



مصرف الإمارات العربية المتحدة المركزي
CENTRAL BANK OF THE U.A.E.

REGULATIONS REGARDING
STATUTORY RESERVE REQUIREMENTS

Effective from 28 October 2020

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Part A – Overview

A.1 The Central Bank of the UAE (“CBUAE”) imposes Reserves Requirements (RR) on Deposit-Taking Licensed Financial Institutions¹ (“Institutions”) against specific type of deposits – Qualifying Liabilities (“QL”).

A.2 These Regulations -- which are to be complied with as per Article No. (32) of Decretal Federal Law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities – specify the level of RR for Institutions at the CBUAE and determine the manner in which RR are calculated.

A.3 These Regulations also specify operational arrangements related to the computation and maintenance of the RR along with their use for liquidity management and settlement purposes.

Part B – Qualifying Liabilities and Reserve Requirements Ratios

B.1 QL consists of the following UAE Dirham (AED) and foreign currency denominated deposits:

- Government Deposits
- Other Deposits

B.2 Institutions shall, over each respective Reserve Maintenance Period (“RMP”) maintain in their respective Reserve Accounts held with the CBUAE, balances equal to the amounts of their respective RR as calculated on basis of the ratios set in Annex 1 to these regulations, from time to time, by the CBUAE for:

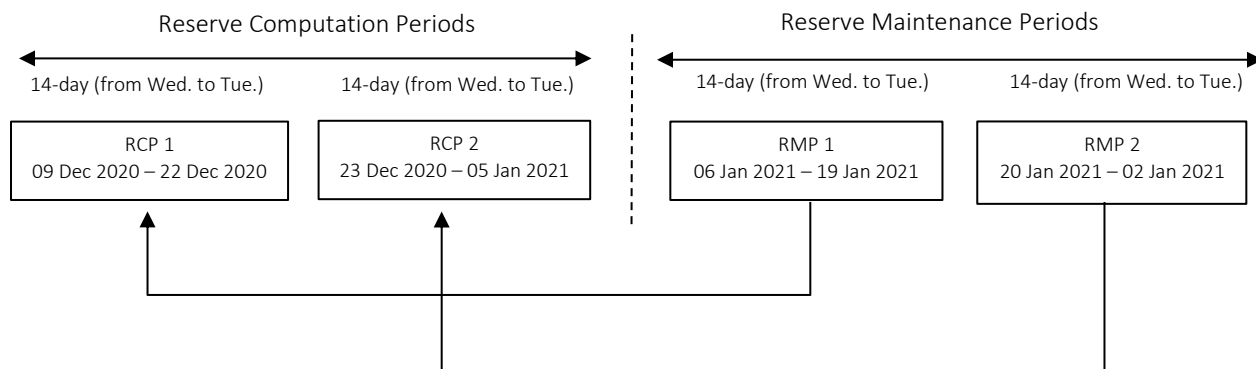
- Demand QL – Demand Deposits, Commercial Prepayments (Demand), and Savings
- Time QL – Time Deposits (including CDs / Structured Products) and Commercial prepayments (Time)

Part C – Reserve Computation and Maintenance Periods

C.1 RR applied to a specific Reserve Maintenance Period (“RMP”) are based on the average daily amount of the QL over its corresponding Reserve Computation Period (“RCP”). Both RCP and RMP shall be 14 days starting on Wednesdays and ending on Tuesdays.

¹ All institutions licensed by the CBUAE to take deposits of all types, including Shariah -compliant deposits.

C.2 The lag between the RMP and its corresponding RCP shall approximately be 2 weeks as illustrated below:



C.3 RR Reporting and Validation:

Cycle	Computation Period	Reporting date of daily average balances during the computation period	Validation of RR by the CBUAE	Notice to Institutions via UAEFTS
RCP	2-weeks from Wednesday to Tuesday	Within 4 business days from last day of RCP	Within 2 business days from the reporting date of daily average balances of the RCP	Within 1 business day from the validation of RR by the CBUAE

Institutions shall report RR on a fortnightly basis. The CBUAE will notify Institutions about the calendar of the RCPs and their corresponding RMPs through the Banking Return Form no.6 (BRF 6).

