

Beyond Vision: Growing to
Global Excellence

Rise every day



**PILLAR 3
BASEL III
Disclosures
Q2 2025**



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Overview

Pillar 3 of the Basel framework is designed to strengthen market discipline by requiring banks to publicly disclose detailed information on their regulatory capital structure, risk exposures, and risk-weighted assets (RWA). These disclosures enable stakeholders, including regulators, investors, and analysts, to assess the soundness and resilience of a bank's capital position and risk management practices. In alignment with international standards, the Central Bank of the UAE (CBUAE) issued enhanced Pillar 3 disclosure requirements in November 2020, effective from 31 December 2021. The framework mandates standardized templates covering credit, market, and operational risks under Pillar 1, along with supplementary disclosures to improve transparency and comparability across institutions. These measures aim to reinforce confidence in the UAE banking sector and ensure alignment with global regulatory expectations.

Internal Pillar 3 Policy and attestation process:

- Reviews – Pillar 3 report undergoes several rounds of reviews by the Finance and Risk functions.
- Internal audit – Internal audit performs a review of the Pillar 3 disclosures.
- Attestation – Attestation is obtained from the CFO and CRO of the bank that Pillar 3 report has been prepared in accordance with the board-agreed internal control processes.

Pillar 3 disclosures for the period ending 30th June 2025 have been appropriately reviewed by the management and internal audit.

The Group's Pillar 3 disclosures for the period ending 30th June 2025 comprises both quantitative and qualitative information in line with CBUAE Pillar 3 guidance.

Overview of risk management, key prudential metrics and RWA

Key metrics (KM1)

Key prudential regulatory metrics related to regulatory capital, leverage ratio and liquidity standards:

		Jun-25	Mar-25	Dec-24	Sep-24	Jun-24
		(AED 000)				
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	31,012,268	29,532,515	27,635,201	29,703,650	27,906,952
1a	Fully loaded ECL accounting model	31,012,268	29,532,515	27,635,201	29,703,650	27,906,952
2	Tier 1	33,950,668	32,470,915	30,573,601	32,642,050	30,845,352
2a	Fully loaded ECL accounting model Tier 1	33,950,668	32,470,915	30,573,601	32,642,050	30,845,352
3	Total capital	36,880,303	35,382,283	33,448,544	36,546,964	34,667,960
3a	Fully loaded ECL accounting model total capital	36,880,303	35,382,283	33,448,544	36,546,964	34,667,960
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	210,147,596	191,745,571	191,257,689	184,867,570	178,229,345
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	14.76%	15.40%	14.45%	16.07%	15.66%
5a	Fully loaded ECL accounting model CET1 (%)	14.76%	15.40%	14.45%	16.07%	15.66%
6	Tier 1 ratio (%)	16.16%	16.93%	15.99%	17.66%	17.31%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.16%	16.93%	15.99%	17.66%	17.31%
7	Total capital ratio (%)	17.55%	18.45%	17.49%	19.77%	19.45%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.55%	18.45%	17.49%	19.77%	19.45%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.09%	0.07%	0.09%	0.08%	0.07%
11	Total of bank CET1 specific buffer requirements (%)	2.59%	2.57%	2.59%	2.58%	2.57%
12	CET1 available after meeting the bank's minimum capital requirements	7.05%	7.95%	6.99%	9.07%	8.66%
Leverage Ratio						
13	Total leverage ratio measure	326,462,459	301,856,499	296,823,070	290,402,669	288,850,981
14	Leverage ratio (%) (row 2/row 13)	10.40%	10.76%	10.30%	11.24%	10.68%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2a/row 13)	10.40%	10.76%	10.30%	11.24%	10.68%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary)	10.40%	10.76%	10.30%	11.24%	10.68%
Liquidity Coverage Ratio						
15	Total HQLA	63,245,645	68,509,233	61,890,461	64,362,700	67,693,645
16	Total net cash outflow	55,530,194	54,058,197	43,994,978	46,843,035	50,131,015
17	LCR ratio (%)	113.89%	126.73%	140.68%	137.40%	135.03%
Net Stable Funding Ratio						
18	Total available stable funding	153,424,100	147,797,577	141,534,663	141,531,875	137,209,032
19	Total required stable funding	135,343,078	123,859,726	121,183,864	118,807,762	120,001,099
20	NSFR ratio (%)	113.36%	119.33%	116.79%	119.13%	114.34%

Overview of Risk Weighted Assets (OV1)

The following table provides an overview of total Risk Weighted Assets.

	(AED 000)		
	a	b	c
	RWA		Minimum capital requirements
	Jun - 2025	Mar - 2025	Jun - 2025
Credit risk (excluding counterparty credit risk)	183,971,563	167,438,824	19,317,014
Of which: standardized approach (SA)	183,971,563	167,438,824	19,317,014
Counterparty credit risk (CCR)	1,710,312	1,522,083	179,583
Of which: standardized approach for counterparty credit risk	1,710,312	1,522,083	179,583
Credit valuation adjustment (CVA)	816,613	787,112	85,744
Securitization exposures in the banking book	43,774	40,491	4,596
Of which: securitization external ratings-based approach (SEC-ERBA)	43,774	40,491	4,596
Market risk	4,046,074	3,174,634	424,838
Of which: Standardized approach (SA)	4,046,074	3,174,634	424,838
Operational risk	19,559,260	18,782,427	2,053,722
Total	210,147,596	191,745,571	22,065,498

- The regulatory minimum capital requirement is calculated at 10.5% of the RWA.
- Credit risk weighted assets (CRWAs) increase as of June 30th, 2025 is primarily on account of increase in loans and advances to customers and banks.

