# Basel III - Pillar 3 Disclosures

# 30 June 2026

## National Bank of Umm Al Qaiwain

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# Contents

## 1. General Information:

National Bank of Umm Al-Qaiwain (PSC) (the "Bank") is a Public Shareholding Company incorporated in the Emirate of Umm Al-Qaiwain ("UAQ") in the United Arab Emirates ("U.A.E.") by Amiri Decree Number (1) on 5 January 1982, issued by His Highness, the Ruler of Umm Al-Qaiwain, and commenced its operations with effect from 1 August 1982. National Bank of Umm Al-Qaiwain (PSC), and its subsidiary, Twin Towns Marketing Management L.L.C. are together referred to as the "Group". The address of the Bank's registered Head Office is P.O. Box 800, Umm Al-Qaiwain, United Arab Emirates.

The Bank is engaged in providing retail and wholesale banking services through a network of 9 branches in the U.A.E.

## 2. Executive Summary:

The Central Bank of the UAE published notice number CBUAE/BSD/N/2021/5508 on 30 November 2021 regarding Pillar 3 disclosures. These disclosures have been prepared in accordance with these guidelines.

### 2.1. Purpose

The purpose of this report is to enable market participants to access key information relating to Bank's regulatory capital and risk exposures to increase transparency among the readers of this report. Further increase confidence over the bank stability.

### 2.2. Overview of Basel III Requirements

The Bank complies with Basel 3 standards and guidelines, which have been implemented in the UAE through notice reference CBUAE/BSD/N/2022/5280 dated 30 December 2022.

**For Pillar 1,** Bank has adopted the Standardized Approach for Credit Risk, the Standardized Approach for Market Risk and the Basic Indicator Approach for determining the capital requirements for Operational Risk.

**Pillar 2 covers** additional risk areas such as concentration risk, FIRB vs standardized approach risk, IRRBB risk, Liquidity risk, IT/outsourcing/fraud risk, business & strategic risk, reputational/legal/compliance risk, model risk, Market & Operational risk (additional Pillar 2), conduct risk, climate risk. The risk and capital assessment of these other areas are commonly referred to as "Internal Capital Adequacy Assessment Process (ICAAP)". Under the ICAAP report, the Bank assesses the above-mentioned risks (where applicable) and measures that after combining pillar 1 and pillar 2 risk the Bank can withstand the regulatory and internal capital requirements. The Bank submits the ICAAP report to CBUAE on an annual basis.

**Pillar 3** focuses on Market Discipline and complements the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2). The CBUAE supports enhanced market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on the scope of application, capital, risk exposure, risk assessment process and hence capital adequacy. This report has been prepared in line with the same objective.

## 2.3. Capital Management

Bank’s capital management policy is to maintain a strong capital base to support the development and growth of business. Current and future capital requirements are determined based on loan growth expectations for each business unit, expected growth in off-balance sheet facilities, future sources and uses of funds and the Bank’s future dividend policy. The Bank also ensures compliance with externally imposed capital requirement norms, strong credit ratings and healthy capital ratios to support its business and to maximize shareholders' value. During the year the Bank complied fully with all external imposed capital requirements. The U.A.E. Central Bank requires the banks in U.A.E. to maintain a ratio of total regulatory capital to the risk weighted assets at or above the agreed minimum of 10.5% (excl. buffers).

## 3. Overview of risk management and RWA

### 3.1. Template KM1: Key metrics (at consolidated group level)

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | In AED'000 | T<br>30 June 26 | T-1<br>31 Mar 26 | T-2<br>31 Dec 25 | T-3<br>30 Sep 25 | T-4<br>30 Jun 25 |
| | **Available capital (amounts)** | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 4,978,235 | 4,861,530 | 4,865,474 | 5,195,769 | 5,006,300 |
| 1a | Fully loaded ECL accounting model | 4,978,235 | 4,861,530 | 4,865,474 | 5,195,769 | 5,006,300 |
| 2 | Tier 1 | 4,978,235 | 4,861,530 | 4,865,474 | 5,195,769 | 5,006,300 |
| 2a | Fully loaded ECL accounting model Tier 1 | 4,978,235 | 4,861,530 | 4,865,474 | 5,195,769 | 5,006,300 |
| 3 | Total capital | 5,075,349 | 4,958,698 | 4,953,987 | 5,245,052 | 5,173,888 |
| 3a | Fully loaded ECL accounting model total capital | 5,075,349 | 4,958,698 | 4,953,987 | 5,245,052 | 5,173,888 |
| | **Risk-weighted assets (amounts)** | | | | | |
| 4 | Total risk-weighted assets (RWA) | 16,623,118 | 16,109,455 | 16,152,683 | 15,540,336 | 14,960,655 |
| | **Risk-based capital ratios as a percentage of RWA** | | | | | |
| 5 | Common Equity Tier 1 ratio (%) | 29.95% | 30.18% | 30.12% | 33.43% | 33.46% |
| 5a | Fully loaded ECL accounting model CET1 (%) | 29.95% | 30.18% | 30.12% | 33.43% | 33.46% |
| 6 | Tier 1 ratio (%) | 29.95% | 30.18% | 30.12% | 33.43% | 33.46% |
| 6a | Fully loaded ECL accounting model Tier 1 ratio (%) | 29.95% | 30.18% | 30.12% | 33.43% | 33.46% |
| 7 | Total capital ratio (%) | 30.53% | 30.78% | 30.67% | 33.75% | 34.58% |
| 7a | Fully loaded ECL accounting model total capital ratio (%) | 30.53% | 30.78% | 30.67% | 33.75% | 34.58% |
| | **Additional CET1 buffer requirements as a percentage of RWA** | | | | | |
| 8 | Capital conservation buffer requirement (2.5% from 2019) (%) | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 9 | Countercyclical buffer requirement (%) (0.50% from 1st Jan 2025 Transition Period, effective from 1st Jan 2026) | 0.00%# | 0.00%# | 0.50% | 0.50% | 0.50% |
| 10 | Bank D-SIB additional requirements (%) | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 11 | Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10) | 2.50% | 2.50% | 3.00% | 3.00% | 3.00% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) | 19.45% | 19.68% | 19.62% | 22.93% | 22.96% |
| | **Leverage Ratio** | | | | | |
| 13 | Leverage ratio exposure measure | 25,136,069 | 24,346,427 | 23,977,483 | 23,039,086 | 21,376,262 |
| 14 | Leverage ratio (%) (row 2/row 13) | 19.81% | 19.97% | 20.29% | 22.55% | 23.42% |
| 14a | Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13) | 19.81% | 19.97% | 20.29% | 22.55% | 23.42% |
| 14b | Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves) | **19.81%** | **19.97%** | **20.29%** | **22.55%** | **23.42%** |
| | **Liquidity Coverage Ratio** | | | | | |
| 15 | Total HQLA | NA | NA | NA | NA | NA |