C.4 An illustration of a sample calendar of RCPs and corresponding RMPs, along with the computation and maintenance of RR is provided in Annex 2 and Annex 3 to these Regulations, respectively.

Part D – Reserve and Settlement Accounts

D.1 Funds pertaining to the RR (both in AED and foreign currencies) are to be maintained in a separate AED Reserve Account at CBUAE. For settlement purposes, the total balance held in

Reserve Accounts shall be computed in AED, by which reserves denominated in foreign currencies shall be converted into AED using the FX midpoint rate as published by CBUAE.

D.2 During the course of each business day and prior to the designated cutoff time [End of Day (“EOD”) – 1 hour] of the UAE Funds Transfer System (“UAEFTS”), Institutions will be allowed, at their own discretion, to transfer any amount of funds between their corresponding Settlement Account and their Reserve Account for the purpose of reserve averaging.

D.3 Maintenance of balances in the Reserve Account shall continue to be flexible to facilitate short-term liquidity management. This will be ensured through reserve averaging referred to in Part E of these Regulations, whereby Institutions will be allowed to draw on their balances held in their respective Reserve Accounts.

D.4 Institutions will not be allowed to have a negative balance in their Settlement Account at EOD.² Should the Settlement Account be overdrawn at the designated cutoff time of the UAEFTS, the concerned institution will be allowed to draw on any outstanding balance held in its Reserve Account. If the funds available in the Reserve Account are not sufficient to cover such a shortfall (negative balance) in the Settlement Account prior to EOD, the concerned institution shall fund the shortfall position through recourse to the interbank market or by submitting a request to access the standing credit facilities of the CBUAE.

D.5 The consolidated balance from the Settlement Account and the Reserve account shall be validated through the UAEFTS.

D.6 Annex 4 attached to this document illustrates an Institution’s position at CBUAE during a 14-day RMP. The illustration depicts the corresponding daily accounting entries related to its Reserve and Settlement Account, both at Beginning-of-Day (“BOD”) and of the UAEFTS and the EOD of the Core Banking System.

Part E – Drawing on Balances held in Reserve Accounts

E.1 Institutions will be allowed to draw on their balances held in their Reserve Account on any day up to 100%, while ensuring that they meet the average RR over the 14-day RMP.

E.2 Settlement Accounts have to be credited to the extent of outstanding balances, held in their respective Reserve Accounts in order to ensure that the Settlement Account is not overdrawn at the EOD. This will generate the following accounting entries: Debit –Reserve Account; Credit – Settlement Account.

² EOD – Core Banking System.

E.3 Funds transferred to offset the negative balance of the Settlement Account shall be reversed automatically at BOD of the next calendar date (opening of the UAEFTS). These funds shall be debited back to the Settlement Account at BOD. i.e., reversing the accounting entries posted at previous day’s EOD. The accounting entries in this case will be as follows: Debit – Settlement Account; Credit – Reserve Account.

Part F – Non-compliance with the level of Reserve Requirements

F.1 Non-compliance with the RR arises if an Institution’s average EOD balance in its Reserve Account over the 14-day RMP is less than the level of RR for the corresponding RMP.

F.2 Where an Institution fails to comply with the RR, the CBUAE shall impose a periodic financial penalty – to be levied based on the average shortfall during the corresponding RMP. The computation of the Periodic Penalty is weighted according to the number of days in the RMP as specified below:

$$\text{Periodic Penalty} = \frac{\text{Penalty Rate} \times \text{daily average shortfall} \times 14 \text{ days}}{100 \times 360 \text{ days}}$$

Where:

- The Penalty Rate shall be the CBUAE’s **Base Rate + 400 bps** and will be applied periodically at the end of the RMP as per Item (1)/paragraph (h) of Article (137) of Decretal Federal Law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities.
- Shortfall is the negative net balance between the average registered balance in the Reserve Account and the level of RR to be maintained in average during a given 14-day RMP.