Composition of capital

This section demonstrates the composition of regulatory capital, along with the reconciliation of regulatory capital to the balance sheet.

Composition of regulatory capital (CC1)

	June - 2025 (AED 000)	
	a	B
	Amounts (In AED 000)	Reference
Common Equity Tier 1 capital: instruments and reserves		
Directly issued qualifying common share capital plus related stock surplus	2,006,098	C
Retained earnings	31,143,144	
Accumulated other comprehensive income (and other reserves)	(1,737,439)	
Common Equity Tier 1 capital before regulatory deductions	31,411,803	
Common Equity Tier 1 capital regulatory adjustments		
Other intangibles including mortgage servicing rights (net of related tax liability)	(342,930)	B
Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	(56,605)	A
Total regulatory adjustments to Common Equity Tier 1	(399,535)	
Common Equity Tier 1 capital (CET1)	31,012,268	
Additional Tier 1 capital: instruments		
Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	2,938,400	D
Of which: classified as equity under applicable accounting standards	2,938,400	
Additional Tier 1 capital before regulatory adjustments	2,938,400	
Additional Tier 1 capital: regulatory adjustments		
Additional Tier 1 capital (AT1)	2,938,400	
Tier 1 capital (T1= CET1 + AT1)	33,950,668	
Tier 2 capital: instruments and provisions		
Directly issued qualifying Tier 2 instruments plus related stock surplus	1,831,027	
Provisions	1,098,608	
Tier 2 capital before regulatory adjustments	2,929,635	
Tier 2 capital: regulatory adjustments		
Tier 2 capital (T2)	2,929,635	
Total regulatory capital (TC = T1 + T2)	36,880,303	
Total risk-weighted assets	210,147,596	
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.76%	
Tier 1 (as a percentage of risk-weighted assets)	16.16%	
Total capital (as a percentage of risk-weighted assets)	17.55%	
Institution specific buffer	2.59%	
Of which: capital conservation buffer requirement	2.50%	
Of which: bank-specific countercyclical buffer requirement	0.09%	
Common Equity Tier 1 available after meeting the bank's minimum capital requirement.	7.05%	
The CBUAE Minimum Capital Requirement		
Common Equity Tier 1 minimum ratio	7.00%	
Tier 1 minimum ratio	8.50%	
Total capital minimum ratio	10.50%	
Applicable caps on the inclusion of provisions in Tier 2		
Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach	1,318,330	
Cap on inclusion of provisions in Tier 2 under standardized approach	1,098,608	

Reconciliation of regulatory capital to balance sheet (CC2)

	a	b	c
	Balance sheet as in published financial statements (In AED 000)	Under regulatory scope of consolidation (In AED 000)	Reference (CC1)
	Jun - 2025	Jun - 2025	
Assets			
Cash and balances with central banks	46,095,714	46,095,616	
Loans and advances to banks	63,047,147	61,316,007	
Financial assets measured at fair value	20,027,035	17,900,551	
Securities measured at amortized cost	16,379,624	15,803,138	
Loans and advances to customers	111,943,507	112,024,831	
Islamic financing and investment products	22,176,912	22,176,912	
Acceptances	4,117,712	4,117,712	
Reinsurance contract assets	2,826,922	-	
Investment in associate	296,878	296,878	
Investment properties	150,020	-	
Property and equipment	1,317,156	1,317,156	
Intangible assets	368,411	342,930	B
Other assets	4,887,770	3,635,328	A
Total assets	293,634,808	285,027,059	
Liabilities			
Deposits and balances due to banks	48,534,114	48,534,113	
Repurchase agreements with banks	3,658,803	3,658,803	
Customers' deposits	158,221,802	158,221,212	
Islamic customers' deposits	19,423,075	19,423,075	
Acceptances	4,117,712	4,117,712	
Medium-term loans	1,534,165	1,534,165	
Subordinated debt	1,831,027	1,831,027	
Sukuk issued	1,836,500	1,836,500	
Insurance and Investment contract liabilities	5,860,675	-	
Other liabilities	11,621,128	9,994,728	
Total liabilities	256,639,001	249,151,335	
Shareholders' equity			
Issued and paid-up capital	2,006,098	2,006,098	C
Tier 1 capital notes	2,938,400	2,938,400	D
Other reserves	(211,918)	(211,918)	
Retained earnings	31,143,144	31,143,144	
Equity attributable to owners of the Parent	35,875,724	35,875,724	
Non-controlling interests	1,120,083	-	
Total shareholders' equity	36,995,807	35,875,724	

- Under the regulatory scope of consolidation, insurance and commercial subsidiaries are not consolidated as per Tier Capital supply standards