| | | a | b | c | d | e |
|---|---|---|---|---|---|---|
| | In AED'000 | **T**<br>**30 June 26** | **T-1**<br>**31 Mar 26** | **T-2**<br>**31 Dec 25** | **T-3**<br>**30 Sep 25** | **T-4**<br>**30 Jun 25** |
| 16 | Total net cash outflow | NA | NA | NA | NA | NA |
| 17 | LCR ratio (%) | NA | NA | NA | NA | NA |
| | **Net Stable Funding Ratio** | | | | | |
| 18 | Total available stable funding | NA | NA | NA | NA | NA |
| 19 | Total required stable funding | NA | NA | NA | NA | NA |
| 20 | NSFR ratio (%) | NA | NA | NA | NA | NA |
| | **ELAR** | | | | | |
| 21 | Total HQLA | 3,474,684 | 3,551,906 | 3,811,289 | 3,548,981 | 3,354,441 |
| 22 | Total liabilities | 17,485,880 | 16,532,632 | 15,879,428 | 14,675,779 | 13,512,144 |
| **23** | **Eligible Liquid Assets Ratio (ELAR) (%)** | **19.87%** | **21.48%** | **24.00%** | **24.18%** | **24.83%** |
| | **ASRR** | | | | | |
| 24 | Total available stable funding | 21,571,175 | 20,515,397 | 20,496,095 | 19,584,943 | 17,893,138 |
| 25 | Total Advances | 12,643,024 | 13,202,356 | 14,166,585 | 12,652,006 | 11,645,372 |
| **26** | **Advances to Stable Resources Ratio (%)** | **58.61%** | **64.35%** | **69.12%** | **64.60%** | **65.08%** |

#CBUAE releases CCyB requirement from 0.50% to 0% effective from 17-03-2026 until 30-09-2026.

- Total RWA increased by AED 1,662 mio on YoY basis and AED 514 mio on QoQ basis, due to increase in overall asset size and exposure.
- Capital Adequacy Ratio (CAR) ratio declined by 405 bps on YoY b basis, due to increase in total assets and decrease in capital. Even though capital improved on a QoQ basis due to retained profits and an increase in OCI reserves, the higher growth in assets resulted in a decline in the CAR by 25 bps.
- Leverage ratio(LR) declined by 361 bps on YOY basis due to increase in exposure and reduction in Tier I capital. Even though Tier 1 capital improved on a QoQ basis due to retained profits and an increase in OCI reserves, the higher growth in exposure has resulted in a decline in LR by 16 bps.
- The increase in deposit balances, together with reduction in the HQLA portfolio, contributed to a quarter-on-quarter decline in the average ELAR. On a year-on-year basis, deposit growth similarly supported a reduction in the average ELAR ratio
- Reduction in ASRR by 574 bps on QoQ is mainly due to decrease in advances and increase in stable funding during the period. On YoY basis, ASRR reduced by 647 bps, due to substantial increase in stable funding as compared to Advances.

Note: LCR &` NSFR as NA (not applicable) as these applies to D-SIB.

### 3.2. *Table OVA: Bank Risk Management Approach*

### 3.3. *Template OV1: Overview of RWA*

| | | a | b | c |
|---|---|---|---|---|
| | | **RWA** | | **Minimum capital requirements** |
| | In AED'000 | **T<br>30 June 2026** | **T-1<br>31 Mar 2026** | **T<br>30 June 2026** |
| 1 | Credit risk (excluding counterparty credit risk) | 15,089,634 | 14,578,571 | 1,584,412 |
| 2 | Of which: standardised approach (SA) | 15,089,634 | 14,578,571 | 1,584,412 |
| 3 | Of which: foundation internal ratings-based (F-IRB) approach | | 0 | 0 |
| 4 | Of which: supervisory slotting approach | | 0 | 0 |
| 5 | Of which: advanced internal ratings-based (A-IRB) approach | | 0 | 0 |
| 6 | Counterparty credit risk (CCR) | 71 | 78 | 8 |
| 7 | Of which: standardised approach for counterparty credit risk | 71 | 78 | 8 |
| 8 | Of which: Internal Model Method (IMM) | | 0 | 0 |
| 9 | Of which: other CCR | | 0 | 0 |
| 10 | Credit valuation adjustment (CVA) | 71 | 78 | 8 |
| 11 | Equity positions under the simple risk weight approach | | 0 | 0 |
| 12 | Equity investments in funds - look-through approach | | 0 | 0 |
| 13 | Equity investments in funds - mandate-based approach | | 0 | 0 |
| 14 | Equity investments in funds - fall-back approach | | 0 | 0 |
| 15 | Settlement risk | | 0 | 0 |
| 16 | Securitisation exposures in the banking book | | 0 | 0 |
| 17 | Of which: securitisation internal ratings-based approach (SEC-IRBA) | | 0 | 0 |
| 18 | Of which: securitisation external ratings-based approach (SEC-ERBA) | | 0 | 0 |
| 19 | Of which: securitisation standardised approach (SEC-SA) | | 0 | 0 |
| 20 | Market risk | 22,156 | 21,980 | 2,326 |
| 21 | Of which: standardised approach (SA) | 22,156 | 21,980 | 2,326 |
| 22 | Of which: internal models approach (IMA) | | 0 | 0 |
| 23 | Operational risk | 1,511,185 | 1,508,748 | 158,674 |
| 24 | Amounts below thresholds for deduction (subject to 250% risk weight) | | 0 | 0 |
| 25 | Floor adjustment | | 0 | 0 |
| **26** | **Total (1+6+10+11+12+13+14+15+16+20+23)** | **16,623,118** | **16,109,455** | **1,745,427** |

- Credit RWA increased by AED 511 mio mainly due to increase in placements and advances
- Market-risk weighted assets slightly increased due to increase in Foreign Exchange.
- Operational risk-weighted assets slightly increased due to increase in 3 years average income