F.3 The CBUAE may sanction non-compliant institutions, as per Item (1)/paragraph (f) of Article (137) of the Decretal Federal Law No. (14) of 2018, Regarding the Central Bank & Organization of Financial Institutions and Activities, by requiring them to deposit funds with the CBUAE without return and for a period CBUAE deems appropriate, in addition to any amount prescribed by RR.

F.4 In case of serious violations of RR, the CBUAE may reduce or suspend the concerned Institution’s eligibility from drawing on the CBUAE’s funds through its standing credit facilities.

F.5 The Periodic Penalty shall be paid on the second business day following the end of the RMP over which the Periodic Penalty was levied.

Part G – Operational Procedures

G.1 Institutions should refer to the guidelines set in the fortnightly BRF 6, the Operational Manual in relation to Drawing on Reserves, and the Rulebook of the UAEFTS issued by the CBUAE.³

³ Refer to Document Code – UAEFTS-AUX502: Technical Implementation in UAE Funds Transfer System & Immediate Payment Instruction (IPI) for Revised Reserve Regime under Dirham Monetary Framework.

Annex 1 – Effective Reserve Requirements Ratios

Announcement Date	RR Ratio on Demand QL in % Points	RR Ratio on Time QL in % Points	Effective Date
28 October 2020	7	1	25 November 2020
14 February 2023	11	1	12 April 2023

Annex 2 – Illustration of a sample calendar of Reserve Computation Periods and Reserve Maintenance Periods

Cycle no.	Reserve Computation Period		Corresponding Maintenance Period		Lag between RMP & RCP
	Start Day	End Day	Start Day	End Day	
1	Wednesday, October 28, 2020	Tuesday, November 10, 2020	Wednesday, November 25, 2020	Tuesday, December 08, 2020	15
2	Wednesday, November 11, 2020	Tuesday, November 24, 2020	Wednesday, December 09, 2020	Tuesday, December 22, 2020	15
3	Wednesday, November 25, 2020	Tuesday, December 08, 2020	Wednesday, December 23, 2020	Tuesday, January 05, 2021	15
4	Wednesday, December 09, 2020	Tuesday, December 22, 2020	Wednesday, January 06, 2021	Tuesday, January 19, 2021	15
5	Wednesday, December 23, 2020	Tuesday, January 05, 2021	Wednesday, January 20, 2021	Tuesday, February 02, 2021	15
6	Wednesday, January 06, 2021	Tuesday, January 19, 2021	Wednesday, February 03, 2021	Tuesday, February 16, 2021	15
7	Wednesday, January 20, 2021	Tuesday, February 02, 2021	Wednesday, February 17, 2021	Tuesday, March 02, 2021	15
8	Wednesday, February 03, 2021	Tuesday, February 16, 2021	Wednesday, March 03, 2021	Tuesday, March 16, 2021	15
9	Wednesday, February 17, 2021	Tuesday, March 02, 2021	Wednesday, March 17, 2021	Tuesday, March 30, 2021	15
10	Wednesday, March 03, 2021	Tuesday, March 16, 2021	Wednesday, March 31, 2021	Tuesday, April 13, 2021	15
11	Wednesday, March 17, 2021	Tuesday, March 30, 2021	Wednesday, April 14, 2021	Tuesday, April 27, 2021	15
12	Wednesday, March 31, 2021	Tuesday, April 13, 2021	Wednesday, April 28, 2021	Tuesday, May 11, 2021	15
13	Wednesday, April 14, 2021	Tuesday, April 27, 2021	Wednesday, May 12, 2021	Tuesday, May 25, 2021	15
14	Wednesday, April 28, 2021	Tuesday, May 11, 2021	Wednesday, May 26, 2021	Tuesday, June 08, 2021	15
15	Wednesday, May 12, 2021	Tuesday, May 25, 2021	Wednesday, June 09, 2021	Tuesday, June 22, 2021	15
16	Wednesday, May 26, 2021	Tuesday, June 08, 2021	Wednesday, June 23, 2021	Tuesday, July 06, 2021	15
17	Wednesday, June 09, 2021	Tuesday, June 22, 2021	Wednesday, July 07, 2021	Tuesday, July 20, 2021	15
18	Wednesday, June 23, 2021	Tuesday, July 06, 2021	Wednesday, July 21, 2021	Tuesday, August 03, 2021	15
19	Wednesday, July 07, 2021	Tuesday, July 20, 2021	Wednesday, August 04, 2021	Tuesday, August 17, 2021	15
20	Wednesday, July 21, 2021	Tuesday, August 03, 2021	Wednesday, August 18, 2021	Tuesday, August 31, 2021	15
21	Wednesday, August 04, 2021	Tuesday, August 17, 2021	Wednesday, September 01, 2021	Tuesday, September 14, 2021	15
22	Wednesday, August 18, 2021	Tuesday, August 31, 2021	Wednesday, September 15, 2021	Tuesday, September 28, 2021	15