Main features of regulatory capital instruments (CCA)

Jun - 2025 (AED)

		Equity Shares	US\$ 300,000,000 Perpetual NC5 Additional Tier 1 Capital Securities	US\$500,000,000 10.25NC5 Tier 2 Capital Securities	US\$ 500,000,000 Perpetual NC5.5 Additional Tier 1 Capital Securities
1	Issuer	Mashreq bank PSC	Mashreq bank PSC	Mashreq bank PSC	Mashreq bank PSC
2	Unique identifier	AEM000101018	XS2482857617	XS2548003503	XS2827680112
3	Governing law(s) of the instrument	UAE laws	English Law	English Law	English Law
Regulatory treatment					
4	Transitional arrangement rules (i.e. grandfathering)	CET1	NA	NA	NA
5	Post-transitional arrangement rules (i.e. grandfathering)	CET1	Additional Tier 1	Tier 2	Additional Tier 1
6	Eligible at solo/group/group and solo	Group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type	Ordinary Shares	Perpetual Debt Instruments	10.25 NC 5 Debt instruments	Perpetual Debt Instruments
8	Amount recognized in regulatory capital	AED 2,006 Mn	AED 1,102 Mn	AED 1,831 Mn	AED 1,836.5 Mn
9	Nominal amount of instrument	AED 2,006 Mn	US\$ 300 Mn	US\$ 500 Mn	US\$ 500 Mn
9a	Issue price	AED 2,006 Mn	100%	99.702%	100%
9b	Redemption price	As per Market Value	at par for Optional Redemption and Tax Event; in case of a Capital Event, at 101% , if redemption date is prior to the First Call date and otherwise at par	at par for Optional Redemption, Tax and Capital Event	at par for Optional Redemption and Tax Event; in case of a Capital Event, at 101% , if redemption date is prior to the First Call date and otherwise at par
10	Accounting classification	Shareholders' Equity	Equity attributable to equity holders	Liability-amortized cost	Equity attributable to equity holders
11	Original date of issuance	NA	7/Jul/2022	23/Nov/2022	10/ Jun/2024
12	Perpetual or dated	Perpetual	Perpetual	Dated 10.25 NC 5	Perpetual
13	Original maturity date	NA	NA	24/Feb/2033	NA
14	Issuer call subject to prior supervisory approval	NA	Yes	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	NA	7 July 2027 / Tax Event or a Capital Event / at par for Optional Redemption and Tax Event. In case of a Capital Event, at 101% if redemption date is prior to the First Call date and otherwise at par	24 November 2027 / Tax Event or a Capital Event / at par	10 Jun 2029 / Tax Event or a Capital Event / at par for Optional Redemption and Tax Event. In case of a Capital Event, at 101% if redemption date is prior to the First Call date and otherwise at par
16	Subsequent call dates, if applicable	NA	7th January 2028 and every 6 months thereafter	Every day from 24th November 2027 to (and	Every day from 10th June 2029 to (and including) 10th

				including) 24th February 2028	December 2029 and every 6 months thereafter
	Coupons / dividends				
17	Fixed or floating dividend/coupon	NA	Fixed	Fixed	Fixed
18	Coupon rate and any related index	Variable	8.50%	7.875%	7.125%
19	Existence of a dividend stopper	NA	Yes	No	Yes
20a	Fully discretionary, partially discretionary, or mandatory (in terms of timing)	Full discretionary	Partially discretionary	NA	Partially discretionary
20b	Fully discretionary, partially discretionary, or mandatory (in terms of amount)	Full discretionary	Partially discretionary	NA	Partially discretionary
21	Existence of step-up or other incentive to redeem	NA	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	NA	Non-cumulative
23	Convertible or non-convertible	NA	Non-convertible	Non-convertible	Non-convertible
24	Write-down feature	NA	Yes	Yes	Yes
25	If write down, write down trigger(s)	NA	If the UAE Central Bank (as the Regulator) notifies the Issuer that it is, or will become, Non-Viable (as defined in the T&C) without: (i) a Write-down; or (ii) a public sector injection of capital or equivalent support (i.e. Point of Non-Viability (PONV) trigger)	If the UAE Central Bank (as the Regulator) notifies the Issuer that it is, or will become, Non-Viable (as defined in the T&C) without: (i) a Write-down; or (ii) a public sector injection of capital or equivalent support (i.e. Point of Non-Viability (PONV) trigger)	If the UAE Central Bank (as the Regulator) notifies the Issuer that it is, or will become, Non-Viable (as defined in the T&C) without: (i) a Write-down; or (ii) a public sector injection of capital or equivalent support (i.e. Point of Non-Viability (PONV) trigger)
26	If write down, full or partial	NA	Full/Partial (Both options available)	Full/Partial (Both options available)	Full/Partial (Both options available)
27	If write down, permanent or temporary	NA	Permanent	Permanent	Permanent
28	If temporary write-down, description of writeup mechanism	NA	NA	NA	NA
28a	Type of subordination	NA	Contractual	Contractual	Contractual
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA	Prior to liquidation, Additional Tier 1 Capital Securities shall be subordinate to the Issuer's Tier 2 instruments. To the extent that any of the Solvency Conditions (as defined in the T&C) are not satisfied at the relevant time or if a bankruptcy order in	Prior to liquidation, Tier 2 Capital Securities would rank senior to the Additional Tier 1 Capital Securities of the Issuer and junior to all unsubordinated payment obligations of the Issuer. To the	Prior to liquidation, Additional Tier 1 Capital Securities shall be subordinate to the Issuer's Tier 2 instruments. To the extent that any of the Solvency Conditions (as defined in the T&C) are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Additional

			respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Additional Tier 1 Capital Securities under the Additional Tier 1 Capital Securities will be cancelled without any further payment to be made by the Issuer under the Additional Tier 1 Capital Securities	extent that any of the Solvency Conditions (as defined in the T&C) are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the United Arab Emirates, all claims of the holders of the Tier 2 Capital Securities under the Tier 2 Capital Securities will be cancelled without any further payment to be made by the Issuer under the Tier 2 Capital Securities	Tier 1 Capital Securities under the Additional Tier 1 Capital Securities will be cancelled without any further payment to be made by the Issuer under the Additional Tier 1 Capital Securities
30	Non-compliant transitioned features	NA	No	No	No
31	If yes, specify non-compliant features	NA	NA	NA	NA

Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyb1)

Jun - 2025 (AED 000)

Geographical breakdown	a	b		c	d	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values				
Belgium	1.00%	87,526		37,493		375
Denmark	2.50%	41,595		20,270		507
France	1.00%	526,975		225,317		2,253
United Kingdom	2.00%	6,172,280		3,336,457		66,729
Ireland	1.50%	230,732		136,950		2,054
Luxembourg	0.50%	1,273,209		918,632		4,593
Germany	0.75%	597,329		265,916		1,994
Australia	1.00%	252,131		114,373		1,144
Sweden	2.00%	388,078		188,553		3,771
Armenia	1.50%	42,365		26,489		397
Norway	2.50%	16,518		6,610		165
Netherlands	2.00%	1,074,471		830,466		16,609
Czech Republic	1.25%	14,167		5,787		72
Korea Republic	1.00%	1,898,025		814,807		8,148
Hong Kong	0.50%	2,177,344		1,137,438		5,687
Chile	0.50%	1,175		643		3
Sum		14,793,920		8,066,204		
Total		280,057,242		129,422,953	0.09%	114,503

- Credit Risk Weighted Assets are used in the denominator of bank - specific counter cyclical buffer rate calculation.
- Excludes Claims on Banks, Sovereigns, PSEs, MDBs & Credit Derivatives (Banks & Sovereigns) from calculation.

Leverage ratio

Summary comparison of accounting assets vs leverage ratio exposure (LR1)

		Jun - 2025 (AED 000)
1	Total consolidated assets as per published financial statements	293,634,808
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	2,278,147
8	Adjustments for derivative financial instruments	885,764
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	7,392,366
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	38,031,460
12	Other adjustments	(15,760,086)
13	Leverage ratio exposure measure	326,462,459

Leverage ratio common disclosure template (LR2)

		In AED 000	
		a	b
		Jun 2025	Mar 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	278,239,578	258,881,236
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	278,239,578	258,881,236
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	803,041	539,200
9	Add-on amounts for PFE associated with all derivatives transactions	1,996,014	1,786,343
13	Total derivative exposures (sum of rows 8 to 12)	2,799,055	2,325,543
Securities financing transactions			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	6,362,969	4,112,999
16	CCR exposure for SFT assets	1,029,397	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	7,392,366	4,112,999
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	161,383,684	156,303,207
20	(Adjustments for conversion to credit equivalent amounts)	(123,352,224)	(119,766,486)
22	Off-balance sheet items (sum of rows 19 to 21)	38,031,460	36,536,721
Capital and total exposures			
23	Tier 1 capital	33,950,668	32,470,915
24	Total exposures (sum of rows 7, 13, 18 and 22)	326,462,459	301,856,499
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.40%	10.76%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	7.40%	7.76%

- The Basel 3 leverage ratio is calculated by dividing the period-end tier 1 capital by the period-end exposure.
- The Leverage exposure consists of both on-balance sheet assets and off-balance sheet items

Liquidity

This section intends to make an informed judgment about the soundness of the group's liquidity risk management framework and liquidity position.

