



MONEY PROTECTS



GLOBAL EDITION · MACRO & MICRO OUTLOOK · SEPTEMBER 2026

Money Protects Capital Limited Sovereign & Institutional Profile

A regulated settlement, co-ownership and hedging architecture for non-performing exposures and rate / currency risk — routed through the UAE corridor, open from India to the United States.

Prepared for governments, sovereign and government-backed institutions, state-owned banks and development finance bodies

Issuer: Money Protects Capital Limited (MPCL) · DIFC, Dubai · DFSA Category 3C · Licence CL7741 · Firm Ref. F009299

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01 · AT A GLANCE

Governments do not need another lender. They need a settlement counterparty.

Non-performing loans and unhedged rate / currency exposure are the same problem seen from two sides: a cash-flow that has stopped matching its liability. Every government ultimately carries the residual — recapitalisations, bad banks, guarantee schemes, lost tax base. MPCL moves that residual off the state and back into a monitored, performing structure.

3 DFSA-approved, live structured products — each independently IP-registered	Cat 3C DFSA Licence CL7741 incl. Holding or Controlling Client Assets	2 tracks Track A credit & settlement · Track B treasury & hedging	USD 500M Targeted co-ownership programme vehicle; first close USD 100–250M
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THE THESIS

Macro. 2026 is moderation with a downside skew — ~3.0% global growth, inflation back to ~4.4%, a Gulf supply shock, trade fragmentation and heavy public debt. Rate cuts have started but are desynchronised; currency volatility across the India–GCC–US triangle is structurally higher. That is the environment in which the marginal borrower stops performing and the marginal treasury loses its hedge.

Micro. Even the healthiest banking system in the world — the UAE at a 3.2% NPL ratio and 16.8% capital adequacy — books impairments in the billions and hedges over AED 100 billion of securities at a single bank. The problem is solved everywhere; it is solved *expensively*, with the state as last resort.

The answer. A complete package, not a mortgage product. **Track A** settles stressed property-backed exposure into off-title co-ownership on a five-year recovery clock. **Track B** aggregates rate and currency risk into institutionally priced hedges. Both run through a DIFC hub any regulator can see into.

THE ASK

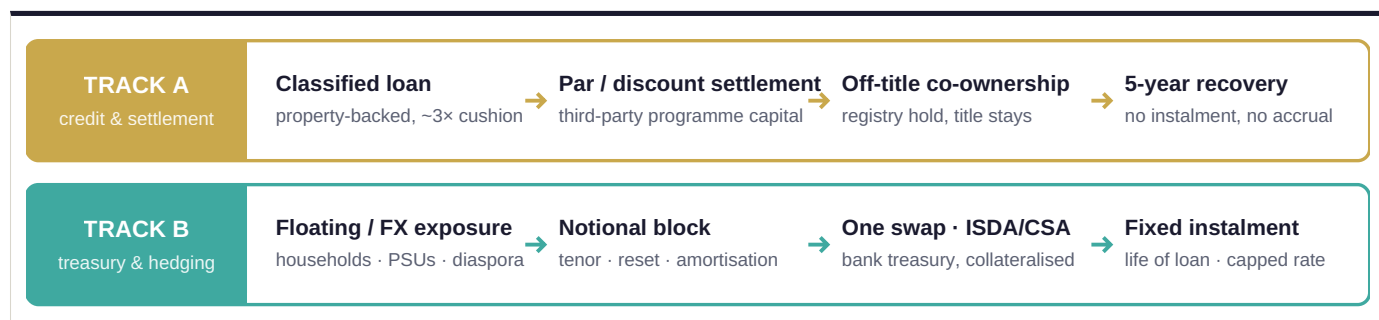
Authorisation first, capital second. Recognise the co-ownership settlement framework and the pooled-hedge framework as permitted mechanisms for state banks and state-linked borrowers, nominate one portfolio and one hedging need for a defined programme, and let audited weekly results build the case for scale. Capital follows evidence; MPCL is built to produce the evidence.

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A minister's office reads pages 02, 08, 12 and 14 in fifteen minutes. A central-bank or state-bank technical team will want 06, 09, 10 and 13.

MPCL acts as originator, structurer, servicer and — where its DFSA-approved Regulatory Business Plan permits — guarantor. Never lender, never arranger of record, never retail-facing.

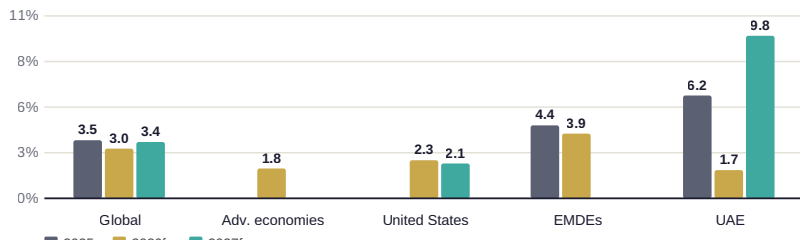


- BUILT FOR**
- Finance ministries
 - Central banks & financial regulators
 - State-owned banks & remedial desks
 - National bad banks / ARCs / AMCs
 - Housing finance agencies & guarantors
 - Sovereign wealth funds & DFIs
 - Infrastructure PSUs & municipalities
 - Diaspora-facing institutions

The world in 2026–27: moderation with a fragmentation premium

Growth holds in aggregate; dispersion and the price of insurance against rate and currency moves have gone up. Both favour a settlement-and-hedging counterparty over a plain lender.

REAL GDP GROWTH · % (IMF WEO JUN-2026 · CBUAE)



Sources: IMF World Economic Outlook (June 2026) as cited in CBUAE FSR 2025 and QER June 2026; CBUAE forecasts for the UAE. Blank bars: no published figure in the cited source.

INFLATION IS BACK ON THE TABLE



Global headline inflation is forecast to rise to 4.4% in 2026 (+0.6pp vs the prior forecast) on energy, shipping and food. The UAE stays at 2.3% on housing-cost dynamics and staple-price regulation — a low-inflation hub serving reflation-exposed spokes.

FIVE FORCES THAT DEFINE THE WINDOW



1 · Rate cycles down, desynchronised

CBUAE Base Rate 4.40% → 3.65% by Dec-2025 in lock-step with the Fed; the BoJ tightened; the 2026 shock re-opens the inflation question. Floating-rate borrowers who assumed a one-way cutting path are exposed.



2 · A Gulf supply shock with global reach

Strait of Hormuz closure cut UAE oil output 34% YoY in March; shipping and insurance costs rose from India to East Africa. Importers face a current-account and credit-quality squeeze at once.



3 · Fragmentation → corridors

Supply chains re-route along bilateral agreements. The UAE's CEPA network makes Dubai the clearing point for South–South trade. A corridor that clears goods can clear settlement and hedging flows.



4 · Debt constrains the backstop

Elevated public and private debt limits fiscal space. A state that cannot afford another recapitalisation needs private-capital settlement that keeps borrowers in their assets without a budget line.



5 · The India–GCC–US triangle

Dollar-pegged dirham, managed-float rupee, linked by remittances, local-currency settlement and diaspora property. Every cross-currency owner carries an unhedged position — a hedging market no household can access alone.

WHAT THE OUTLOOK MEANS FOR THE PACKAGE

- ✓ **Slower growth + reflation risk** → more borrowers whose instalment outruns income → Track A demand.
- ✓ **Desynchronised rates + FX volatility** → unhedged floating and cross-currency books → Track B demand.
- ✓ **Fiscal constraint** → governments prefer private-capital mechanisms with published results over new guarantee schemes.
- ✓ **Corridor economics** → a neutral, common-law hub between reflation-exposed spokes is the natural routing.