23	Wednesday, September 01, 2021	Tuesday, September 14, 2021	Wednesday, September 29, 2021	Tuesday, October 12, 2021	15
24	Wednesday, September 15, 2021	Tuesday, September 28, 2021	Wednesday, October 13, 2021	Tuesday, October 26, 2021	15
25	Wednesday, September 29, 2021	Tuesday, October 12, 2021	Wednesday, October 27, 2021	Tuesday, November 09, 2021	15
26	Wednesday, October 13, 2021	Tuesday, October 26, 2021	Wednesday, November 10, 2021	Tuesday, November 23, 2021	15
27	Tuesday, October 26, 2021	Tuesday, November 09, 2021	Wednesday, November 24, 2021	Tuesday, December 07, 2021	15
28	Wednesday, November 10, 2021	Tuesday, November 23, 2021	Wednesday, December 08, 2021	Tuesday, December 21, 2021	15
29	Wednesday, November 24, 2021	Tuesday, December 07, 2021	Wednesday, December 22, 2021	Tuesday, January 04, 2022	15
30	Wednesday, December 08, 2021	Tuesday, December 21, 2021	Wednesday, January 05, 2022	Tuesday, January 18, 2022	15
31	Wednesday, December 22, 2021	Tuesday, January 04, 2022	Wednesday, January 19, 2022	Tuesday, February 01, 2022	15
32	Wednesday, January 05, 2022	Tuesday, January 18, 2022	Wednesday, February 02, 2022	Tuesday, February 15, 2022	15
33	Wednesday, January 19, 2022	Tuesday, February 01, 2022	Wednesday, February 16, 2022	Tuesday, March 01, 2022	15

Annex 3 – Illustration of the computation and maintenance of Reserve Requirements

The following data will be used for this illustration:

Reserve Computation Period (RCP)	Reserve Maintenance Period (RMP)
RCP1: Wednesday, December 9, 2020 – Tuesday, December 22, 2020	RMP1: Wednesday, January 06, 2021 – Tuesday, January 19, 2021
RCP2: Wednesday, December 23, 2020 – Tuesday, January 05, 2021	RMP2: Wednesday, January 20, 2021 – Tuesday, February 02, 2021

- Base Rate: 10 bps
- Penalty Rate: Base Rate + 400 bps = 410 bps

Step 1 – Computation of Average QL in RCP1 and RCP2

An Illustration on the computation of QL in RCP1 and RCP2 for the corresponding RMP1 and RMP2 is as follows:

RCP1 (Wednesday, December 9, 2020 – Tuesday, December 22, 2020):

Time Balance: Time Deposits (including CDs/Structured Products) and commercial prepayments (Time) in AED Million:

Date	9	10	11	12	13	14	15	16	17	18	19	20	21
Balance	100	96	78	40	90	130	140	98	100	110	80	88	76

Date	22
Balance	110

Average QL (Time Balance) for RCP1 = $(100 + 96 + \dots + 110 + 110) / 14 = \text{AED } 95.4 \text{ Million}$

Demand Balance: Demand deposits, commercial prepayments (Demand), and savings in AED Million:

Date	9	10	11	12	13	14	15	16	17	18	19	20	21
Balance	230	180	150	220	150	180	200	250	195	210	195	197	200

Date	22
Balance	210

Average QL (Demand Balance) for RCP1 = $(230 + 180 + \dots + 210 + 200) / 14 = \text{AED } 197.6 \text{ Million}$

RCP2 (Wednesday, December 23, 2020 – Tuesday, January 05, 2021):

Time Balance (in AED Million):

Date	23	24	25	26	27	28	29	30	31	1	2	3	4	5
Balance	105	96	98	80	84	94	90	98	100	105	78	90	85	100

Average QL (Time Balance) for RCP1 = $(105 + 96 + \dots + 108 + 101) / 14 = \text{AED } 93.1 \text{ Million}$

Demand Balance: Demand deposits, commercial prepayments (Demand), and savings in AED Million

Current, savings, and call accounts Balance (in AED Million):

Date	23	24	25	26	27	28	29	30	31	1	2	3	4	5
Balance	202	237	208	210	205	215	190	194	195	198	195	188	200	189

Average QL (Demand Balance) for RCP2 = $(202 + 237 + \dots + 190) / 14 = \text{AED } 201.8 \text{ Million}$

Step 2 – Computation of the level of RR for RMP2 and RMP2

To compute the level of RR, assume that RR ratios are seven percent (7%) on demand deposits, commercial prepayments (Demand), and savings (in AED Million); and one percent (1%) on time Deposits (including CDs/Structured Products) and commercial prepayments (Time) in AED Million.

The length of RMP is 14 days starting on Wednesday and ending on Tuesday.

The lag between each RMP and its corresponding RCP shall approximately be 2 weeks. Therefore, for the RMP1, the RR for RMP1 will be based on the average QL of RCP1 while the RR for RMP2 will be based on the average QL of RCP2.

RMP1 (Wednesday, January 06, 2021 – Tuesday, January 19, 2021):

In this case, the QL computed for RCP1 will be applicable to RMP1.

$$RR \text{ for RMP1} = 1\% * 95.4 + 7\% * 197.6 = \text{AED } 14.8 \text{ Million}$$

RMP2 (Wednesday, January 20, 2021 – Tuesday, February 02, 2021):

In this case, the QL computed for RCP2 will be applicable to RMP2.

$$RR \text{ for RMP2} = 1\% * 93.1 + 7\% * 201.8 = \text{AED } 15.0 \text{ Million}$$

Step 3 – Computation of the periodic penalty for non-compliance with the level of RR

RMP1:

Suppose the concerned institution’s daily balances held in the Reserve Account – EOD RMP1 starting from Wednesday, January 06, 2021 – Tuesday, January 19, 2021 are as follows:

Date	6	7	8	9	10	11	12	13	14	15	16	17	18	19
Balance	14	16	15	9	8	8	9	14	13	12	13	12	14	15

The average reserve balance for RMP1 = Sum of daily reserve account balances / 14 days

$$= (14 + 16 + \dots + 14 + 15) / 14 = \text{AED } 12.3 \text{ Million, which is lower than the minimum daily average RR of AED } 14.8 \text{ Million.}$$

There is a shortfall of AED $(14.8 - 12.3) = 2.5$ Million

Therefore, the Periodic Penalty for non-compliance during the RMP from Wednesday, January 06, 2021 – Tuesday, January 19, 2021 is calculated as follows:

$$\text{Penalty Rate} * \text{AED } 2.5 \text{ Million} * 14 \text{ days} / 100 * 360 \text{ days} = 4.1 * \text{AED } 2.5 \text{ Million} * 14 / 36000$$

$$= \text{AED } 3,986.1$$

RMP2:

Suppose the concerned institution’s balances held at the Reserve Account – EOD for RMP2 starting from Wednesday, January 20, 2021 – Tuesday, February 02, 2021 are as follows:

Date	20	21	22	23	24	25	26	27	28	29	30	31	1	2
Balance	21	18	15	14	14	13	15	13	11	11	14	16	19	22

The average reserve balance for January 20, 2021 – February 02, 2021= Sum of daily reserve account balances / 14 = (21 + 18 + ... + 19 + 22) / 14 = AED 15.4 Million, which is higher than the minimum daily average RR of AED 15.0 Million. Therefore, no periodic penalty to be charged.

Annex 4 – Illustration of the daily accounting entries from/to the Settlement account and its corresponding Reserve account.

RESERVE MAINTENANCE PERIOD (RMP)			AED	USD	FX	STATUTORY
START	END	LENGTH	RR	RR	RATE	RR
3-Feb	16-Feb	14 DAYS	5,000,000.00		1.0000	5,000,000.00
				1,000,000.00	3.6725	3,672,500.00

RMP	RESERVE ACCOUNT AT CBUAE			SETTLEMENT (CURRENT) ACCOUNT AT CBUAE					
	AED RESERVES			BOD BALANCE (OPENING OF THE UAEFTS)	EOD BALANCE (BEFORE TRANSFERS)	DoR STATUS (%)	EOD TRANSFERS		EOD BALANCE AFTER TRANSFERS (TO BE "0")
	BOD BALANCE	DRAWING ON RESERVES (DoR)	EOD BALANCE				FROM RESERVE ACCOUNT	TO RESERVE ACCOUNT	
Day 1	8,672,500.00	0.00	8,745,882.40		183,456.00	0	0.00	183,456.00	0.00
Day 2	8,672,500.00	0.00	8,802,691.20	183,456.00	325,478.00	0	0.00	325,478.00	0.00
Day 3	8,672,500.00	(7,053,650.00)	1,618,850.00	325,478.00	(7,053,650.00)	81.33	7,053,650.00	0.00	0.00
Day 4	8,672,500.00	(8,672,000.00)	0.00	(7,053,650.00)	(13,375,214.00)	100.00	3,375,214.00	0.00	0.00
Day 5	8,672,500.00	0.00	10,703,911.20	(13,375,214.00)	5,078,528.00	0	0.00	5,078,528.00	0.00
Day 6	8,672,500.00	0.00	8,901,004.00	5,078,528.00	573,760.00	0	0.00	573,760.00	0.00
Day 7	8,672,500.00	(8,672,000.00)	500.00	573,760.00	(8,672,000.00)	99.99	8,672,000.00	0.00	0.00
Day 8	8,672,500.00	(1,834,016.00)	6,838,484.00	(8,672,000.00)	(1,834,016.00)	21.15	1,834,016.00	0.00	0.00
Day 9	8,672,500.00	0.00	8,672,500.00	(1,834,016.00)	0.00	0	0.00	0.00	0.00
Day 10	8,672,500.00	(4,172,532.00)	4,499,968.00	0.00	(4,172,532.00)	48.11	4,172,532.00	0.00	0.00
Day 11	8,672,500.00	0.00	8,983,020.00	(4,172,532.00)	776,300.00	0	0.00	776,300.00	0.00
Day 12	8,672,500.00	(4,002,593.00)	4,669,907.00	776,300.00	(4,002,593.00)	16.15	4,002,593.00	0.00	0.00
Day 13	8,672,500.00	0.00	9,795,545.20	(4,002,593.00)	2,807,613.00	0	0.00	2,807,613.00	0.00
Day 14	8,672,500.00	0.00	10,222,518.80	2,807,613.00	3,875,047.00	0	0.00	3,875,047.00	0.00
TOTAL		(29,110,005.00)					29,110,005.00	13,620,182.00	
AVERAGE BALANCE STATUTORY RR	8,672,500.00		7,566,084.07	BASE RATE:	10		SPREAD OVER BASE RATE:	400	360.00
			8,672,500.00	(bps)	(bps)		(bps)	(bps)	
		(3,052,156.21)		NOTE 5		NOTE 6	(3,052,156.21)		
NET BALANCE: SURPLUS (+) / SHORTFALL (-)		(1,106,415.93)		PENALTY RATE (bps):	410		APPLIED PENALTY (AED):	1,764.12	