## 4. *Composition of Capital*

### 4.1. *Template CC1: Composition of regulatory capital*

| | | a | b |
|---|---|---|---|
| | **30-Jun-2026** **In AED'000** | **Amounts** | **Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation** |
| | **Common Equity Tier 1 capital: instruments and reserves** | | |
| 1 | Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus | 2,000,000 | Same as (i) from CC2 template |
| 2 | Retained earnings | 2,438,981 | Same as (ii) from CC2 template |
| 3 | Accumulated other comprehensive income (and other reserves) | 1,400,392 | Same as (iii) from CC2 template |
| 4 | *Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)* | 0 | |
| 5 | Common share capital issued by third parties (amount allowed in group CET1) | 0 | |
| 6 | **Common Equity Tier 1 capital before regulatory deductions** | 5,839,373 | |
| | **Common Equity Tier 1 capital regulatory adjustments** | | |
| 7 | Prudent valuation adjustments | 0 | |
| 8 | Goodwill (net of related tax liability) | 0 | |
| 9 | Other intangibles including mortgage servicing rights (net of related tax liability) | 11,976 | |
| 10 | Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability) | 0 | |
| 11 | Cash flow hedge reserve | 0 | |
| 12 | Securitisation gain on sale | 0 | |
| 13 | Gains and losses due to changes in own credit risk on fair valued liabilities | 0 | |
| 14 | Defined benefit pension fund net assets | 0 | |
| 15 | Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet) | 0 | |
| 16 | Reciprocal cross-holdings in CET1, AT1, Tier 2 | 0 | |
| 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) | 849,162 | |
| 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) | 0 | |
| 19 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability) | 0 | |
| 20 | Amount exceeding 15% threshold | 0 | |
| 21 | Of which: significant investments in the common stock of financials | 0 | |
| 22 | Of which: deferred tax assets arising from temporary differences | 0 | |
| 23 | CBUAE specific regulatory adjustments | 0 | |
| 24 | **Total regulatory adjustments to Common Equity Tier 1** | 861,138 | Same as (iv) from CC2 template |
| 25 | **Common Equity Tier 1 capital (CET1)** | **4,978,235** | |
| | **Additional Tier 1 capital: instruments** | | |
| 26 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | 0 | |
| 27 | OF which: classified as equity under applicable accounting standards | 0 | |
| 28 | Of which: classified as liabilities under applicable accounting standards | 0 | |
| 29 | *Directly issued capital instruments subject to phase-out from additional Tier 1* | 0 | |

| | 30-Jun-2026 In AED'000 | a<br>Amounts | b<br>Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|---|---|
| 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) | 0 | |
| 31 | *Of which: instruments issued by subsidiaries subject to phase-out* | 0 | |
| 32 | Additional Tier 1 capital before regulatory adjustments | 0 | |
| | **Additional Tier 1 capital: regulatory adjustments** | | |
| 33 | Investments in own additional Tier 1 instruments | 0 | |
| 34 | Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation | 0 | |
| 35 | Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation | 0 | |
| 36 | CBUAE specific regulatory adjustments | 0 | |
| 37 | Total regulatory adjustments to additional Tier 1 capital | 0 | |
| **38** | **Additional Tier 1 capital (AT1)** | **0** | |
| **39** | **Tier 1 capital (T1= CET1 + AT1)** | **4,978,235** | |
| | **Tier 2 capital: instruments and provisions** | | |
| 40 | Directly issued qualifying Tier 2 instruments plus related stock surplus | 0 | |
| 41 | *Directly issued capital instruments subject to phase-out from Tier 2* | 0 | |
| 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) | 0 | |
| 43 | *Of which: instruments issued by subsidiaries subject to phase-out* | 0 | |
| 44 | Provisions | 97,114 | Same as (v) from CC2 template |
| 45 | **Tier 2 capital before regulatory adjustments** | **97,114** | |
| | **Tier 2 capital: regulatory adjustments** | | |
| 46 | Investments in own Tier 2 instruments | 0 | |
| 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) | 0 | |
| 48 | Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) | 0 | |
| 49 | CBUAE specific regulatory adjustments | 0 | |
| 50 | **Total regulatory adjustments to Tier 2 capital** | **0** | |
| 51 | **Tier 2 capital (T2)** | **97,114** | |
| 52 | **Total regulatory capital (TC = T1 + T2)** | **5,075,349** | |
| 53 | **Total risk-weighted assets** | **16,623,118** | |
| | **Capital ratios and buffers** | | |
| 54 | **Common Equity Tier 1 (as a percentage of risk-weighted assets)** | 29.95% | |
| 55 | **Tier 1 (as a percentage of risk-weighted assets)** | 29.95% | |
| 56 | **Total capital (as a percentage of risk-weighted assets)** | 30.53% | |
| 57 | **Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)** | 2.50% | |
| 58 | **Of which: capital conservation buffer requirement** | 2.50% | |
| 59 | **Of which: bank-specific countercyclical buffer requirement** | 0.00% | |
| 60 | **Of which: higher loss absorbency requirement (e.g. DSIB)** | 0.00% | |
| 61 | **Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.** | 19.45% | |
| | **The CBUAE Minimum Capital Requirement** | | |

| | 30-Jun-2026 In AED'000 | a<br>Amounts | b<br>Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation |
|---|---|---|---|
| 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)** | | |
| [redacted] | | | |
| 66 | Significant investments in common stock of financial entities | 0 | |
| [redacted] | | | |
| 68 | Deferred tax assets arising from temporary differences (net of related tax liability) | 0 | |
| | **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) | 226,347 | |
| 70 | Cap on inclusion of provisions in Tier 2 under standardised approach | 97,114 | |
| [redacted] | | | |
| | | | |
| | **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* | NA | |
| 74 | *Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)* | NA | |
| 75 | *Current cap on AT1 instruments subject to phase-out arrangements* | NA | |
| | | NA | |
| 76 | *Amount excluded from AT1 due to cap (excess after redemptions and maturities)* | NA | |
| 77 | *Current cap on T2 instruments subject to phase-out arrangements* | NA | |
| 78 | *Amount excluded from T2 due to cap (excess after redemptions and maturities)* | NA | |

Capital improved on a QoQ basis due to retained profits and an increase in OCI reserves. However, CAR declined by 25 bps, due to higher growth in assets.

### 4.2. Template CC2: Reconciliation of regulatory capital to balance sheet

| 30-Jun-2026 In AED'000 | a | b | c |
|---|---|---|---|
| | Balance sheet as in published financial statements | Under regulatory scope of consolidation | Reference |
| | As at period-end | As at period-end | |
| **Assets** | | | |
| Cash and balances at central bank of UAE | 2,439,300 | 2,266,614 | |
| Due from other Banks | 8,896,143 | 8,991,956 | |
| Loans and advances and Islamic Financing Receivables | 8,713,133 | 8,842,503 | |
| Investment Securities | 3,542,815 | 3,746,763 | |
| Customers' Acceptances | 182,856 | 0 | |
| Prepayments and Equipment | 66,202 | 101,077 | |
| Other Assets | 254,870 | 67,663 | |
| **Total assets** | **24,095,320** | **24,106,577** | |
| **Liabilities** | | | |
| Customers' Deposits and Islamic customer's deposits | 17,126,063 | 17,126,063 | |
| Customers' Acceptances | 182,856 | 182,856 | |
| Other liabilities | 359,897 | 359,897 | |
| **Total liabilities** | **17,668,816** | **17,668,816** | |
| **Shareholders' equity** | | | |
| Paid-in share capital | 2,000,000 | 2,000,000 | (i) |
| Of which: amount eligible for CET1 | 2,000,000 | 2,000,000 | |
| Of which: amount eligible for AT1 | 0 | 0 | |
| Retained earnings | 2,438,981 | 2,438,981 | (ii) |
| Accumulated OCI and Other Reserves | 1,987,522 | 1,400,392 | (iii) |
| - Of which cumulative changes in fair values | 832,637 | 374,686 | |
| - Of which impairment reserve -general | 129,180 | 0 | |
| CET 1 – Regulatory deductions | 0 | 861,138 | (iv) |
| Provisions eligible for inclusion in Tier II Capital | 0 | 97,114 | (v) |
| **Total shareholders' equity** | **6,426,504** | **5,075,349** | |