SPARRING NOTE

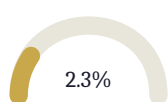
The consensus view is that lower policy rates will cure credit stress on their own. We disagree. Lower rates reduce *new* defaults; they do not resolve the *stock* already classified, nor help the borrower whose income sits in a different currency from his debt. The stock needs a settlement counterparty; the currency problem needs an aggregator. Rates alone do neither.

Reference point · Q1–Q2 2026	Value	Read-through	Reference point	Value	Read-through
CBUAE Base Rate (Dec-2025)	3.65%	Down 75 bps from Aug-2025; tracks Fed IORB	UAE real GDP 2026f → 2027f	1.7% → 9.8%	Shock absorbed, V-shaped rebound
DONIA vs Base Rate (2025 avg)	–4 bps	Fast, full pass-through to EIBOR loans	UAE PMI Feb → Apr 2026	55.0 → 52.1	Softer but still expansionary

03 · THE NON-PERFORMING EXPOSURE MAP

Headline NPL ratios are low. The exposures moved; they did not shrink.

A decade of insolvency codes, asset reconstruction companies, bad banks and relief schemes has moved bad loans off bank balance sheets into vehicles that governments ultimately stand behind. MPCL gives those vehicles a productive exit — and prevents the next cohort from arriving.



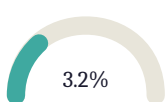
India

Scheduled-bank gross NPA ~2.3% (RBI FSR), down from an 11.2% peak in 2018

Where the stock sits. Migrated to ~28 ARCs, the NARCL bad bank and IBC resolution; unsecured retail, MSME and affordable-housing pockets re-emerging; large unhedged external commercial borrowings.

State machinery in place. IBC 2016 · NARCL / IDRCL · SEBI Cat I Special Situation AIFs · IFSCA at GIFT City · RBI-CBUAE local-currency settlement · India-UAE CEPA.

MPCL entry. GIFT City feeder into the DIFC programme; property-backed NPA co-ownership settlement for PSU banks and ARCs; pooled INR cross-currency hedge. DPIIT corridor proposal submitted — see the India edition.



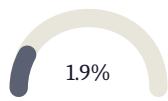
UAE / GCC

System NPL 3.2%, net 1.5%; real-estate NPL 5.0%; finance-company net NPL 7.1%; peak 8.2% in 2020

Where the stock sits. Legacy corporate workouts (NMC, Dubai World, Arabtec, Drake & Scull) resolved committee-by-committee; the 2026 resilience cohort meets its forbearance sunset in 2027–28.

State machinery in place. CBUAE TESS (2020) and Financial Institution Resilience Package (Mar-2026) · Financial Stability Council · DFSA / ADGM · Dubai Land Department registry.

MPCL entry. Par settlement or discounted purchase of property-backed classified accounts (~AED 500M initial book) with registry hold; Mortgage EMI Sleeping Period™ as a regulator-authorised framework.



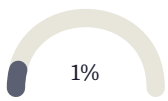
Europe

EBA-reported NPL ratio below ~2%; residual stock concentrated in Southern Europe

Where the stock sits. State-guaranteed NPL securitisations (GACS, Hercules) and legacy AMCs (SAREB, NAMA) hold the tails; commercial real-estate revaluation risk is live.

State machinery in place. ECB NPL guidance · national guarantee schemes · AMC frameworks.

MPCL entry. Co-ownership exit for guaranteed securitisation tails; DIFC vehicle as neutral third-jurisdiction counterparty; EUR-USD-AED hedging for cross-holdings.



United States

Household mortgage arrears low, but rate lock-in freezes mobility; office CRE distress and a maturity wall through 2027

Where the stock sits. ~USD 7 trillion of agency-guaranteed mortgages sit with GSEs in conservatorship; regional-bank CRE concentration; FDIC problem-bank list.

State machinery in place. FHFA / Fannie Mae / Freddie Mac · FHA / HUD loss mitigation · FDIC resolution · state Housing Finance Agencies · Treasury programmes.

MPCL entry. Home-equity co-ownership pool for rate-locked households (UPREIT and home-equity-investment precedents); CRE settlement counterparty for regional banks. US proposal workstream active.



Africa

Sovereign and quasi-sovereign arrears; FX-mismatched infrastructure debt; thin domestic hedging markets

Where the stock sits. Arrears sit with finance ministries and state utilities rather than banks; dollar debt against local-currency revenue.

State machinery in place. Afreximbank · AfDB · ATI / MIGA political-risk cover · ECAs.

MPCL entry. Facilitator / arranger role (Republic of Angola USD 2.0B syndicated facility mandate as precedent); corridor hedging through DIFC for FX-mismatched project debt.

WHY HEADLINE RATIOS UNDERSTATE THE OPPORTUNITY

- **The stock moved.** A loan sold to an ARC at a 60–80% discount, backed by guaranteed security receipts, still needs resolution — slowly, in court, with the state carrying the guarantee. Co-ownership inserts a step before that point.
- **Forbearance has a sunset.** Accounts restructured under pandemic-era and 2026 resilience packages either perform or re-classify in 2027–28.
- **The cross-currency borrower is invisible until he defaults.** Domestic NPL data cannot see the rupee-earning owner of a dirham mortgage. Hedging is prevention; settlement is cure. The package does both.

Addressable market = migrated stock + forbearance-sunset cohort + unhedged cross-currency book — tens of billions of dollars in every market above.



Component 1 · Migrated stock

Loans already inside ARCs, bad banks and AMCs on state-backed receipts — awaiting a resolution that is not a courtroom.



Component 2 · Forbearance-sunset cohort

Accounts restructured under 2020-era and 2026 relief packages that must perform or re-classify in 2027–28.



Component 3 · Unhedged cross-currency book

Performing today, invisible to NPL statistics, one 10% exchange-rate move from the classified column.

04 · UAE ANCHOR MACRO

The corridor's home base: over-capitalised, over-liquid, lending faster than arrears grow

AED 5.56T

Banking-system assets, Q1 2026
· +17.7% YoY

+20.3%

Gross credit growth YoY, Q1 2026 · mortgages +23.9% in 2025

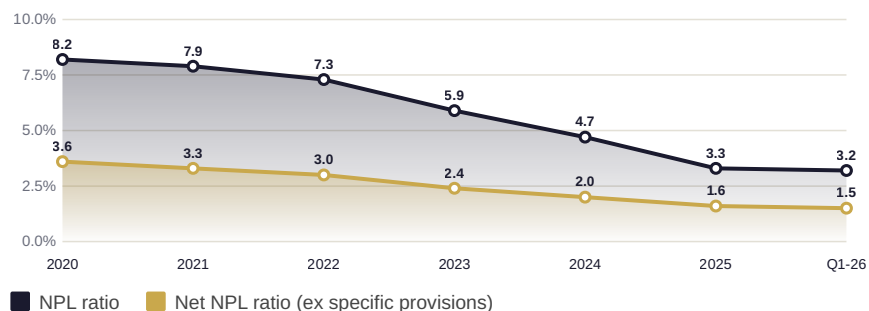
3.2% · 1.5%

NPL ratio · net NPL ratio, Q1 2026 (peak 8.2% in 2020)

16.8%

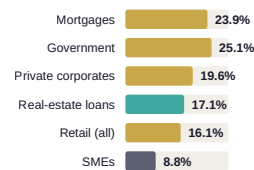
Capital adequacy · CET1 14.3%
· LCR 149.7% · ASRR 75.7%

ASSET QUALITY · NPL AND NET NPL RATIO, %



Source: CBUAE FSR 2025 · QER June 2026

CREDIT GROWTH BY SEGMENT · 2025, %



Real-estate gross loans +17.1% while the sector NPL ratio fell from 8.0% (2022) to 5.0%. Rising leverage, falling arrears, full pass-through of rate moves — the conditions in which a five-year no-instalment recovery mechanism and a fixed-instalment conversion are most valuable.