Liquidity Coverage Ratio (LIQ1)

		Jun - 2025 (AED 000)	
		A	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		63,245,645
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	32,989,025	1,649,451
4	Less stable deposits	11,963,082	1,196,308
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	42,026,056	10,506,514
7	Non-operational deposits (all counterparties)	77,901,923	50,369,235
8	Unsecured debt	-	-
9	Secured wholesale funding	-	44,516
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	711,872	711,872
12	Outflows related to loss of funding of debt products	296,694	296,694
13	Credit and liquidity facilities	52,901,068	11,487,213
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	21,023,018	1,051,151
16	TOTAL CASH OUTFLOWS		77,312,955
Cash inflows			
17	Secured lending (e.g. reverse repo)	1,034,958	993,737
18	Inflows from fully performing exposures	24,946,074	20,010,987
19	Other cash inflows	778,036	778,036
20	TOTAL CASH INFLOWS		21,782,761
			Total adjusted value
21	Total HQLA		63,245,645
22	Total net cash outflows		55,530,194
23	Liquidity coverage ratio (%)		113.89%

		Dec - 2024 (AED 000)	
		A	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		61,890,461
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	30,001,364	1,500,068
4	Less stable deposits	10,516,472	1,051,647
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	37,691,372	9,422,843
7	Non-operational deposits (all counterparties)	64,725,210	41,328,103
8	Unsecured debt	-	-
9	Secured wholesale funding	-	-
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	581,798	581,798
12	Outflows related to loss of funding of debt products	99,851	99,851
13	Credit and liquidity facilities	49,827,223	10,602,078
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	17,586,140	879,307
16	TOTAL CASH OUTFLOWS		65,465,694
Cash inflows			
17	Secured lending (e.g. reverse repo)	1,124,700	1,083,250
18	Inflows from fully performing exposures	23,609,140	19,857,984
19	Other cash inflows	529,482	529,482
20	TOTAL CASH INFLOWS		21,470,716
			Total adjusted value
21	Total HQLA		61,890,461
22	Total net cash outflows		43,994,978
23	Liquidity coverage ratio (%)		140.68%

- The Group maintained LCR of 113.89% on a monthly average during the quarter and 119.94% as at June 30th, 2025.
- The key drivers of LCR are the net cumulative outflows driven mainly by the deposit profile and the portfolio of high-quality liquid assets.
- The Group HQLA composition comprised 94.08% Level 1 HQLA and the remaining in Level 2A and 2B HQLA. The Group HQLA requirements are mainly met through the balances with CBUAE and various high-quality securities portfolio.
- The bank's funding strategy is to maintain a funding profile that is diversified by structure, tenor and currency.
- The bank closely monitors and manages the tenor of its funding sources to ensure it can meet liquidity need under different stress scenario and different time horizons.

Net Stable Funding Ratio (LIQ2)

Jun - 2025 (AED 000)

		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital	36,278,020	-	-	-	36,278,020
5	Stable deposits	-	33,893,360	729,437	528,329	33,419,986
6	Less stable deposits	-	16,113,866	4,013,053	732,389	18,846,616
8	Operational deposits	-	39,968,618	85,364	-	20,026,991
9	Other wholesale funding	-	109,938,348	12,708,666	6,605,961	42,145,877
13	All other liabilities and equity not included in the above categories	-	12,709,219	-	2,706,611	2,706,611
14	Total ASF					153,424,100
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					7,663,102
16	Deposits held at other financial institutions for operational purposes	-	3,632,679	-	-	1,816,340
17	Performing loans and securities:	-	90,074,560	19,928,471	78,776,529	108,465,126
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	36,648,096	13,221,640	7,900,284	20,008,318
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	52,608,096	6,586,909	54,519,656	75,939,210
21	With a risk weight of less than or equal to 35% under the standardized approach for credit risk	-	387,098	369,416	3,816,167	3,621,999
22	Performing residential mortgages, of which:	-	-	-	11,556,098	7,511,463
23	With a risk weight of less than or equal to 35% under the standardized approach for credit risk	-	-	-	11,556,098	7,511,463
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	818,368	119,923	4,800,491	5,006,134
26	Other assets:	-	920,685	18,356	8,380,566	9,839,617
29	NSFR derivative assets					520,010
31	All other assets not included in the above categories		920,685	18,356	8,380,566	9,319,607
32	Off-balance sheet items		168,786,993	-	-	7,558,894
33	Total RSF					135,343,078
34	Net Stable Funding Ratio (%)					113.36%

Dec - 2024 (AED 000)

		a	b	c	d	E
		Unweighted value by residual maturity				Weighted value
		No maturity*	<6 months	6 months to <1 year	≥1 year	
Available stable funding (ASF) item						
1	Capital:					
2	Regulatory capital	35,873,766	-	-	-	35,873,766
5	Stable deposits		31,845,387	530,910	595,735	31,353,218
6	Less stable deposits	-	14,791,625	2,957,299	543,066	16,517,097
8	Operational deposits	-	35,729,276	60,773	-	17,895,025
9	Other wholesale funding	-	102,122,197	8,352,050	4,223,392	38,894,431
13	All other liabilities and equity not included in the above	-	13,034,460	-	1,001,126	1,001,126
14	Total ASF					141,534,663
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets (HQLA)					6,083,191
16	Deposits held at other financial institutions for operational purposes	-	3,293,656	-	-	1,646,828
17	Performing loans and securities:	-	79,413,879	15,612,013	72,498,963	96,816,102
19	Performing loans to financial institutions secured by non-Level 1 HQLA and unsecured performing loans to financial institutions	-	33,156,970	7,511,633	8,840,145	17,569,508
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	45,692,237	7,814,836	50,927,287	70,041,730
21	With a risk weight of less than or equal to 35% under the standardized approach for credit risk	-	363,149	-	3,674,893	3,305,233
22	Performing residential mortgages, of which:	-	-	-	10,584,099	6,879,665
23	With a risk weight of less than or equal to 35% under the standardized approach for credit risk	-	-	-	10,584,099	6,879,665
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	564,672	285,543	2,147,431	2,325,199
26	Other assets:	-	981,928	24,246	8,405,424	10,023,119
29	NSFR derivative assets					565,238
30	NSFR derivative liabilities before deduction of variation margin posted					46,283
31	All other assets not included in the above categories		981,928	24,246	8,405,424	9,411,599
32	Off-balance sheet items		208,850,816	-	-	6,614,625
33	Total RSF					121,183,864
34	Net Stable Funding Ratio (%)					116.79%

