example crisis management procedures, business continuity or disaster recovery plans).

Management then determine whether the potential risk exposure is acceptable or whether changes in risk management control or business strategy are required.

The risk scenarios are regularly re-assessed, taking into account trends in risk factors.

- Reporting: The ongoing monitoring and reporting of operational risk is a key component of the Operational Risk Framework. Reports and management information are used by the Operational Risk function and by legal entity and business management to understand, monitor, manage and control operational risks and losses. The operational risk profile is reviewed by senior management at legal entity Risk Committee meetings as well as the Operational Risk Profile Forum, Operational Risk Committee and BRC, BAC and the Board.

- OR Measurement: Barclays Group assesses its Operational Risk Capital requirements using the Standardised Approach (TSA). Barclays Group also maintains a voluntary floor for the Regulatory Capital. The floor is based on the Capital calculated by Barclays Group under the previous AMA regime.
- Insurance: As part of its risk management approach, Barclays Group also uses insurance to mitigate the impact of some operational risks.

Operational Risk Measurement

Barclays Bank UAE Branch follows the basic indicator approach (BIA) approach for capital assessment for operational risk.

12. Remuneration Policy

Remuneration Policy (REMA)

Remuneration Governance

The Barclays Bank PLC Board Remuneration Committee (the 'Committee') is responsible for overseeing Barclays Bank PLC remuneration. The mandate and responsibilities of the Committee and details of the number of meetings held during the year are included in the 2023 BBPLC Annual Report. During 2023 the Committee had access to market data on compensation provided by Willis Towers Watson when considering incentive levels and remuneration packages. In the course of its deliberations, the Committee also considers the views of the Group Chief Executive, the Group Human Resources Director and the Group Reward and Performance Director. The Group Finance Director and Group Chief Risk Officer also provide regular updates on the Group's financial performance and risk profile respectively.

The Committee has adopted the overarching principles and parameters of the remuneration policy set by the Barclays PLC Remuneration Committee, as disclosed in the Remuneration report within the Barclays PLC Annual Report 2023 (the 'Remuneration report'). The Remuneration report includes a summary of remuneration policies for all employees (which also apply to material risk takers ('MRTs')), as well as the decision-making process in respect of remuneration outcomes including the role of relevant stakeholders (e.g. shareholders, regulators and employees).

The Committee reviewed and adopted the remuneration philosophy in 2023 without change. In February 2024 the Committee added an explicit reference to delivering good customer outcomes as part of the philosophy's rewarding sustainable performance objective. For 2023 there were not any substantive changes to the all-employee remuneration policy.

Performance management and remuneration

Barclays' remuneration philosophy (set out below) links remuneration to achieving sustainable performance. In this context, sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society. Our remuneration philosophy applies to all employees of Barclays PLC globally (including those

individuals identified as MRTs) and aims to reinforce our belief that effective performance management is critical to enabling the delivery of our business strategy in line with our Values. Employees who adhere to Barclays' Values and contribute to Barclays' success are rewarded accordingly.

This is achieved by basing performance assessment on clear standards of delivery and behaviour. This starts with employees aligning their personal objectives each year ('what' they will deliver) to business and team goals, to support the delivery of the business strategy and good client/customer outcomes, to a consistently excellent standard. Behavioural expectations ('how'

people will achieve their objectives) are set in the context of our Values and Mindset.

Performance is assessed against both financial and non-financial criteria. Other factors are also taken into consideration within the overall performance assessment, including core job responsibilities, behaviours towards risk and control, colleague and stakeholder feedback, as well as input from the control functions and Chief Controls Office, where appropriate.

Details of Barclays' financial and non-financial performance, and how they relate to the incentive pool, can be found as part of the BPLC Remuneration Committee Chair's statement in the Remuneration report. Similar considerations were made by the Committee in respect of BBPLC incentive pool.

Through our approach to performance management, the equal importance of both what an individual has delivered and how the individual has achieved this is emphasised, encouraging balanced consideration of each dimension. Both of these elements are assessed and rated independently of each other; there is no overall rating. This allows for more robust and reflective conversations between managers and team members on the individual components of performance.