Growth: shock 2026, rebound 2027

Real GDP +6.2% in 2025 (non-oil +6.8%). The 2026 forecast was cut from 5.6% to 1.7% after the Strait of Hormuz closure; PMI slipped from 55.0 to 52.1 but stayed expansionary. 2027 is projected at +9.8% on a 25.7% hydrocarbon surge toward ~5 mb/d capacity and a doubled Habshan–Fujairah bypass pipeline. The Financial Institution Resilience Package, Dubai's AED 2.5B support package and an infrastructure-heavy budget are already deployed.

Rates and pass-through

Base Rate 4.40% → 3.65% by December 2025; DONIA averaged four basis points below it, so pass-through to EIBOR-linked mortgages is fast and complete. Sovereign CDS tight — Abu Dhabi ~36 bps, Dubai ~58 bps (Q1 2026 averages). A dollar-pegged, low-spread reference leg for every cross-currency structure routed through the hub.

Credit sentiment: first cracks

Q1 2026 survey (238 senior credit officers): lending appetite softened in households and corporates on the economic outlook and lower risk tolerance; standards unchanged for >90% of respondents but premiums on riskier loans and spreads over funding widened; conditions expected to stay subdued. Banks tighten at the margin exactly as borrower capacity is tested — the classic set-up for classified accounts 12–18 months later.

UAE banking system	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Trend
Total assets (AED bn)	4,719	4,973	5,200	5,340	5,556	+17.7% YoY
Gross credit (AED bn)	2,240	2,334	2,479	2,570	2,696	+20.3% YoY; foreign credit +50.1%
Bank deposits (AED bn)	2,936	3,046	3,186	3,305	3,446	+17.4% YoY; resident-led
Loan-to-deposit ratio	76.3%	76.6%	77.8%	77.7%	78.2%	Below 5-year average — spare lending capacity
Capital adequacy · CET1	17.6 · 14.7	17.3 · 14.6	17.4 · 14.8	17.0 · 14.4	16.8 · 14.3	RWA growth outrunning capital
NPL · net NPL ratio	4.3 · 1.8	3.9 · 1.7	3.6 · 1.6	3.3 · 1.6	3.2 · 1.5	NPL stock –10.7% YoY
Eligible liquid assets · ASRR	21.4 · 72.8	20.6 · 73.8	19.0 · 75.1	20.1 · 73.8	18.8 · 75.7	Liquidity ample; funding stable

Reading for a foreign government: the UAE shows what a 3.2% NPL system looks like when supervision is active and buffers are deep — and that the road there was a decade-long grind from 8.2%. The MPCL package shortens that grind elsewhere by domiciling the settlement counterparty inside the system that has already done it.

05 · MICRO OUTLOOK

What a government-backed, record-low-NPL bank still spends on the problem

Abu Dhabi Commercial Bank — 60.77% owned by Mubadala, ultimately the Government of Abu Dhabi — is the best possible stress-case for the thesis: if the package adds value *here*, it adds more value everywhere the ratios are worse.

1.83%

NPL ratio FY2025 (5.41% in 2021) · provision coverage 146.4%

AED 9.29B

Impairment allowance stock at 30 June 2026 (AED 8.50B at Dec-2025)

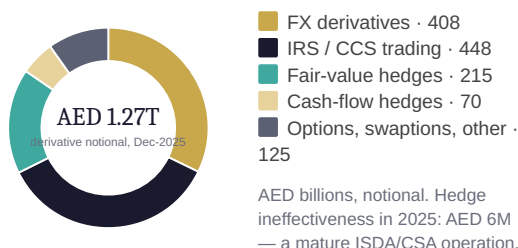
AED 5.23B

Net amounts written off during 2025 — value that left the system

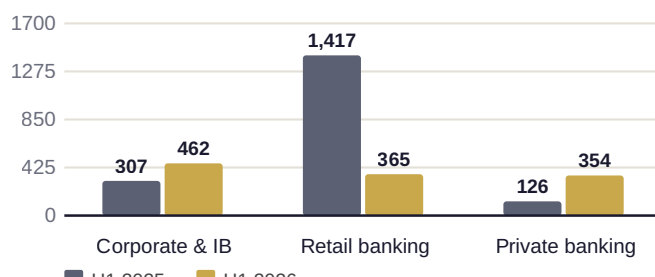
AED 106.6B

Investment securities hedged for rate / FX risk via swaps

HEDGING IS INDUSTRIAL-SCALE



PROVISIONING IS A PERMANENT LINE · IMPAIRMENT CHARGE BY SEGMENT, AED M



H1 2026 total AED 1,174M vs AED 1,833M. Retail is the volatile line (1,417 → 365); Private Banking rose (126 → 354). Coverage at 146% ties up capital above the classified stock.

OBSERVATION 1

Settlement releases provisions and capital

A settlement counterparty that takes a classified property-backed account at par converts a provisioned exposure into cash. Specific-provision and capital release is the bank's gain; the borrower's retention is the state's gain; no new risk-weighted asset is booked because programme capital is third-party.

OBSERVATION 2

The swap desk is the Track B counterparty

A desk already running AED 700B+ of rate and currency swaps prices a pooled notional of retail or PSU loans off its own curve. Fixed EMI for Life™ is another swap line for Treasury — not a credit-committee product. Routing decides pace.

OBSERVATION 3

Balance sheets outrun capital

Assets AED 833B at June 2026 (+8% in six months, +19% in 2025); net-loan CAGR 14%; system CAR is drifting down as risk-weighted assets grow faster than capital. Capital-accretive settlement is the argument to a Group Chief Credit Officer; fiscal neutrality is the argument to a Finance Ministry.

ADCB segment · H1 2026 (AED M)	Operating income	Impairment	Profit after tax	Total assets	Relevance to the package
Corporate & investment banking	4,098	(462)	1,711	85,763	Remedial & Recovery: Track A settlement counterparty
Retail banking	719	(365)	151	24,070	Watch-list mortgage cohorts: Sleeping Period™ framework
Private banking	4,050	(354)	2,499	428,236	High-value owners: Double Rental™ equity release
Investments & treasury	2,987	7	2,434	292,792	Swap desk: Track B pooled hedges