NOTE 1 – BOD BALANCE IS NETTED TO EQUAL STATUTORY RR. ANY EXCESS FROM PREVIOUS DAY IS TRANSFERRED TO THE SETTLEMENT ACCOUNT, AND ANY SHORTFALL IS TRANSFERRED FROM THE SETTLEMENT ACCOUNT.

NOTE 2 – ANY NEGATIVE NET BALANCE IS OFFSET BY FUNDS TRANSFERRED FROM RESERVE ACCOUNT.

NOTE 3 – BALANCE BEFORE TRANSFER, IF ANY, FROM THE RESERVE ACCOUNT SHALL BE EQUAL OR LESS THAN 100% OF THE BALANCE HELD AT THE RESERVE ACCOUNT.

NOTE 4 – AT EOD – CORE BANKING SYSTEM, SETTLEMENT ACCOUNT BALANCE IS ZERORIZED. ANY NEGATIVE NET BALANCE IS OFFSET BY FUNDS TRANSFERRED FROM RESERVE ACCOUNTS. ANY POSITIVE NET BALANCE IS TRANSFERRED TO THE RESERVE ACCOUNT.

NOTE 5 – CBUAE'S OFFICIAL RATE (ODF - INTEREST ON EXCESS RESERVES).

NOTE 6 – AS PER ITEM (1)/PARAGRAPH (H) OF ARTICLE (137) OF DECRETAL FEDERAL LAW NO. (14) OF 2018, REGARDING THE CENTRAL BANK & ORGANIZATION OF FINANCIAL INSTITUTIONS AND ACTIVITIES.

Reserve Maintenance Period

DAY 1

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	8,672,500.00	-
RESERVE ACCOUNT - XYZ BANK	AED	-	8,672,500.00

DESCRIPTION: NEW AED RR FROM DAY 1 TO DAY 14 OF THE RMP

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	183,456.00	-
RESERVE ACCOUNT - XYZ BANK	AED	-	183,456.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 1 BALANCE IS ZEROED SINCE IT IS > 0

Reserve Maintenance Period

DAY 2

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	183,456.00
RESERVE ACCOUNT - XYZ BANK	AED	183,456.00	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 1 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT)

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	325,478.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	325,478.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 2 BALANCE IS ZEROED SINCE IT IS > 0

 Reserve Maintenance Period

 DAY 3

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	325,478.00
RESERVE ACCOUNT - XYZ BANK	AED	325,478.00	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 2 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT)

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	7,053,650.00
RESERVE ACCOUNT - XYZ BANK	AED	7,053,650.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD 3 BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVEACCOUNT BALANCE IS 81.33%

 Reserve Maintenance Period

 DAY 4

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	7,053,650.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	7,053,650.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 3 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT)

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	3,375,214.00
RESERVE ACCOUNT - XYZ BANK	AED	3,375,214.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD 4 BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVE ACCOUNT BALANCES IS 38.92%

 Reserve Maintenance Period

 DAY 5

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	3,375,214.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	3,375,214.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 4 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	5,078,528.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	5,078,528.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 5 BALANCE IS ZEROED SINCE IT IS >0.