Barclays remuneration philosophy

The remuneration philosophy below sets out the basis upon which Barclays made remuneration decisions and set remuneration policies during 2023. Barclays' remuneration philosophy applies to all employees globally.

The objectives of Barclays' remuneration philosophy are to:

- Attract and retain talent needed to deliver Barclays' strategy - Long-term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent.
- Align pay with investor and other stakeholder interests - Remuneration should be designed with appropriate consideration of the views, rights and interests of stakeholders. This means listening to our shareholders, other investors, regulators, government, customers and employees and ensuring their views are appropriately represented in remuneration decision-making.
- Reward sustainable performance - Sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them, and playing a valuable role in society.
- Support Barclays' culture and values - Results must be achieved in a manner consistent with our Values. Our Values, culture and Mindset should drive the way that business is conducted.
- Align with risk appetite, risk exposure and conduct expectations - Designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.
- Be fair, transparent and as simple as possible - We are committed to ensuring pay is fair, simple and transparent for all our stakeholders. All employees and stakeholders should understand how we reward our employees and fairness should be a lens through which we make remuneration decisions.

The Barclays Group remuneration policy is reviewed annually by the Barclays PLC Remuneration Committee. The Committee is asked to review and adopt any changes to the policy, where appropriate.

Risk adjustment and remuneration

Another key feature of our remuneration philosophy is the alignment of remuneration with our risk appetite and with the conduct expectations of Barclays, our regulators and other stakeholders. The Committee takes risk and conduct events very seriously and ensures that there are appropriate adjustments to individual remuneration and, where necessary, the incentive pool.

The Remuneration Review Panel (the 'Panel'), which reports to the Committee, supports the Committee in this process. The Panel is chaired by the Group HR Director and includes the Group Heads of Risk, Compliance, Legal and Internal Audit as well as the President of BBPLC and the CEO of Barclays Bank UK PLC. It applies our policies and processes for assessing compensation

adjustments for risk and conduct events.

We have robust processes for considering risk and conduct as part of individual performance management, with outcomes reflected in individual remuneration decisions. Line managers have primary accountability for ensuring that risk and conduct issues are considered when assessing performance and making remuneration decisions. In addition, there is a secondary review by the control functions, for individuals involved in significant failures of risk management, conduct issues, regulatory actions or other major incidents that impact either the Group or a business area, to ensure these issues are properly considered. When considering individual responsibility, a variety of factors are taken into account, such as whether an individual was directly responsible, or whether the individual could be deemed indirectly responsible by virtue of seniority, including staff who drive BBPLC's culture and set its strategy.

Actions that may be taken where risk management and conduct falls below required standards include:

- Individual adjustments - Current year annual bonuses may be adjusted downwards where individuals are found to be involved (either directly or indirectly) in a risk or misconduct event.

- Collective adjustments - In addition to reductions to individuals' bonuses, the Committee considers and makes collective adjustments to the incentive pool for specific risk and conduct events. The Committee also adjusts the incentive pool to take account of an assessment of future risks, including conduct, non-financial factors that can support the delivery of a strong risk management, control and conduct culture, and other factors including reputation, and impact on customers, markets and other stakeholders. The Committee is supported in its consideration of this adjustment by the BBPLC Board Risk Committee.

- Malus - Unvested deferred bonuses from prior years are subject to malus provisions, which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events that may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.

- Clawback - Clawback applies to any variable remuneration awarded to a MRT on or after 1 January

2015 in respect of years for which they were a MRT. Barclays may apply clawback if, at any time during the seven-year period from the date on which variable remuneration is awarded to a MRT:

(i) there is reasonable evidence of employee misbehaviour or material error, and/or

(ii) the firm or the business unit suffers a material failure of risk management, taking account of the individual's proximity to and responsibility for that incident.

Remuneration structure

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Some employees, including some MRTs, also receive Role Based Pay ('RBP'). Remuneration of all MRTs is subject to a 2:1 maximum ratio of variable to fixed remuneration.

The remuneration of employees engaged in control functions is determined independently from the business they support and within the parameters of the incentive pool allocated to them by the Committee. Remuneration for control function employees is less weighted towards variable remuneration compared to front-office employees, with the ratio of variable to fixed remuneration typically limited to 1:1.