- The NSFR measures the amount of available stable funding relative to the amount of required stable funding.
- The main drivers of NSFR are composition and profile of deposits as against loans.

Credit Risk

This section describes the main characteristics and elements of credit risk management (business model and credit risk profile, organization and functions involved in credit risk management, risk management reporting).

Credit quality of assets (CR1)

This table provides a comprehensive picture of the credit quality of the Group's assets.

		Jun - 2025 (AED 000)					
		a	b	c	d	e	f
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	2,122,070	196,047,371	2,651,691	1,541,670	1,110,020	195,517,750
2	Debt Securities	-	31,729,290	65,585	-	65,585	31,663,705
3	Off-balance sheet exposures	780,283	65,687,744	572,875	432,139	140,736	65,895,152
	Total	2,902,353	293,464,404	3,290,150	1,973,809	1,316,341	293,076,607

		Dec - 2024 (AED 000)					
		a	b	c	d	e	f
		Gross carrying values of		Allowances/ impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	2,191,250	175,601,791	2,693,906	1,619,166	1,074,740	175,099,135
2	Debt Securities	-	31,610,799	40,028	-	40,028	31,570,771
3	Off-balance sheet exposures	1,047,790	57,297,465	471,155	334,930	136,225	57,874,100
	Total	3,239,040	264,510,056	3,205,089	1,954,096	1,250,993	264,544,007

- The above table excludes Revocable Commitments of AED 98.7 Bn.
- Defaulted exposure includes provisions and ILS.
- For definition of Default refer year end disclosure "Additional disclosure related to the credit quality of assets (CRB)".
- Total Loans and Advances & Debt securities figures match with Total on Balance Sheet in Pillar 1 CR 2 sheet.

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

The table below explains the changes in the group's defaulted exposures between December 2024 and June 2025.

		A
1	Defaulted loans and debt securities at the end of the previous reporting period	3,239,040
2	Loans and debt securities that have defaulted since the last reporting period	257,020
3	Returned to non-defaulted status	14,646
4	Amounts written off	59,777
5	Other changes	(519,284)
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	2,902,353

- There is minimal decrease in defaulted exposures.

Credit risk mitigation techniques – overview (CR3)

The following table discloses the usage of credit risk mitigation techniques.

Jun - 2025 (AED 000)

		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
01	Loans	154,867,672	34,984,342	13,877,588	5,665,736	4,802,744	-	-
02	Debt Securities	31,663,705	-	-	-	-	-	-
03	Total	186,531,377	34,984,342	13,877,588	5,665,736	4,802,744	-	-
04	Of which defaulted	2,004,250	117,820	2,730	-	-	-	-

Dec - 2024 (AED 000)

		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
01	Loans	138,537,625	31,709,480	12,259,998	4,852,031	4,104,565	-	-
02	Debt Securities	31,570,771	-	-	-	-	-	-
03	Total	170,108,396	31,709,480	12,259,998	4,852,031	4,104,565	-	-
04	Of which defaulted	2,044,942	146,308	29,617	-	-	-	-

- The above table excludes Non-Funded Exposures and the corresponding collateral positions.
- Default exposure includes provisions and IIS.
- Increase in exposures unsecured is mainly due to increase in Loans and advances to banks & customer.

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

Jun - 2025 (AED 000)

Asset classes	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns	76,149,447	367,500	76,149,448	183,749	7,843,327	10%
Public Sector Entities (PSEs)	7,349,763	7,260,274	7,349,762	3,449,234	7,359,742	68%
Multilateral development banks (MDBs)	11,925	-	11,925	-	5,963	50%
Banks	64,821,402	15,474,187	64,823,386	5,626,413	41,078,401	58%
Securities firms	744,442	-	744,442	-	381,447	51%
Corporates	79,955,618	34,912,165	80,107,131	16,967,874	82,659,399	85%
Regulatory retail portfolios	18,568,561	-	18,568,561	-	12,286,971	66%
Secured by residential property	13,852,396	37,301	13,852,397	18,650	5,897,888	43%
Secured by CRE	13,448,120	5,381,095	13,448,120	3,335,856	16,574,173	99%
Past-due loans	148,262	780,283	148,262	780,283	1,301,643	140%
Higher-risk categories	239	-	239	-	359	150%
Other assets	9,552,372	-	9,507,862	44,510	9,106,183	95%
Total	284,602,547	64,212,805	284,711,536	30,406,569	184,495,495	59%