Reserve Maintenance Period

DAY 6

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	5,078,528.00
RESERVE ACCOUNT - XYZ BANK	AED	5,078,528.00	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 5 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	573,760.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	573,760.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 6 BALANCE IS ZEROED SINCE IT IS > 0.

Reserve Maintenance Period

DAY 7

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	573,760.00
RESERVE ACCOUNT - XYZ BANK	AED	573,760.00	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 6 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	8,672,000.00
RESERVE ACCOUNT - XYZ BANK	AED	8,672,000.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD 7 BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVE ACCOUNT BALANCES IS 99.99%.

Reserve Maintenance Period

DAY 8

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	8,672,000.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	8,672,000.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 7 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	1,834,016.00
RESERVE ACCOUNT - XYZ BANK	AED	1,834,016.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVE ACCOUNT BALANCES IS 21.15%.

Reserve Maintenance Period

DAY 9

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	1,834,016.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	1,834,016.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 8 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY – EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	0.00

DESCRIPTION: NO TRANSFER BETWEEN RESERVE ACCOUNT AND SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD 9 BALANCE IS ZERO (=0).

Reserve Maintenance Period

DAY 10

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	0.00

DESCRIPTION: NO TRANSFER (SETTLEMENT ACCOUNT EOD 9 BALANCE = 0).

END OF DAY - EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	4,172,532.00
RESERVE ACCOUNT - XYZ BANK	AED	4,172,532.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVE ACCOUNT BALANCES IS 48.11%.

Reserve Maintenance Period

DAY 11

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	4,172,532.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	4,172,532.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 10 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY - EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	776,300.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	776,300.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 11 BALANCE IS ZEROED SINCE IT IS > 0.

 Reserve Maintenance Period

 DAY 12

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	776,300.00
RESERVE ACCOUNT - XYZ BANK	AED	776,300.00	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 11 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY - EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	4,002,593.00
RESERVE ACCOUNT - XYZ BANK	AED	4,002,593.00	0.00

DESCRIPTION: TRANSFER FROM RESERVE ACCOUNT TO SETTLEMENT ACCOUNT. THE SETTLEMENT ACCOUNT EOD 12 BALANCE IS ZEROED SINCE IT WAS NEGATIVE. THE LEVEL OF DRAWING ON RESERVE ACCOUNT BALANCES IS 46.15%.

Reserve Maintenance Period

DAY 13

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	4,002,593.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	4,002,593.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 1 (THE AMOUNT IS DEBITED BACK TO THE SETTLEMENT ACCOUNT).

END OF DAY - EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	2,807,613.00	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	2,807,613.00

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 13 BALANCE IS ZEROED SINCE IT IS > 0.

 Reserve Maintenance Period

 DAY 14

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	0.00	1,123,045.20
RESERVE ACCOUNT - XYZ BANK	AED	1,123,045.20	0.00

DESCRIPTION: REVERSE THE ENTRIES POSTED AT EOD 13 (THE AMOUNT IS CREDITED BACK TO THE SETTLEMENT ACCOUNT)

END OF DAY - EOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	1,550,018.80	0.00
RESERVE ACCOUNT - XYZ BANK	AED	0.00	1,550,018.80

DESCRIPTION: TRANSFER FROM SETTLEMENT ACCOUNT TO RESERVE ACCOUNT. THE SETTLEMENT ACCOUNT EOD 14 BALANCE IS ZEROED SINCE IT IS > 0.

Reserve Maintenance Period

DAY 15 (SETTLEMENT)

BEGINNING OF DAY – BOD

AED A/C ENTRIES	CURRENCY	DEBIT	CREDIT
VOSTRO ACCOUNT - XYZ BANK	AED	-	8,672,500.00
RESERVE ACCOUNT - XYZ BANK	AED	8,672,500.00	-

DESCRIPTION: SETTLEMENT - REVERSE THE ENTRIES POSTED AT BOD 1 OF THE RESERVE MAINTENANCE PERIOD (END OF MAINTENANCE PERIOD)