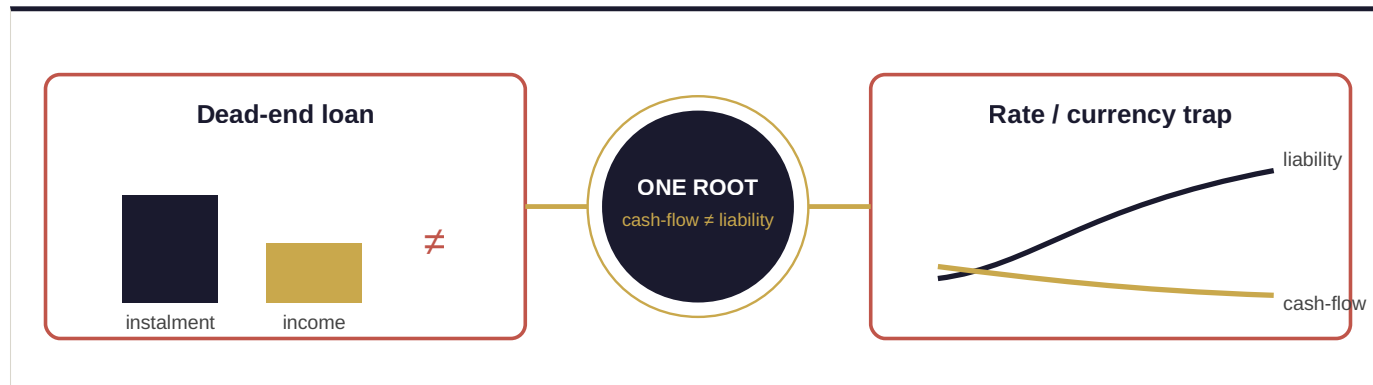
LESSON FROM THE FIRST-LINE ENGAGEMENT

Three elements were rightly rejected by a first-line desk: reinvesting released equity in instruments pledged back to the same lender; refinancing classified borrowers as new credit; treating callable structured notes as hold-to-maturity. The package in this profile is redesigned around those objections — **settlement not refinancing · third-party capital not bank funding · fair value not accounting arbitrage**. Sources: ADCB Annual Report 2025; condensed interim financial information Q1 and H1 2026 (notes 10, 30, 32).

06 · THE PROBLEM STATEMENT

Two failures, one root

A property-backed loan stops performing because a cash-flow no longer matches an instalment. A treasury position loses because a cash-flow no longer matches a currency or a rate. Three parties lose — borrower, bank and state — and the conventional toolkit makes all three worse.



THE DEAD-END LOAN

- Borrower has repaid 50–60%; the property is worth ~3× the balance; income has fallen and the instalment cannot be met.
- Bank classifies, provisions, then restructures (kicks the can) or enforces (fire-sale, lost customer).
- ARC / bad bank buys at a deep discount on state-backed receipts, then litigates for years.
- State carries the guarantee, loses the tax base of a solvent household or SME, absorbs the political cost of eviction. The asset sits idle.

THE RATE / CURRENCY TRAP

- Floating-rate borrower faces a reset every time EIBOR, MCLR, SOFR or the policy rate moves; a fixed-rate borrower is locked into an asset he cannot sell without losing the rate.
- Cross-currency borrower — rupee income, dirham debt; dollar debt, shilling revenue — performs until the rate moves 10%.
- Hedging exists, priced and sized for banks and corporates; households, SMEs and municipalities cannot enter an ISDA.
- Banks hedge their own book and pass the customer's risk straight through; the state ends up subsidising rates or defending FX — the costliest hedge there is.

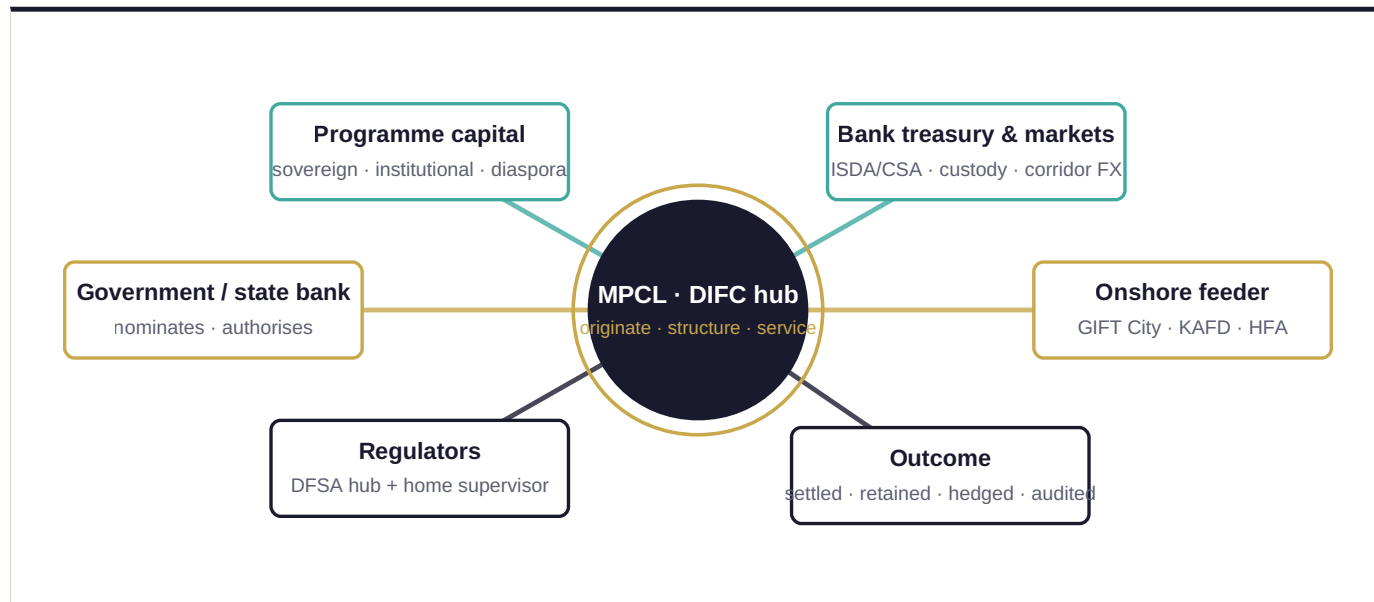
Conventional tool	What it does	Where it fails
Restructuring / moratorium	Extends tenor, defers instalments, capitalises interest	Total debt rises; account stays classified or watch-listed; forbearance has a sunset; no new cash enters
Enforcement / forced sale	Liquidates collateral	Fire-sale discount; borrower loses home and equity; political cost; slow in most legal systems
Sale to ARC / bad bank	Moves the loan off the bank at a discount, often with state guarantee	State carries the residual; borrower faces a distressed-debt buyer; resolution is litigation-driven
Rate subsidy / FX intervention	Government pays part of the interest or smooths the exchange rate	Fiscal cost every year or reserves burned; protects nobody's individual position; not a hedge
Individual hedging (IRS, CCS)	Locks rate or currency	Unavailable below institutional ticket sizes; requires ISDA capacity the borrower does not have
State guarantee / recapitalisation	Backstops the bank or the bad bank	Fiscal cost crystallises years later; moral hazard; the borrower is already out of the asset

THE GAP THE PACKAGE FILLS

No conventional tool simultaneously **(a)** settles the bank at par or better, **(b)** leaves the borrower in the asset with title and rent, **(c)** puts recovery on a five-year clock with no instalment pressure, and **(d)** gives the same borrower — or his sovereign — an institutionally priced hedge against the rate or currency that caused the problem. That is the mechanism MPCL has built, had approved and protected.

One platform, two tracks, five components — MPCL originates, structures and services; never lends

Track A resolves the stock of stressed property-backed exposure. Track B resolves the flow of unhedged rate and currency risk. A monitoring engine sits across both, and every regulator can see into the hub.



TRACK A A1 · NPL / NPA settlement & co-ownership

Settles a classified property-backed account at par or negotiated discount from programme capital; takes an off-title contractual co-ownership interest; MPCL mandate letter places an irrevocable registry hold until clearance; borrower keeps title and rent with a springing deduction right; five-year no-instalment, no-accrual recovery; terminal-event sale mandate as last resort.

RBP-defined

TRACK A A2 · Mortgage EMI Sleeping Period™

A relief framework that pauses a performing or watch-list borrower's instalment for 60 months (extendable to 15 years, no forced sale) while released equity in capital-protected instruments services the lender under coupon-first / springing-rental-second priority of payments. Positioned upward to regulators as an authorised framework.