Dec - 2024 (AED 000)

Asset classes	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns	72,540,727	-	72,540,727	-	6,306,066	9%
Public Sector Entities (PSEs)	6,919,290	8,021,719	6,919,290	3,927,097	9,103,692	84%
Multilateral development banks (MDBs)	11,768	-	11,768	-	5,884	50%
Banks	51,015,749	13,115,092	51,015,749	6,252,128	31,143,487	54%
Securities firms	37,733	-	37,733	-	27,994	74%
Corporates	74,529,495	30,141,974	75,725,451	13,473,916	79,289,687	89%
Regulatory retail portfolios	17,271,217	-	17,271,217	-	11,409,633	66%
Secured by residential property	12,092,534	23,841	12,092,534	11,920	5,025,199	42%
Secured by CRE	14,403,644	4,073,860	14,403,644	2,109,138	16,281,533	99%
Past-due loans	574,960	709,984	574,960	709,984	1,707,486	133%
Higher-risk categories	233	-	233	-	350	150%
Other assets	8,297,311	-	8,297,311	-	8,641,220	104%
Total	257,694,661	56,086,471	258,890,617	26,484,183	168,942,231	59%

- Above table excludes Revocable commitments of AED 98.7 Bn and impairment allowances (Provision + IIS + FIS).
- Increase in total RWA is primarily on account of increase in EAD for Claims on Banks & Claim of Corporates.

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

Jun - 2025 (AED 000)									
Asset classes/ Risk weight*	a	c	d	e	f	g	h	i	j
	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Sovereigns	64,368,888	5,006,652	-	315,020	-	6,558,938	83,699	-	76,333,197
Public Sector Entities (PSEs)	396	1,101,012	-	5,116,097	-	4,581,491	-	-	10,798,997
Multilateral development Bank	-	-	-	11,925	-	-	-	-	11,925
Banks	5,257,997	14,893,849	-	24,960,355	-	24,773,887	563,711	-	70,449,799
Securities firms	-	-	-	725,991	-	18,451	-	-	744,442
Corporates	6,566,311	1,361,098	-	14,012,003	-	73,041,017	1,374,360	720,217	97,075,005
Regulatory retail portfolios	3,479,941	-	-	-	11,206,595	3,882,025	-	-	18,568,561
Secured by residential Property.	-	-	12,128,013	-	359,802	1,383,232	-	-	13,871,047
Secured by commercial real estate	209,803	-	-	-	-	16,574,173	-	-	16,783,977
Past-due loans	25,601	-	-	-	-	105,545	797,398	-	928,545
Higher-risk categories	-	-	-	-	-	-	239	-	239
Other assets	3,789,503	-	-	-	-	3,144,841	583,728	2,034,300	9,552,372
Total	83,698,441	22,362,610	12,128,013	45,141,391	11,566,397	134,063,601	3,403,135	2,754,517	315,118,105

Dec - 2024 (AED 000)									
Asset classes/ Risk weight*	a	c	d	e	f	g	h	i	j
	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Sovereigns	61,933,796	5,123,779	-	451,217	-	4,984,402	47,534	-	72,540,727
Public Sector Entities (PSEs)	3,673	835,764	-	2,140,821	-	7,866,129	-	-	10,846,387
Multilateral development banks	-	-	-	11,768	-	-	-	-	11,768
Banks	6,201,117	11,433,188	-	20,664,823	-	17,708,123	524,582	736,043	57,267,877
Securities firms	-	-	-	19,478	-	18,255	-	-	37,733
Corporates	4,556,455	236,969	-	11,466,516	-	71,437,714	1,222,868	278,846	89,199,367
Regulatory retail portfolios	3,140,287	-	-	-	10,885,189	3,245,741	-	-	17,271,217
Secured by residential property	-	-	10,708,282	-	475,487	920,685	-	-	12,104,454
Secured by commercial real estate	231,250	-	-	-	-	16,281,532	-	-	16,512,783
Past-due loans	50,259	-	-	-	-	289,084	945,601	-	1,284,944
Higher-risk categories	-	-	-	-	-	-	233	-	233
Other assets	2,843,802	-	-	-	-	2,955,470	559,348	1,938,691	8,297,311
Total	78,960,638	17,629,700	10,708,282	34,754,623	11,360,676	125,707,134	3,300,167	2,953,579	285,374,799

- Above table excludes Revocable commitments of AED 98.7 Bn and impairment allowances (Provision + IIS + FIS).

Counterparty credit risk

This section covers qualitative & quantitative information on Counterparty Credit Risk.

Analysis of counterparty credit risk (CCR) exposure by approach (CCR1)

		Jun - 2025 (AED 000)					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR(for derivatives)	573,601	1,425,725		1.4	2,799,057	1,710,312
6	Total						1,710,312

		Dec - 2024(AED 000)					
		a	b	c	d	e	f
		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR(for derivatives)	1,256,465	1,365,308		1.4	3,670,481	1,857,478
6	Total						1,857,478

- The decrease in the RWA is on account of decrease in EAD which is mainly driven by decrease in replacement cost component as trades matured/rolled-over as per SA-CCR model.