**Difference between the published financials and the regulatory reporting are as follows: -**

| | |
|---|---|
| Total Assets | 1. The difference between published FS - Total Assets (excluding acceptances) and under regulatory scope of consolidation (Basel Reporting) is due to provisions (General & Specific) and Interest in suspense (IIS). In published financial statements provisions (specific & general) and IIS are netted, however under the regulatory scope of consolidation, gross exposure will be considered and for risk weighted computation specific provisions and IIS will be deducted.<br>2. Acceptances are reported in financial statements (funded), whereas under regulatory purpose acceptances are included in the off-balance sheet exposure. |
| Total Shareholders' equity | 3. Haircut of 55% is applied on **"Cumulative changes in fair value"** under Basel reporting.<br>4. Impairment reserves excluded from the regulatory capital calculation along with regulatory deductions (Goodwill / other intangible assets and significant investments <10% of common) according to CBUAE guidelines.<br>5. General provisions, which routed through P&L account, are eligible to be considered in Tier II capital, with a cap of 1.25% of Credit Risk Weighted Assets (CRWA) |

### 4.3. *Template CCA: Main features of regulatory capital instruments*

Not applicable as the Bank has neither issued / nor repaid a capital instrument.

## 5. *Macro prudential Supervisory Measures*

As per the Notice issued by CBUAE (CBUAE/FSD/2024/1265, Dated: 10-Dec-2024), Central Bank of the UAE's directors decided to increase the countercyclical capital buffer (CCyB) requirement to 0.5% on the private sector credit exposure in the UAE. The phase-in period for the requirement will be 12 months, beginning on 1 January 2025, with the CCyB rate of 0.50% becoming effective on 1 January 2026.

However, being conservative approach, we have added the 0.50% of CCyB in our working since 1st January 2025.

CBUAE, vide its Financial Institution Resilience Package (FIRP Standards) dt: 18.03.2026, has temporarily releases Countercyclical Capital Buffer(CCyB) requirement from 0.5% to 0% on relevant private sector credit exposures in the UAE, effective from 17 March2026 until 30-Sep-2026, to provide banks with additional flexibility to support the UAE economy.

### 5.1. *Template CCyB1: Countercyclical Buffer*

Not Applicable. Bank does not have any private exposure outside UAE geography.

## 6. Leverage ratio

### 6.1. *Template LR1: Summary comparison of accounting assets vs leverage ratio exposure*

| | a | b |
|---|---|---|
| In AED'000 | **T<br>30 June 2026** | **T-1<br>31 Mar 2026** |
| Total consolidated assets as per published financial statements | 24,095,320 | 23,200,157 |
| Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation | (861,138) | (840,699) |
| Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference | 0 | 0 |
| Adjustments for temporary exemption of central bank reserves (if applicable) | 0 | 0 |
| Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure | 0 | 0 |
| Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting | 0 | 0 |
| Adjustments for eligible cash pooling transactions | 0 | 0 |
| Adjustments for derivative financial instruments | 357 | 388 |
| Adjustment for securities financing transactions (ie repos and similar secured lending) | 0 | 0 |
| Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 2,084,384 | 2,213,962 |
| Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital | 0 | 0 |
| Other adjustments | (182,854) | (227,382) |
| **Leverage ratio exposure measure** | **25,136,069** | **24,346,427** |

Major difference between consolidated assets as per financial statements and Leverage ratio exposure measure is due to:

- Under exposure measure, investments and other intangible assets, that are deducted from the bank's capital in accordance with Capital supply standard should be deducted from the leverage ratio exposure measure. This adjustment will lead to reduction in exposure.

- Adjustments related to derivative financial instruments -it is the difference between the accounting value of the derivatives recognized as assets and the leverage ratio exposure value.
- Adjustment for Off Balance sheet items - Credit equivalent amount of off-balance sheet items determined by applying the relevant credit conversion factors to the nominal value of the off-balance sheet item. This will increase the exposure measure.
- Other adjustments – Acceptances are reported underfunded portions as per the financial statements, however, the same was already considered under off balance sheet for exposure measure, hence it has resulted in decrease in exposure.

### 6.2. Template LR2: Leverage ratio common disclosure template

| | | a | b |
|---|---|---|---|
| | In AED'000 | T<br>30 June 2026 | T-1<br>31 Mar 2026 |
| **On-balance sheet exposures** | | | |
| 1 | On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral) | 24,016,579 | 23,076,989 |
| 2 | Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework | 0 | 0 |
| 3 | (Deductions of receivable assets for cash variation margin provided in derivatives transactions) | 0 | 0 |
| 4 | (Adjustment for securities received under securities financing transactions that are recognised as an asset) | 0 | 0 |
| 5 | (Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital) | (104,113) | (104,214) |
| 6 | (Asset amounts deducted in determining Tier 1 capital) | (861,138) | (840,699) |
| 7 | **Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)** | **23,051,328** | **22,132,076** |
| **Derivative exposures** | | | |
| 8 | Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting) | 38 | 0 |
| 9 | Add-on amounts for PFE associated with *all* derivatives transactions | 217 | 277 |
| 10 | (Exempted CCP leg of client-cleared trade exposures) | 0 | 0 |
| 11 | Adjusted effective notional amount of written credit derivatives | 0 | 0 |
| 12 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | 0 | 0 |
| 13 | **Total derivative exposures (sum of rows 8 to 12), (8 + 9)*1.4** | **357** | **388** |
| **Securities financing transactions** | | | |
| 14 | Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions | 0 | 0 |
| 15 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | 0 | 0 |
| 16 | CCR exposure for SFT assets | 0 | 0 |
| 17 | Agent transaction exposures | 0 | 0 |
| 18 | **Total securities financing transaction exposures (sum of rows 14 to 17)** | 0 | 0 |
| **Other off-balance sheet exposures** | | | |
| 19 | Off-balance sheet exposure at gross notional amount | 3,223,296 | 3,476,615 |
| 20 | (Adjustments for conversion to credit equivalent amounts) | (1,127,539) | (1,250,498) |
| 21 | (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital) | (11,373) | (12,155) |
| 22 | **Off-balance sheet items (sum of rows 19 to 21)** | 2,084,384 | 2,213,962 |
| **Capital and total exposures** | | | |
| 23 | **Tier 1 capital** | 4,978,235 | 4,861,530 |
| 24 | **Total exposures (sum of rows 7, 13, 18 and 22)** | 25,136,069 | 24,346,427 |
| **Leverage ratio** | | | |
| 25 | **Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)** | 19.81% | 19.97% |

| | | a | b |
|---|---|---|---|
| In AED'000 | | **T**<br>**30 June 2026** | **T-1**<br>**31 Mar 2026** |
| 25a | Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) | 19.81% | 19.97% |
| 26 | CBUAE minimum leverage ratio requirement | 3.00% | 3.00% |
| 27 | **Applicable leverage buffers** | 0.00% | 0.00% |