DFSA-approved · live

TRACK A A3 · Equity Release – Double Rental™

Releases 60–80% of property value into capital-protected instruments under MPCL mark-to-market controls (10% stop-loss regime) while the owner keeps rental; half of rental set aside as a secondary income pool; insurance wrap on the instrument leg modelled on trade-finance credit insurance. The easier product to start a programme with.

DFSA-approved · live

TRACK B B1 · Fixed EMI for Life™

Aggregates floating-rate loan pools into notional blocks; one interest-rate swap at a bank treasury under ISDA 2002 + CSA; fixed instalment passed to each borrower for the life of the loan; the lender's floating income unchanged.

DFSA-approved · live

TRACK B B2 · Corridor currency hedging

Same aggregation logic on cross-currency swaps and forwards — INR/AED/USD first — so rupee-income owners of dirham debt, dirham-income investors in rupee assets and FX-mismatched project borrowers receive an institutionally priced hedge.

Structuring extension of B1

PLATFORM C · OptimizerAI™ & Monidr

Allocation and monitoring engine — eligibility, scenario builder, portfolio lens, compliance engine, real-time pricing — with system-driven live risk reporting under continuous human oversight and weekly published results for programme sponsors.

live · sovereign infrastructure ready

DESIGN PRINCIPLES THAT SURVIVE DUE DILIGENCE

Settlement, not refinancing. The bank receives cash and books a settlement; no new credit to a classified borrower.

Coupon-first, springing-rental-second. Rental is a perfected, springing assignment drawn only on shortfall; no self-servicing claims.

Third-party capital, not bank funding. Programme capital never comes from the lender being settled.

Property stays 100% the client's. Co-ownership is contractual and off-title; the registry hold protects the programme without transfer friction.

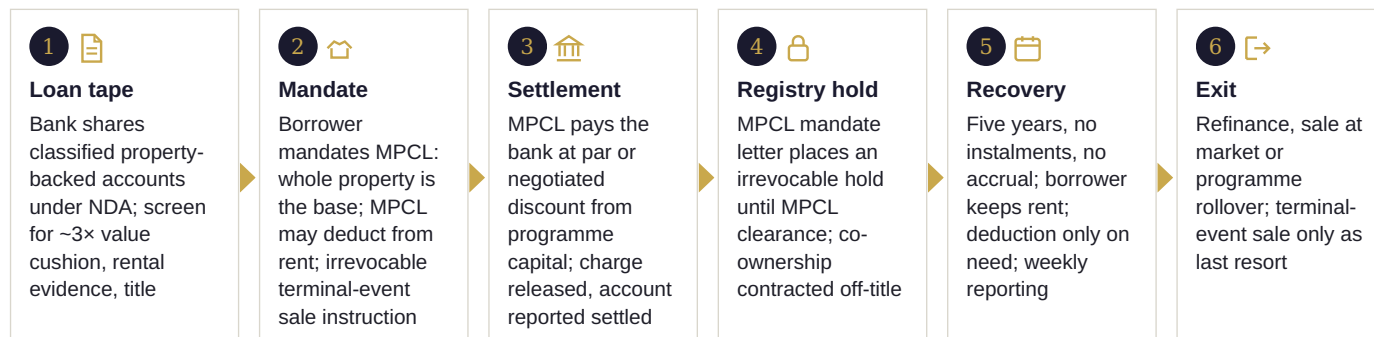
Fair value, not accounting arbitrage. Structured instruments fail SPPI under IFRS 9 and are carried at FVTPL — built on that basis, not around it.

Wholesale only. Professional Clients and public-sector counterparties; any retail participation is a partner bank's own execution plumbing.

08 · TRACK A

Settlement and co-ownership: from provisioned account to performing position

What a Finance Ministry, a remedial committee or a national bad bank deploys against property-backed stressed loans: bank settled, borrower retained as co-owner on a five-year clock, guarantee never called.



WHO GAINS WHAT

Party	Gain
Bank / state bank	Cash settlement; specific-provision and capital release; customer relationship preserved; no litigation
Borrower	Keeps title and rent; five years without instalment pressure; liability reduced by joint operation, not fire-sale
Government / bad bank	No guarantee call; tax base retained; eviction avoided; weekly audited results instead of court dates
Programme investor	Registry-protected co-ownership at a ~3× value cushion, serviced by rental with a terminal-event floor

ELIGIBILITY DISCIPLINE

- ✓ Property-backed only; residential and commercial.
- ✓ Per-file rental evidence — registered tenancy contract or official rental index — never a blanket yield assumption.
- ✓ Value-cushion test at entry; 60–80% release of vehicle portfolio value is the design target.
- ✓ Title clean or clearable; a registry-hold mechanism mapped for the jurisdiction (UAE model: Dubai Land Department).

THE POOLED VEHICLE

Owners who have repaid 50–60% contribute property equity into a programme vehicle as participants. Its audited net asset value is published first; that value then brings in equity investors and, if desired, a bank facility with MPCL as guarantor where the Regulatory Business Plan permits. Vehicle options: DIFC managed account under MPCL's client-asset permission, ADGM vehicle or offshore SPV. Target vehicle USD 500M; first close USD 100–250M.

MORTGAGE EMI SLEEPING PERIOD™ AS POLICY INSTRUMENT

For performing and watch-list borrowers — the cohort that migrates to classified status when forbearance sunsets — the framework pauses the instalment (AED 8,500 a month to zero in the illustrative case) for 60 months, extendable to 15 years, no forced sale, no out-of-pocket cost, while released equity services the lender. To a central bank or housing regulator it is a standing authorised relief framework — a policy, not a case-by-case workout.

ILLUSTRATIVE FILE · COUPON-FIRST SERVICE MODE (AED M)

Metric	Sleeping Period™	Double Rental™
Tranche / pledged instrument pool	46.4 / 34.8	46.4 / 46.4
Coupon cover · combined cover, worst stress	1.17× · 1.75×	1.56× · 1.98×
Rental drawn — base case / combined worst case	nil / ≤29% of a year's rent	nil / ≤29%

Universal Deal Calculator v3 run; per-file inputs replace these values for a nominated portfolio.

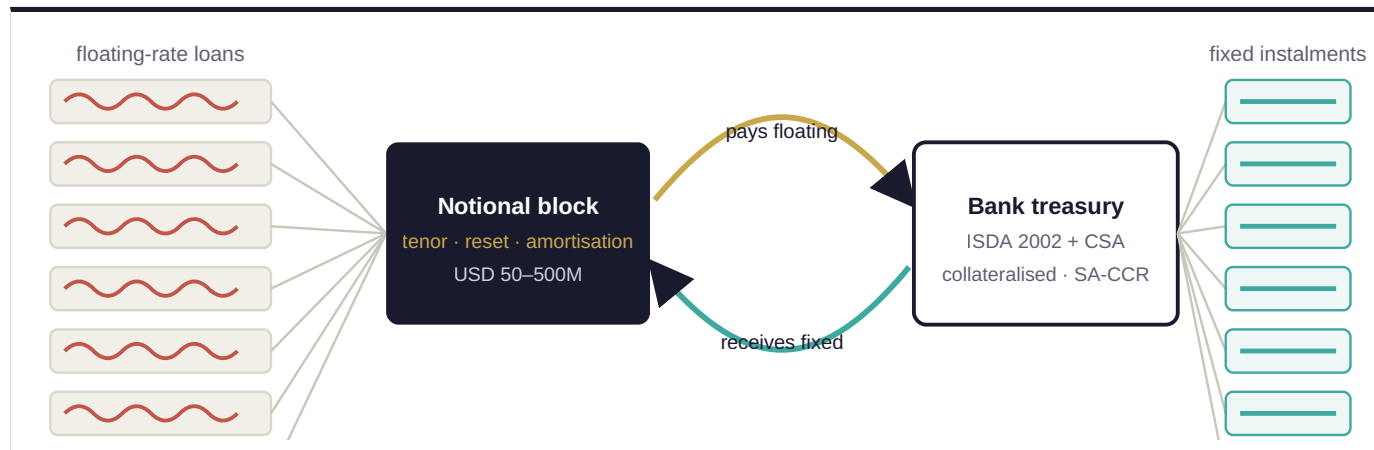
SPARRING NOTE FOR A STATE BANK

"Why not just sell to the bad bank?" Because the bad bank pays 20–40 cents, litigates for five years and the state guarantees the difference. A par or near-par settlement with the borrower retained is worth more to the bank, the borrower and the guarantor — the only party it is worth less to is the distressed-debt buyer.