Fixed Remuneration

- Salary - Salaries reflect individuals' skills and experience and are reviewed annually. They are increased where justified by role change, increased responsibility, to reflect a change in the market rate or maintain appropriate competitive positioning. Salaries may also be increased in line with local statutory requirements and union and works council commitments.
- Role Based Pay - Some MRTs receive a class of fixed pay called RBP to recognise the seniority, scale and complexity of their role. RBP may be adjusted where justified by a role or responsibility change or a change in the appropriate market rate.
- Pension and benefits - The provision of a competitive package of benefits is important to attracting and retaining the talented staff needed to deliver Barclays' strategy. Employees have access to a range of country-specific company-funded benefits, including pension schemes, healthcare, life assurance and Barclays' share plans, as well as other voluntary employee-funded benefits. The

cost of providing these benefits is defined and controlled.

Variable Remuneration

- Annual bonus - Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset. The ability to recognise performance through variable remuneration enables the Group and BBPLC to control its cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the highly competitive market for talent in the financial services sector. Annual bonuses may be delivered in both 'up-front' and deferred components. For MRTs (excluding 'de minimis' MRTs), both the up-front and deferred components have cash and share portions, in the case of the share portions subject to retention periods of either six or twelve months.
- Bonus deferral - The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals and to ensure an appropriate amount is deferred to future years. The typical deferral structures are:

For MRTs:		For de minimis MRTs/non-MRTs	
Incentive award	**Amount deferred**	**Incentive award**	**Amount deferred**
< £500,000	40% of total award	Up to £65,000	0%
£500,000 to £1,000,000	60% of total award	> £65,000	Graduated level of deferral
> £1,000,000	60% up to £1,000,000 100% above £1,000,000		

Deferred bonuses are generally delivered in equal portions as deferred cash and deferred shares (save for the Executive Directors for whom they are delivered 100% as deferred shares) subject to the rules of the deferred cash and share plans (as amended from time to time) and to continued service. Deferred bonuses are subject to either a 3, 4, 5 or 7-year deferral period in line with regulatory requirements.

Where dividend equivalents cannot be delivered on deferred bonus shares, the number of deferred bonus shares awarded will be calculated using a share price discounted to reflect the

absence of dividends or equivalent during the vesting period.

- Shareholding Share plans - Alignment of MRTs with shareholders is achieved through deferral of incentive pay. The Committee also encourages additional employee shareholding by operating voluntary all-employee share plans in locations representing 99% of employees globally.

  Awards of guaranteed variable remuneration are only made in exceptional circumstances in the context of hiring and typically only when a new hire starts in the last quarter of the year. When determining a termination payment, Barclays considers any applicable: (a) contractual requirements; (b) policies; (c) local legal and regulatory requirements; and (d) legal and reputational risk.

Remuneration Awarded during the Financial Year (REM1)

			FY 2023 AED ('000)	FY2023 AED ('000)
			a	b
	Remuneration Amount		Senior Management	Other Material Risk-takers
1	Fixed Remuneration	Number of employees	5	
2		Total fixed remuneration (3 + 5 + 7)	5,707	
3		Of which: cash-based	4,994	
4		Of which: deferred	-	
5		Of which: shares or other share-linked instruments	-	
6		Of which: deferred	-	
7		Of which: other forms	713	
8		Of which: deferred	-	
9	Variable Remuneration	Number of employees	4	
10		Total variable remuneration (11 + 13 + 15)	494	
11		Of which: cash-based	494	
12		Of which: deferred		
13		Of which: shares or other share-linked instruments		
14		Of which: deferred		
15		Of which: other forms		
16		Of which: deferred		
17	Total Remuneration (2+10)		6,201	

Footnotes:

a) For the purposes of this submission Senior Managers are considered to be Barclays employees who are registered with the Central Bank but may be employed by a legal entity other than Barclays Bank PLC, UAE Branch.

b) Due to confidentiality and data privacy requirements, any employees categorised as a Material Risk Takers have been combined with Senior Management.

c) Due to confidentiality and data privacy requirements, no information is provided for deferred remuneration (whether Fixed or Variable Remuneration). However such remuneration:

   a. is a small proportion of the relevant individual(s)' remuneration;
   b. is not material to the branch as a whole; and
   c. is subject to potential risk adjustment.