Leverage ratio declined by 16 bps on QoQ basis, as the growth in exposure dominated the increase in Tier 1 Capital.

## 7. *Liquidity Risk Management*

Liquidity risk is the risk that the Group will be unable to meet its liabilities when they fall due. Liquidity risk can be caused by market disruptions or credit downgrades which may cause certain sources of funding to dry up immediately. To guard against this risk, management endeavors to diversify funding sources on a continuous basis and manage assets with liquidity in mind. The day-to-day funds management is done at Treasury to maintain satisfactory liquid assets. The liquidity position is monitored and reported to top management daily. The Bank's Assets and Liabilities Committee (ALCO) has put in place the policies to manage liquidity risk and monitor the position regularly.

As part of the ICAAP, the Bank assesses the impact on capital adequacy of liquidity risk including concentrations by carrying out stress testing.

Liquidity risk is measured in the Bank using a flow approach and stock approach. Flow approach involves comprehensive tracking of cash flow mismatches. The stock approach involves measurement of critical ratios in respect of liquidity risk. For measuring and managing net funding requirements, the use of maturity ladder and calculations of cumulative surplus or deficit of funds at selected maturity dates are adopted as standard tools.

As per CBUAE guidelines, Bank has adopted the Basel III framework on liquidity standards and ensures daily monitoring of Eligible Liquid Assets Ratio (ELAR) and Advances to Stable Resources Ratio (ASRR).

The Bank has a liquidity stress testing framework guided by the CBUAE liquidity framework. Liquidity stress testing are conducted under different scenarios at monthly intervals to assess the impact on liquidity to withstand stressed conditions.

The bank has a Board approved Contingency Funding Plan (CFP) guided by the regulatory stipulation that sets out the strategies for addressing liquidity shortfalls in critical stress situations

### 7.1. *Template LIQ1: Liquidity Coverage Ratio (LCR)*

This is not applicable to the Bank as our bank is not a D-SIB Bank.

### 7.2. *Template LIQ2: Net Stable Funding Ratio (NSFR)*

This is not applicable to the Bank as our bank is not a D-SIB Bank.

### 7.3. *Template ELAR: Eligible Liquid Assets Ratio*

The following table presents the ELAR ratio of the Bank for 30.06.2026, based on simple averages of daily observations over the previous quarter (i.e. the average calculated over a period of 90 days) in AED. The table also presents the breakdown of the Bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

| | | 30 June 2026 | In AED'000 |
|---|---|---|---|
| **1** | **High Quality Liquid Assets** | **Nominal amount** | **Eligible Liquid Asset** |
| 1.1 | Physical cash in hand at the bank + balances with the CBUAE | 3,184,061 | |
| 1.2 | UAE Federal Government Bonds and Sukuks | 0 | |
| | Sub Total (1.1 to 1.2) | 3,184,061 | 3,184,061 |
| 1.3 | UAE local governments publicly traded debt securities | 290,624 | |
| 1.4 | UAE Public sector publicly traded debt securities | 0 | |
| | Sub Total (1.3 to 1.4) | 290,624 | 290,624 |
| 1.5 | Foreign Sovereign debt instruments or instruments issued by their respective central banks | 0 | 0 |
| **1.6** | **Total** | **3,474,684** | **3,474,684** |
| **2** | Total liabilities | | 17,485,880 |
| **3** | **Eligible Liquid Assets Ratio (ELAR)** | | **19.87%** |

The increase in deposit balances, together with reduction in the HQLA portfolio, contributed to a quarter-on-quarter decline in the average ELAR.

### 7.4. *Template ASRR: Advances to Stables Resource Ratio*

The table below provides the breakdown of the Bank's Advances to Stable Resource Ratio (ASRR) as per the UAECB Liquidity Regulations.

| | | Items | 30 June 2026 Amount (AED'000) | 31 Mar 2026 Amount (AED'000) |
|---|---|---|---|---|
| **1** | | **Computation of Advances** | | |
| | 1.1 | Net Lending (gross loans minus (Stage 3 for Loans and Advances (Principal) + Provision for Interest & Fees past due more than 90 days and Legacy Interest in Suspense)) | 8,573,272 | 8,294,494 |
| | 1.2 | Lending to non-banking financial institutions | 220,507 | 127,188 |
| | 1.3 | Financial Guarantees & Stand-by LC Issued | 316,216 | 319,149 |
| | 1.4 | Financial Guarantees & Stand -by LCs Received | 0 | 0 |
| | 1.5 | Interbank Placements with a remaining life of more than 3 months | 3,533,209 | 4,461,525 |
| | **1.6** | **Total Advances** | **12,643,024** | **13,202,356** |
| **2** | | **Calculation of Net Stable Resources** | | |
| | 2.1 | Total own funds + general provisions | 6,523,616 | 6,352,586 |
| | | **Deduct:** | | |
| | 2.1.1 | Goodwill and other intangible assets | 0 | 0 |
| | 2.1.2 | Fixed Assets | 101,077 | 113,453 |
| | 2.1.3 | Funds allocated to branches abroad | 0 | 0 |
| | 2.1.4 | Treasury shares held / No INPUT required here | 0 | 0 |
| | 2.1.5 | Unquoted Investments | 55,037 | 48,400 |
| | 2.1.6 | Investment in subsidiaries, associates and affiliates | 0 | 0 |
| | **2.1.7** | **Total deduction** | **156,114** | **161,943** |
| | **2.2** | **Net Free Capital Funds** | **6,367,502** | **6,190,643** |
| | **2.3** | **Other stable resources:** | | |
| | 2.3.1 | Funds from the head office | 0 | 0 |
| | 2.3.2 | Interbank deposits with remaining life of more than 6 months | 0 | 0 |
| | 2.3.3 | Refinancing of Housing Loans | 0 | 0 |
| | 2.3.4 (a) | Borrowing from non-Banking Financial Institutions remaining life of more than 6 months | 56,141 | 8,460 |
| | 2.3.4 (b) | 85% of the rest of NBFI Deposits | 51,159 | 107,487 |
| | 2.3.5 (a) | Customer Deposits with remaining life of more than 6 months | 4,253,991 | 2,969,066 |
| | 2.3.5 (b) | 85% of the rest of Customer Deposits | 10,842,382 | 11,239,741 |
| | 2.3.6 | Capital market funding/ term borrowings maturing after 6 months from reporting date | 0 | 0 |
| | 2.3.7 | Head Office loans towards meeting Large Exposure Funding | 0 | 0 |
| | **2.3.8** | **Total other stable resources** | **15,203,673** | **14,324,754** |
| | **2.4** | **Total Stable Resources (2.2+2.3.8)** | **21,571,175** | **20,515,397** |
| **3** | | **Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)** | **58.61** | **64.35** |