09 · TRACK B

Pooled rate and currency hedging: the hedge banks buy for themselves, made available to everyone else

Banks hedge industrially and pass the customer's risk straight through. Track B aggregates that risk into blocks a treasury desk prices off its own curve, and passes certainty back to the borrower, the state entity and the cross-border investor.



WHY AGGREGATION CHANGES THE ECONOMICS

A household cannot enter an ISDA; a municipal utility pays a punitive spread on a small ticket. A few hundred loans become a USD 50–500M notional — the size at which a UAE treasury already runs hundreds of billions of swaps. Hedge cost falls to institutional levels; the borrower gets certainty; the bank gets a new swap line and a stickier book; its own floating-rate asset is untouched.

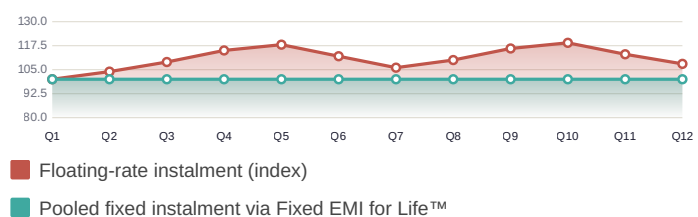
WHO USES IT

- ✓ State housing finance agencies and mortgage guarantors seeking fixed-payment certainty on guaranteed books.
- ✓ PSU and municipal borrowers with floating-rate infrastructure debt.
- ✓ State banks offering fixed instalments without taking basis risk onto their own balance sheet.
- ✓ Track A programme vehicles, so the recovery cash-flow is itself rate-stable.

CORRIDOR CURRENCY HEDGING — THE EXTENSION

The same architecture on cross-currency swaps and forwards. First corridor INR–AED–USD, where three flows are large and unhedged: diaspora property owners (rupee income, dirham debt — and the reverse); corporate and PSU external borrowings; trade and remittance flows on the RBI–CBUAE local-currency rails and the India–UAE CEPA. MPCL pools, executes at a DIFC bank treasury, and passes through a fixed local-currency instalment or capped rate. Next: AED–SAR–EGP, USD–KES, USD–AOA project debt.

ILLUSTRATIVE INSTALMENT INDEX · FLOATING VS POOLED-FIXED UNDER A ± 200 BPS PATH



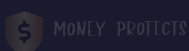
Illustrative path, not a forecast

HEDGE ECONOMICS · WHAT CHANGES

Item	Individual	Pooled
ISDA / CSA access	None	MPCL faces the desk
Ticket size	Sub-institutional	USD 50–500M notional
Pricing	Retail margin or unavailable	Bank curve + disclosed spread
Fiscal cost	Subsidy if any	Nil — inside the fixed instalment

REGULATORY ROUTING

Track B products are structured for treasury, market-risk and derivatives desks and documented under ISDA 2002 Master Agreement with Credit Support Annex; SA-CCR and CVA/XVA priced at institutional scale. They are deliberately kept out of credit-committee channels. In India the natural mirror is an IFSCA-regulated unit at GIFT City facing an RBI-authorized dealer onshore; in the US, a housing finance agency or GSE-eligible servicer facing a dealer bank.



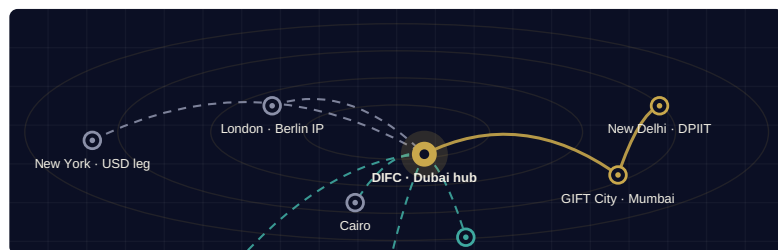
WHAT TRACK B DOES NOT DO

- ✗ It does not guarantee coupons or capital — hedges are collateralised swaps with a bank counterparty and carry that counterparty's credit and the pool's basis risk.
- ✗ It does not speculate — every position mirrors an underlying liability, rebalanced weekly against pool drift and prepayments.
- ✗ It does not face retail — pass-through to individual borrowers is executed by the partner bank inside its own customer relationship.

10 · THE UAE CORRIDOR

One hub, many feeders: onshore supervision, offshore market

A government routing stressed assets and hedging needs through a foreign centre needs a legal system its counterparties enforce, a regulator its own regulator recognises, and a market that already clears the flows. DIFC provides all three.



■ Live conversation / submission

■ Next routes (precedent or counterpart identified)

■ Later routes

WHY DIFC IS THE HUB

- ✓ English-law-based common-law jurisdiction with its own courts; ISDA/CSA enforceability established; DIFC Client Wealth Account for programme funds.
- ✓ DFSA is an IOSCO MMoU signatory with cooperation agreements with peer regulators — a home central bank supervises the corridor through its own channels.
- ✓ Professional Client regime keeps the platform wholesale; client-asset permission supports managed-account programmes without a separate fund manager.
- ✓ AED 5.56T banking system with AED 1T+ of derivative notional at a single bank — swap capacity is on the ground; dollar peg gives a stable reference leg.
- ✓ CEPA network plus the RBI-CBUAE local-currency framework: goods and remittance rails already built; time-zone bridge Mumbai–London–New York.

SPARRING NOTE

"Why not onshore?" No single onshore market has all three of deep swap capacity, a common-law ISDA perimeter and neutral third-country standing with both the home regulator and international investors. Onshore feeders capture the supervision; the hub captures the market.

