

CENTRAL BANK OF THE UAE

Date : 20/12/1993
Ref. : BSD/2334/93

Mr. Paolo Tescari
Chief Manager
Banca Commerciale Italiana
P.O. Box 3839
Abu Dhabi.

Dear Sir,

Subject : Central Bank Circular No. 16/93 Regarding Large Exposures

With reference to the above - mentioned subject, we would like to inform you that the Board of Directors of the UAE Central Bank has decided to amend the definition of Large Exposures as follows:

Large Exposures are defined as those funded exposures (less provisions, cash collateral and deposits under lien) which the bank gives to a single borrower and his group, if these exceeded the prescribed percentages contained in the table of percentages of large exposures which appear in the Circular.

However, funded exposures secured by certain securities acceptable to the Central Bank, are not considered upto their adjusted value, as large exposures. The Central Bank shall determine the adjusted value and quality of the acceptable securities in each case which is considered a large exposure.

We would also like to inform you that the Board of Directors of the UAE Central Bank emphasizes with necessity of complying with the application of Circular No. 16/93 as from 01/01/1994. It should be noted, however, the final draft of this circular shall be dispatched to you during the coming weeks, in accordance with the above mentioned definition.

Your faithfully,
Sultan Bin Nasser Al Suwaidi
Governor