Reduction in ASRR by 574 bps on QoQ is mainly due to decrease in advances and increase in stable funding during the period.

## 8. *Credit risk*

### 8.1. *Template CRA: General qualitative information about Credit Risk*

The Bank assumes Credit Risk as part of its lending operations, which is identified as the risk that counterparty will cause a financial loss by failing to discharge an obligation.. Credit Risk Management and control are centralized in the Credit Risk Department with the following objectives:

a) To measure, monitor and mitigate risks both at micro as well as macro level.

b) To facilitate building and sustaining a high-quality credit portfolio and minimize losses.

c) Contain non-performing assets through preventive and curative management.

d) To identify early warning signals and initiate timely corrective action.

### 8.2. *Template CR1: Credit quality of assets*

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | AED 000 | Gross carrying values of | | Allowances/Impairments | Of which ECL accounting provisions for credit losses on SA exposures | | Net values (a+b-c) |
| | 30-Jun-2026 | Defaulted exposures | Non-defaulted exposures | | Allocated in regulatory category of Specific | Allocated in regulatory category of General | |
| 1 | Loans | 36,790 | 8,774,356 | 98,013 | 17,368 | 80,645 | 8,713,133 |
| 2 | Debt securities | 0 | 2,137,847 | 2,132 | 0 | 2,132 | 2,135,715 |
| 3 | Off-balance sheet exposures | 43,443 | 3,180,210 | 11,373 | 65 | 11,308 | 3,212,279 |
| **4** | **Total** | **80,233** | **14,092,413** | **111,518** | **17,433** | **94,086** | **14,061,127** |

Non-Performing Advances are defined as advances classified as Substandard, Doubtful and Loss, in which there is loss due to Defaults.

Item 1 & 2 are reconciled with published FS note 6 & 7 (Only quoted debt securities – Amortized cost & FVOCI).

Item 3: Off-balance sheet exposure includes guarantees, LCs, Commitments to extend credit, FX Forwards and Acceptances.

### 8.3. *Template CR2: Changes in stock of defaulted loans and debt securities*

| | AED 000 | A<br>30-Jun-26 |
|---|---|---|
| **1** | **Defaulted loans and debt securities at the end of the previous reporting period** | 28,288 |
| 2 | Loans and debt securities that have defaulted since the last reporting period | 8,522 |
| 3 | Returned to non-default status | 0 |
| 4 | Amounts written off | 8 |
| 5 | Other changes | 12 |
| **6** | **Defaulted loans and debt securities at the end of the reporting period (1+2-3-4-5)** | **36,790** |

This amount reconciles with our annual FS disclosure note 6 (Stage 3).

### 8.4. Template CRB: Additional disclosure related to the credit quality of assets

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### 8.4.1. Template CR3: Credit Risk mitigation techniques – Overview

The Bank uses a Simple approach under Basel III for risk mitigation.

| AED 000<br>30-Jun-2026 | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | Exposures unsecured: carrying amount | Exposures secured by collateral | Exposures secured by collateral of which: secured amount | Exposures secured by financial guarantees | Exposures secured by financial guarantees, of which: secured amount | Exposures secured by credit derivatives | Exposures secured by credit derivatives, of which: secured amount |
| 1 | Loans | 8,681,399 | 31,734 | 31,734 | 0 | 0 | 0 | 0 |
| 2 | Debt securities | 2,135,715 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3** | **Total** | **10,817,114** | **31,734** | **31,734** | 0 | 0 | 0 | 0 |
| 4 | Of which defaulted | 19,464 | 0 | 0 | 0 | 0 | 0 | 0 |

| AED 000<br>30-Jun-2025 | | a | b | c | d | e | f | g |
|---|---|---|---|---|---|---|---|---|
| | | Exposures unsecured: carrying amount | Exposures secured by collateral | Exposures secured by collateral of which: secured amount | Exposures secured by financial guarantees | Exposures secured by financial guarantees, of which: secured amount | Exposures secured by credit derivatives | Exposures secured by credit derivatives, of which: secured amount |
| 1 | Loans | 8,430,749 | 51,783 | 51,783 | 0 | 0 | 0 | 0 |
| 2 | Debt securities | 1,120,974 | 0 | 0 | 0 | 0 | 0 | 0 |
| **3** | **Total** | **9,551,723** | **51,783** | **51,783** | 0 | 0 | 0 | 0 |
| 4 | Of which defaulted | 185,191 | 0 | 0 | 0 | 0 | 0 | 0 |

The above is prepared in accordance with the "Standardized approach of Basel" III which recognizes only cash as primary collateral, otherwise the actual collateral held by Bank is significantly high. Unsecured exposure increased on YoY Basis, due to increase in overall exposure.

On YoY Basis, Net defaulted loans reduced substantially due to write offs.

### 8.4.2. Template CR4: Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

| 30-Jun-2026 | AED'000 | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
| | Asset classes | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Sovereigns and their central banks | 3,891,889 | 0 | 3,891,889 | 0 | 551,602 | 14.17% |
| 2 | Public Sector Entities | 1,396,302 | 0 | 1,396,302 | 0 | 1,210,552 | 86.70% |
| 3 | Multilateral development banks | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 4 | Banks | 9,887,711 | 95,605 | 9,887,711 | 56,388 | 4,647,860 | 46.74% |
| 5 | Securities firms | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 6 | Corporates | 3,275,834 | 2,123,699 | 3,265,105 | 1,081,099 | 4,052,895 | 93.25% |
| 7 | Regulatory retail portfolios | 367,546 | 709,596 | 366,393 | 667,806 | 323,834 | 31.31% |
| 8 | Secured by residential property | 39,005 | 3,162 | 39,005 | 1,581 | 22,732 | 56.01% |
| 9 | Secured by commercial real estate | 3,252,017 | 248,150 | 3,231,871 | 112,347 | 3,319,071 | 99.25% |
| 10 | Equity Investment in Funds (EIF) | 0 | 0 | 0 | 0 | 0 | 0.00% |
| 11 | Past-due loans | 19,476 | 43,377 | 19,476 | 43,377 | 91,176 | 145.06% |
| 12 | Higher-risk categories | 25,223 | 0 | 25,223 | 0 | 37,834 | 150.00% |
| 13 | Other assets | 1,843,292 | 0 | 1,843,292 | 0 | 832,220 | 45.15% |
| **14** | **Total** | **23,998,295** | **3,223,588** | **23,966,267** | **1,962,597** | **15,089,777** | |