Corridor	Status · Sept 2026	Track A entry	Track B entry	Government-side counterpart
India ↔ UAE ROUTE 1	Corridor proposal submitted to DPIIT (cc PMO, DEA); GoI interest in talks; SEBI Cat I Special Situation AIF with GIFT feeder in discussion	Property-backed NPA co-ownership settlement for PSU banks and ARCs; Sleeping Period EMI India variant for stressed retail cohorts	INR–AED–USD pooled hedge for diaspora owners and external borrowings; fixed-installment pools for PSU / HFC books	DPIIT, DEA, RBI, IFSCA, SEBI; NARCL / IDRCL; PSU banks; NHB / HFCs
UAE hub HUB	Three products live; ADCB, FAB, ENBD engagement; ~AED 500M classified book; USD 500M vehicle targeted (first close 100–250M)	Par settlement / discounted purchase with DLD hold; Mortgage EMI Sleeping Period™ to CBUAE as authorised framework	Pooled IRS lines at UAE treasuries; corridor CCS execution venue	CBUAE, DFSA, DLD; ADIA, Mubadala, ADQ, ADIC; Financial Stability Council
KSA ↔ UAE ROUTE 2	Founder's prior KSA treasury tenure; expansion named in investor materials	Stressed mortgage / SME property books under Vision 2030 home-ownership targets; Shari'ah-consistent co-ownership	SAR–USD basis and fixed-installment pools for housing-programme borrowers	SAMA, CMA, Real Estate Development Fund, SRC
Africa ↔ UAE ROUTE 3	Angola USD 2.0B syndicated facility mandate (facilitator / arranger)	Facilitator role for sovereign arrears; property-backed settlement where registries permit	USD–local-currency project-debt hedging with ECA and political-risk cover	Finance ministries; Afreximbank, AfDB, ATI / MIGA; ECAs
Europe · US ROUTES 4–5	IP registered in Berlin; US Government proposal workstream active with target agencies identified	Co-ownership exit for guaranteed NPL securitisation tails; US home-equity pool for rate-locked households; CRE settlement for regional banks	EUR/USD/AED hedging; fixed-payment conversion for HFA and GSE-eligible pools; USD leg for every corridor	National AMCs; ECB-supervised banks; Treasury, FHFA / GSEs, HUD / FHA, FDIC, state HFAs

11 · ENGAGEMENT MODELS

Five ways a government or government-backed institution works with MPCL

Different layers for different sponsors — a framework authorised, a portfolio resolved, a hedge for the state's own book. Adopt one or sequence several. In every model the government provides authorisation and nomination; capital is optional and follows evidence.

Model	Counterparty provides	MPCL provides	Best first mover
 1 · Framework authorisation	Regulatory recognition of the co-ownership settlement and pooled-hedge frameworks as permitted mechanisms inside a defined programme perimeter	Full documentation set, product rules, control regime, reporting template and audit trail; DFSA supervision as hub-side anchor; training for the onshore supervisor	Central bank · financial regulator · housing regulator
 2 · Nominated-portfolio settlement	A state bank or bad bank nominates a property-backed classified book under NDA; release-on-settlement protocol; registry-hold cooperation	Screening, borrower mandates, settlement funding, co-ownership contracting, five-year servicing, weekly audited results	PSU bank remedial team · NARCL-type bad bank · national AMC
 3 · Sovereign programme vehicle	Anchor capital (debt or partial equity) into the USD 500M programme vehicle, or a guarantee that crowds in institutional and diaspora capital	Vehicle structuring, published audited NAV, 60–80% portfolio-backed release, mark-to-market and stop-loss controls, insurance wrap	Sovereign wealth fund · DFI · state housing fund
 4 · Hedging utility	Nomination of PSU, municipal, housing-agency or diaspora pools; authorised-dealer access onshore; benchmark and settlement conventions	Pool aggregation, notional sizing, ISDA/CSA execution at a DIFC treasury, fixed-installment or capped-rate pass-through, weekly basis monitoring	Housing finance agency · infrastructure PSU · central-bank LCS desk
 5 · Housing-affordability policy tool	Adoption of Mortgage EMI Sleeping Period™ as a standing relief framework for a defined cohort — first-time buyers, forbearance-sunset accounts, disaster-affected regions	Eligibility engine, scenario builder, priority-of-payments rules, bank-side integration, published outcomes	Housing ministry · state mortgage guarantor

ASKED OF THE GOVERNMENT FIRST

- ✓ A named sponsor and a named portfolio or pool.
- ✓ Authorisation of the framework inside a defined perimeter — a programme, not a market-wide rule change.
- ✓ Cooperation on the registry-hold mechanism and the onshore feeder.
- ✓ Agreement that results are audited and published to the sponsor weekly.

NOT ASKED

- ✗ No fiscal line item, no guarantee call, no rate subsidy.
- ✗ No retail-facing role for the government.
- ✗ No exclusivity beyond the nominated programme.
- ✗ No capital before evidence — anchor capital is a Model-3 choice, never a precondition.

MERIT-BASED DECISION TEST

Four tests, approve or decline on the merits: **(1)** does it settle the bank without new credit to a classified borrower? **(2)** does it keep the borrower in the asset with title? **(3)** is the capital third-party and the accounting fair-value? **(4)** are the results auditable weekly? If all four are yes, the residual objections are about novelty, not risk — and novelty is what a programme perimeter is for.

THE COMMERCIAL LOGIC FOR A GOVERNMENT-BACKED PRIVATE COMPANY

A state-owned bank, housing agency or development finance institution that becomes a programme sponsor gains three things a private competitor cannot buy: **first-mover access** to a regulator-authorised framework, **a published performance record** it can cite to its own board and auditors, and **a seat in the corridor** before the corridor scales.

12 · GOVERNANCE, RISK & COMPLIANCE

Who supervises this, and what happens when the market moves

- 3rd line · Independent assurance
- 2nd line · Risk & Compliance
- 1st line · Structuring & Servicing



1st line — per-file eligibility, rental evidence, value cushion, mandate execution. **2nd line** — mark-to-market (10% stop-loss), basis and prepayment monitoring, AML / sanctions, DFSA reporting. **3rd line** — statutory audit, independent valuation, transaction advisory, weekly published results.

REGULATORY PERIMETER

- ✓ DFSA Category 3C · Licence CL7741 · Firm Ref. F009299 · permissions include Holding or Controlling Client Assets.
- ✓ Professional Clients and public-sector counterparties only (COB 2.3); no retail promotion; products defined in the DFSA-approved Regulatory Business Plan; MPCL may guarantee where that plan permits.
- ✓ AML / CTF, sanctions screening (UN, OFAC, UAE), KYC / EDD, complaints handling, board-level risk committee; MLRO and Compliance Officer in place; controller changes only via DFSA procedures.

ACCOUNTING AND PRUDENTIAL TREATMENT

- ✓ IFRS 9: structured instruments with embedded calls and barriers fail SPPI → FVTPL for every holder. Designed on that basis.
- ✓ Basel III SA for real-estate exposures; CRE22 collateral eligibility and haircuts mapped; SA-CCR and CVA / XVA for Track B swaps.
- ✓ Priority of payments: coupon-first, springing-rental-second. Any intra-group IP royalty arm's-length, auditor-set, disclosed.

RESIDUAL RISK MATRIX — STATED PLAINLY

Low impact	Medium impact	High impact
Regulatory novelty — solved by Model-1 perimeter before any portfolio programme	Concentration / liquidity — NAV published; rollover, refinance and secondary routes designed in	Property value fall — ~3× cushion; per-file rental evidence; registry hold; terminal-event mandate
Operational — three lines of defence; statutory audit; system-driven live reporting	Swap counterparty & basis — CSA collateral; weekly rebalancing; counterparty diversification	Instrument mark-to-market — stop-loss regime; insurance wrap; coupon-first priority
Reputational — no retail promotion; no forward returns in public materials	Legal enforceability in feeders — corridor legal mapping before launch; onshore feeder under home regulator	Sovereign / political — merit-based authorisation; published results; no policy-maker leverage in bank communications

rows: likelihood ↑ (top = lower likelihood) · colour = residual severity after mitigant

MARKET-RISK CONTROLS

- ✓ Released equity placed only in capital-protected, asset-secured instruments under MPCL mark-to-market controls; stop-loss and rebalancing rules pre-agreed with the sponsor.
- ✓ Insurance wrap on the instrument leg modelled on trade-finance credit insurance; non-payment insurance and collateralised repacks bring instruments inside ISDA close-out netting where required.
- ✓ Track B hedges fully collateralised under CSA; pool notional rebalanced weekly against drift and prepayment.
- ✓ Terminal-event sale mandate is the programme's last-resort protection — never the first tool.