| 30-Jun-2025 | AED 000 | a | B | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
| | Asset classes | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Sovereigns and their central banks | 3,812,444 | 0 | 3,812,444 | 0 | 637,265 | 17% |
| 2 | Public Sector Entities | 1,017,563 | 0 | 1,017,563 | 0 | 768,135 | 75% |
| 3 | Multilateral development banks | 0 | 0 | 0 | 0 | 0 | 0% |
| 4 | Banks | 6,380,817 | 2,475 | 6,380,818 | 2,475 | 2,986,534 | 47% |
| 5 | Securities firms | 0 | 0 | 0 | 0 | 0 | 0% |
| 6 | Corporates | 3,679,621 | 2,715,416 | 3,646,517 | 1,770,900 | 4,493,715 | 70% |
| 7 | Regulatory retail portfolios | 334,089 | 48,339 | 333,801 | 25,856 | 325,376 | 85% |
| 8 | Secured by residential property | 20,318 | 501 | 20,318 | 250 | 19,380 | 93% |
| 9 | Secured by commercial real estate | 2,879,103 | 327,418 | 2,860,709 | 152,445 | 2,989,693 | 93% |
| 10 | Equity Investment in Funds (EIF) | 0 | 0 | 0 | 0 | 0 | 0% |
| 11 | Past-due loans | 212,279 | 44,503 | 138,310 | 44,118 | 242,713 | 95% |
| 12 | Higher-risk categories | 20,099 | 0 | 20,098 | 0 | 30,148 | 150% |
| 13 | Other assets | 1,739,946 | 0 | 1,739,945 | 0 | 914,055 | 53% |
| **14** | **Total** | **20,096,280** | **3,138,652** | **19,970,524** | **1,996,044** | **13,407,014** | |

On Balance Sheet, exposure is net of allowances (specific and IIS) as required by CBUAE pillar 3 reporting requirements. CRWAs increased due to higher loan book, investments and placements in Q2'26 compared to Q2'25. This template reconcile with CBUAE return ( Basel 002)

### 8.4.3. Template CR5: standardised approach- exposure by asset classes and risk weights

The column I total of this table reconciles with the above table total of On+Off BS post CRM & CCF exposure total

| | 30-Jun-2026 AED 000 | a | b | c | d | e | f | g | h | i |
|---|---|---|---|---|---|---|---|---|---|---|
| | Asset classes / Risk weight | 0% | 20% | 35% | 50% | 75% | 100% | 150% | Others | Total credit exposures amount (post CCF and post-CRM) |
| 1 | Sovereigns and their central banks | 3,106,584 | 0 | 0 | 467,407 | 0 | 317,899 | 0 | 0 | 3,891,889 |
| 2 | Public Sector Entities | 0 | 232,187 | 0 | 0 | 0 | 1,164,115 | 0 | 0 | 1,396,302 |
| 3 | Multilateral development banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Banks | 234 | 2,243,528 | 0 | 7,002,511 | 0 | 697,822 | 3 | 0 | 9,944,099 |
| 5 | Securities firms | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Corporates | 89,954 | 37,528 | 0 | 0 | - | 3,063,172 | 0 | 1,155,551 | 4,346,204 |
| 7 | Regulatory retail portfolios | 627,144 | 0 | 0 | 0 | 332,884 | 74,171 | 0 | 0 | 1,034,199 |
| 8 | Secured by residential property | 0 | 0 | 25,319 | 0 | 5,583 | 9,683 | 0 | 0 | 40,586 |
| 9 | Secured by commercial real estate | 25,147 | 0 | 0 | 0 | 0 | 3,319,071 | 0 | 0 | 3,344,218 |
| 10 | Equity Investment in Funds (EIF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | Past-due loans | 2,062 | 0 | 0 | 0 | 0 | 22 | 60,769 | 0 | 62,853 |
| 12 | Higher-risk categories | 0 | 0 | 0 | 0 | 0 | 0 | 25,223 | 0 | 25,223 |
| 13 | Other assets | 1,022,283 | 0 | 0 | 0 | 0 | 798,594 | 22,415 | 0 | 1,843,292 |
| **14** | **Total** | **4,873,407** | **2,513,243** | **25,319** | **7,469,918** | **338,467** | **9,444,549** | **108,410** | **1,155,551** | **25,928,864** |

In all buckets exposure has increased, except 100% and 150%, mainly due to raise in lending book and placement. However, past-dues exposure reduced.

| 30-Jun-2025 | AED 000 | a | b | c | d | e | f | g | h | i |
|---|---|---|---|---|---|---|---|---|---|---|
| | Risk weight / Asset classes | 0% | 20% | 35% | 50% | 75% | 100% | 150% | Others | Total credit exposures amount (post CCF and post-CRM) |
| 1 | Sovereigns and their central banks | 3,175,179 | 0 | 0 | 0 | 0 | 637,265 | 0 | 0 | **3,812,444** |
| 2 | Public Sector Entities | 0 | 288,758 | 0 | 36,844 | 0 | 691,961 | 0 | 0 | **1,017,563** |
| 3 | Multilateral development banks | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 4 | Banks | 234 | 1,465,764 | 0 | 4,522,414 | 0 | 320,915 | 73,965 | 0 | **6,383,292** |
| 5 | Securities firms | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 6 | Corporates | 771,016 | 37,523 | 0 | 0 | 0 | 3,791,095 | 0 | 817,783 | **5,417,417** |
| 7 | Regulatory retail portfolios | 3,552 | 0 | 0 | 0 | 122,915 | 233,189 | 0 | 0 | **359,657** |
| 8 | Secured by residential property | 0 | 0 | 1,227 | 0 | 1,565 | 17,777 | 0 | 0 | **20,569** |
| 9 | Secured by commercial real estate | 23,461 | 0 | 0 | 0 | 0 | 2,989,693 | 0 | 0 | **3,013,154** |
| 10 | Equity Investment in Funds (EIF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 11 | Past-due loans | 2,626 | 0 | 0 | 0 | 0 | 53,979 | 125,823 | 0 | **182,428** |
| 12 | Higher-risk categories | 0 | 0 | 0 | 0 | 0 | 0 | 20,098 | 0 | **20,098** |
| 13 | Other assets | 826,165 | 0 | 0 | 0 | 0 | 913,230 | 550 | 0 | **1,739,945** |
| **14** | **Total** | **4,802,233** | **1,792,045** | **1,227** | **4,559,258** | **124,480** | **9,649,103** | **220,437** | **817,783** | **21,966,567** |