WHAT A SPONSOR CAN VERIFY INDEPENDENTLY

DFSA public register entry; product definitions in the Regulatory Business Plan (under NDA); independent valuation and transaction-advisory letters; statutory audit; the weekly reporting template and a sample run through the scenario engine on the sponsor's own nominated portfolio.

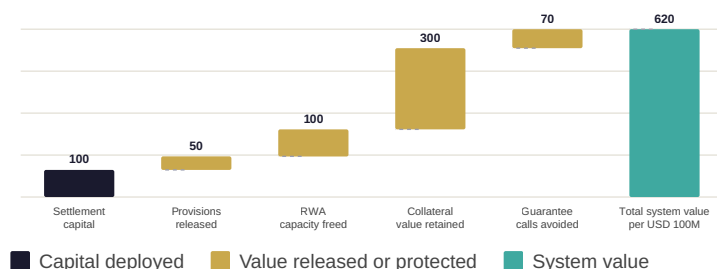
Corridor	Hub supervision	Onshore mirror	Registry-hold equivalent	Swap benchmark
UAE	DFSA (MPCL) · CBUAE (bank counterparties)	—	Dubai Land Department mandate hold	EIBOR / DONIA
India	DFSA	IFSCA (GIFT unit) · RBI (authorised dealer) · SEBI (AIF feeder)	CERSAI charge + registered mortgage / lien — legal map required	MIBOR / MCLR · USD-INR
United States	DFSA	State HFA / GSE servicer · dealer bank	County deed-of-trust recording — legal map required	SOFR

Honest boundary. Capital-protected / asset-secured instruments carry issuer, market and counterparty risk and are fair-valued; hedges are collateralised swaps with counterparty and basis risk; co-ownership interests depend on collateral values and registry enforceability mapped corridor by corridor. Nothing here is a guarantee, a forecast or legal, tax or regulatory advice.

13 · IMPACT FRAMEWORK & ROADMAP

The fiscal case is made before the vehicle earns a return

ILLUSTRATIVE VALUE BRIDGE · PER USD 100M OF TRACK A SETTLEMENT CAPITAL (USD M)



ASSUMPTIONS — PLACEHOLDERS FOR A SPONSOR'S OWN INPUTS

Parameter	Illustrative
Average settlement per account	USD 1.0M · ~100 accounts
Specific coverage on classified stock	50% → USD 50M released
Risk weight on classified property exposure	100% → USD 100M RWA capacity
Value cushion at entry	~3× → USD 300M retained
Bad-bank discount avoided	~70% → up to USD 70M
Households / SMEs kept in asset	~100

Track B, per USD 250M pooled notional: 500–2,500 loans; rate certainty for life of loan; a 200 bps move changes no instalment in the pool; fiscal cost to the sponsor nil. No forward return is stated for any vehicle — that belongs in a private assessment with a named sponsor, re-run in the scenario engine on nominated data.

ROADMAP — EVIDENCE FIRST, THEN SCALE



Hub · UAE

- Vehicle structured; first Double Rental™ participants; NDA + loan tape with a remedial desk
- First settlements; audited NAV published; first pooled swap line; weekly reporting live
- First close USD 100–250M, scaling to the USD 500M target; ~AED 500M classified book; Sleeping Period™ framework to CBUAE

Route 1 · India

- DPIIT / DEA follow-up; AIF term sheet; corridor legal map
- GIFT feeder live; first PSU / ARC portfolio screened; INR hedge cohort scoped
- First Indian settlements and corridor hedges; results to DPIIT / RBI / IFSCA

Routes 2–5

- Target-agency briefs (US); KSA and Africa counterpart lists
- Two further Model-1 discussions; Angola-precedent mandates progressed
- First non-India feeder (KSA or US by readiness); corridor playbook documented

Year 2–3

- ≥20% equity to strategic partners at a re-rated valuation on a twelve-month record; 3–5 live corridors; sovereign infrastructure fully deployed

14 · CREDENTIALS, ENGAGEMENT & DISCLOSURES

Regulated, protected, validated — and ready for an exploratory session

REGULATORY STANDING

Entity	Money Protects Capital Limited, DIFC
Licence	DFSA Category 3C · CL7741 · F009299 · incl. Holding or Controlling Client Assets
Clients	Professional Clients (COB 2.3) and public-sector counterparties
Office	Park Tower B, Damac Park Towers, DIFC (2,500 sq ft)
Group	MP Financial Services L.L.C. (SCA licence applied for) · MP L.L.C-FZ (Meydan) · MP India Pvt. Ltd (representation office)

INTELLECTUAL PROPERTY

- ✓ European IP Depository Berlin — registered 29 December 2021
- ✓ Berne Convention protection
- ✓ UAE Ministry of Economy registration (INTEROCO)
- ✓ Registered marks: Mortgage EMI Sleeping Period™ · Equity Release — Double Rental™ · Fixed EMI for Life™
- ✓ Licence-not-assignment architecture with the regulated entity

INDEPENDENT VALIDATION

- ✓ Crowe Mak — pre-money valuation (prepared by Crowe Mak)
- ✓ Baker Tilly International — transaction advisory
- ✓ Suntech Auditors and Consultants LLC — statutory audit
- ✓ Expert House Chartered Accountants — finance and accounting

LEADERSHIP

Mirza Ashraf Beg — Founder, Chairman and Senior Executive Officer. 25+ years in senior treasury and structured-finance roles across the UAE, Saudi Arabia and India (Commercial Bank of Dubai, ADIB, Sharjah Islamic Bank, Banque Saudi Fransi). Master's in Finance, B.A. Economics (Hons.), Aligarh Muslim University. Founder of Ecoway Labs (separate from the MPCL structure).

Governance. Independent Director; MLRO and Compliance Officer; Finance Officer via Expert House; a UAE strategic partner designated for government relations; a further strategic shareholding under discussion, subject to DFSA controller approval.

OptimizerAI™

Eligibility, scenarios, portfolio lens, compliance engine

Monidr

Client-facing intelligence brand — live risk reporting under continuous human oversight

Bank-facing

Ready reckoner for credit, remedial and treasury desks

Sovereign stack

Role-based access for regulators and sponsors; daily backups

PRECEDENTS AND WORKSTREAMS

- India–UAE corridor proposal to DPIIT (cc PMO, DEA)
- Republic of Angola USD 2.0B syndicated facility mandate
- Secured Revolving Credit Facility proposals USD 50–250M (FAB, ENBD)
- ADCB settlement-counterparty engagement
- Institutional investment package — secured bonds, deck, NDA, engagement letter
- Fixed EMI for Life™ pooled-IRS documentation
- US Government proposal
- Structured LC trade-finance architecture

NEXT STEP

A forty-five-minute exploratory session under NDA with the sponsor's technical team, then nomination of one portfolio or one pool and a private assessment run through MPCL's scenario engine. **Mirza Ashraf Beg** · +971 4 333 0181 · mirzabeg@moneyprotects.com · Park Tower B, DIFC, Dubai · moneyprotects.com

SOURCES

CBUAE Financial Stability Report 2025 · CBUAE Quarterly Economic Review June 2026 · CBUAE Credit Sentiment Survey Q1 2026 · CBUAE Monetary, Banking & Financial Markets Developments Q2 2026 · ADCB Annual Report 2025 and interim financial information Q1 / H1 2026 · public releases of RBI, EBA, FHFA, FDIC, IFSCA and SEBI as at September 2026 · MPCL DFSA-approved Regulatory Business Plan and programme design notes (September 2026).

DISCLOSURES

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