## 9. *Counterparty Credit Risk*

### 9.1. *Template CCR1: Analysis of counterparty credit risk (CCR) exposure by approach*

| | | a | b | c | d | e | f |
|---|---|---|---|---|---|---|---|
| | 30-Jun-2026 AED 000 | Replacement cost | Potential future exposure | EEPE | Alpha used for computing regulatory EAD | EAD post-CRM | RWA |
| 1 | SA-CCR (for derivatives) | 38 | 217 | | 1.4 | 357 | 71 |
| 2 | [redacted] | | | 0 | 0 | 0 | 0 |
| 3 | Simple Approach for credit risk mitigation (for SFTs) | | | | | 0 | 0 |
| 4 | Comprehensive Approach for credit risk mitigation (for SFTs) | | | | | 0 | 0 |
| 5 | [redacted] | | | | | 0 | 0 |
| **6** | **Total** | | | | | | 0 |

### 9.2. *Template CCR2: Credit Valuation Adjustments (CVA) Capital Charge (CCR2)*

| Sno. | Description 30-Jun-2026 AED 000 | EAD post-CRM | RWA |
|---|---|---|---|
| 1 | All portfolios subject to the Standardised CVA capital charge* | 0 | 0 |
| 2 | All portfolios subject to the Simple alternative CVA capital charge | 357 | 71 |

## 9.3. *Template CCR3: Standardised approach - CCR exposures by regulatory portfolio and risk weights*

| 30-Jun-2026 AED000 | a | b | c | d | e | f | g | h |
|---|---|---|---|---|---|---|---|---|
| Regulatory Portfolio / Risk weight | 0% | 20% | 50% | 75% | 100% | 150% | Others | Total credit exposure |
| Sovereigns | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Public Sector Entities (PSEs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Multilateral development banks (MDBs) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Banks | 0 | 357 | 0 | 0 | 0 | 0 | 0 | 357 |
| Securities firms | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporates | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Regulatory retail portfolios | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secured by residential property | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Secured by commercial real estate | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity Investment in Funds (EIF) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Past-due loans | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Higher-risk categories | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other assets | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **357** | **0** | **0** | **0** | **0** | **0** | **357** |

### 9.4. Template CCR5: Composition of collateral for CCR exposure

| 30-Jun-2026 AED000 | a | b | c | d | e | f |
|---|---|---|---|---|---|---|
| | Collateral used in derivative transactions | | | | Collateral used in SFTs | |
| | Fair value of collateral received | | Fair value of posted collateral | | Fair value of collateral received | Fair value of posted collateral |
| | Segregated | Unsegregated | Segregated | Unsegregated | | |
| Cash - domestic currency | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash - other currencies | 0 | 0 | 0 | 0 | 0 | 0 |
| Domestic sovereign debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Government agency debt | 0 | 0 | 0 | 0 | 0 | 0 |
| Corporate bonds | 0 | 0 | 0 | 0 | 0 | 0 |
| Equity securities | 0 | 0 | 0 | 0 | 0 | 0 |
| Other collateral | 0 | 0 | 0 | 0 | 0 | 0 |
| **Total** | **0** | **0** | **0** | **0** | **0** | **0** |

### 9.5. Template CCR6: Credit derivative exposures

Not applicable. There are no credit derivative exposures

### 9.6. Template CCR8: Exposures to central counterparties

Not applicable. There is no exposure to central counterparties

## 10. Securitisation

No disclosures related to Securitisation are applicable to Bank, as we do not have any securitisation position.

### 10.1. Template SEC1: Securitisation exposures in the banking book

Not Applicable to the Bank

### 10.2. Template SEC2: Securitisation exposures in the trading book

Not Applicable to the Bank

### 10.3. Template SEC3: Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor

Not Applicable to the Bank

### 10.4. Template SEC4: Securitisation exposures in the banking book and associated capital requirements - bank acting as investor

Not Applicable to the Bank

## 11. Market risk

### 11.1. Table MRA: General qualitative disclosure requirements related to market risk

Market risk for the Bank refers to the risk wherein the value of its on and/or off-balance sheet positions are adversely affected due to movements primarily in interest rates, currency exchange rates and investment prices. The changes impact the Bank's earnings & capital and can have ramifications on the Bank's liquidity and profitability.

Market Risk department of the Bank appraises these risks to ALCO on a regular basis based on the stipulated norms for Asset Liability Management and Investments. The ALCO reviews the liquidity positions, interest rate risk metrics, investment portfolio positions and ensures adherence to regulatory and internal guidelines. ALCO takes corrective measures as per the Bank's internal market risk policies and strategic business directions.

The bank has board approved risk appetite limit for various metrics, including Liquidity risk, interest rate risk, investments and the market risk department reports the current positions of these metrics to Board Risk Committee on quarterly basis.

The Market Risk (MR) Department monitors the investment positions of the bank related to the equity, debt, forex and derivatives positions. It conducts the stress testing on liquidity, interest rate, equity and forex positions and present the results to ALCO and Board Risk Committee on periodical basis. It also monitors the VaR, stressed VaR and DV01 limits for assessing the risk on the investment portfolio.

The Bank uses Standardized Approach to calculate Risk Weighted Assets (RWAs) for market risk as per the CBUAE guidelines. The computed Risk Weighted Assets using the Standardized Approach for market risk for reporting period 30/06/2026 are given in the table below:

### 11.2. Table MR1: Market risk under the standardised approach (SA)

The purpose of this template is to provide the components of the capital requirement under the SA for Market Risk.

| | | 30-Jun-2026 | 31-Mar-2026 |
|---|---|---|---|
| | | RWA (AED'000) | RWA (AED'000) |
| 1 | General Interest rate risk (General and Specific) | 0 | 0 |
| 2 | Equity risk (General and Specific) | 19,894 | 19,906 |
| 3 | Foreign exchange risk | 2,262 | 2,073 |
| 4 | Commodity risk | 0 | 0 |
| | Options | | |
| 5 | Simplified approach | 0 | 0 |
| 6 | Delta-plus method | 0 | 0 |
| 7 | Scenario approach | | |
| 8 | Securitisation | 0 | 0 |
| **9** | **Total** | **22,156** | **21,980** |

On QoQ basis, Market-risk weighted assets slightly increased due to increase in Foreign Exchange.

**--- End of Report --**