Credit valuation adjustment (CVA) capital charge (CCR2)

		Jun - 2025 (AED 000)	
		a	b
		EAD post-CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge	2,799,057	816,613

		Dec - 2024 (AED 000)	
		A	b
		EAD post-CRM	RWA
1	All portfolios subject to the Standardized CVA capital charge	3,670,481	883,023

- There is slight decrease in CV1 RWA reported at ~AED 816 MM as on Jun'25 compared to previous reporting period Dec'24 (~AED 883 MM) inline with reduction of EaD over the period.

Standardised approach - CCR exposures by regulatory portfolio and risk weights (CCR3)

Jun - 2025(AED 000)								
Regulatory Profile	a	b	c	d	e	f	g	h
Regulatory Profile	0%	20%	50%	75%	100%	150%	Others (4%)	Total credit exposure
Banks	-	637,622	337,661	-	91,055	17,187	381,583	1,465,108
Corporates	-	17,062	18,854	-	1,267,810	-	30,224	1,333,950
Total	-	654,684	356,515	-	1,358,865	17,187	411,807	2,799,057

Dec - 2024(AED 000)								
Regulatory Profile	a	b	c	d	e	f	g	h
Regulatory Profile	0%	20%	50%	75%	100%	150%	Others (4%)	Total credit exposure
Banks	-	791,334	974,442	-	38,722	32,986	736,043	2,573,528
Corporates	-	-	5,212	-	1,091,741	-	-	1,096,953
Total	-	791,334	979,654	-	1,130,463	32,986	736,043	3,670,481

- The decrease in the RWA is on account of decrease in EAD which is mainly driven by decrease in replacement cost component as trades matured/rolled-over as per SA-CCR model.

Composition of collateral for CCR exposure (CCR5)

Jun - 2025 (AED 000)

	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 - other currencies	-	-	1,133,091	-	-	-	2,277	-	-	-	-	
Domestic sovereign debt	-	-	-	-	-	-	-	-	183,096	-	-	
Government agency debt	-	-	25,966	381,582	681,928	5,877,197	1,917,381	-	-	-	-	
Corporate bonds	-	-	-	-	-	-	-	-	664,354	706,008	-	
Other collateral	-	-	-	-	-	-	-	-	956,791	1,454,633	-	
Total	-	-	1,159,057	381,582	684,206	7,681,439	4,078,022	-	-	-	-	

Dec - 2024 (AED 000)

	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 - other currencies	-	-	1,579,391	-	-	-	-	-	-	-	-	
Domestic sovereign debt	-	-	-	-	-	-	-	-	148,481	-	-	
Government agency debt	-	-	54,485	416,009	619,230	3,518,414	1,995,379	-	-	-	-	
Corporate bonds	-	-	-	-	-	-	-	-	666,690	-	-	
Other collateral	-	-	-	-	-	-	-	-	1,341,093	416,924	-	
Total	-	-	1,633,876	416,009	619,230	5,674,678	2,412,303	-	-	-	-	

- The variation margin received in the form of government securities as of Jun'25 (~AED 25 MM) has decreased compared to previous reporting period of Dec'24 (AED 54MM) due to Derivatives portfolio mix .
- There is also an increase in the amount of unsegregated collateral posted in the form of securities at AED 681 MM in Jun'25 (viz.~ AED 619 MM in Dec'24) in lieu of OTC derivatives transactions.
- SFTs collateral has also moved in line with outstanding positions in the underlying repo/reverse repo transactions done by the bank over the reporting period.

Credit derivative exposures (CCR6)

	June - 2025 (AED 000)		Dec - 2024 (AED 000)	
	a	b	a	b
	Protection bought	Protection sold	Protection bought	Protection sold
Nationals				
Index credit default swaps	18,181	-	55,095	-
Fair values				
Negative fair value (liability)	(1,526)	-	4,426	-

- Exposure in Credit Default swaps has decreased to ~AED 18.18 MM from previous reporting Dec'24 (~AED 55MM) due to matured trading positions in index linked trades.

Exposures to central counterparties (CCR8)

		June - 2025 (AED 000)		Dec - 2024 (AED 000)	
		a	b	a	b
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)				
2	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	411,807	16,472	736,043	29,442
3	(i) OTC derivatives	411,807	16,472	736,043	29,442
7	Segregated initial margin	381,582		416,009	

- Exposure facing QCCP under OTC derivative products has decreased as on Jun'25 to ~ AED 411 MM compared to previous reporting of Dec'24 (~AED 736 MM) and hence the RWA has also increased. Lower EaD is due to reduction in potential future exposure against the QCCP as per SA-CCR model.

Securitisation

This section provides qualitative & quantitative information on bank's strategy and risk management with respect to its Securitisation activities.

Securitisation exposures in the banking book (SEC1)

		Jun - 2025 (AED 000)				Dec - 2024 (AED 000)			
		i	j	k	l	i	j	k	L
		Bank acts as investor							
		Traditional	Of which STC	Synthetic	Sub-total	Traditional	Of which STC	Synthetic	Sub-total
6	Wholesale (total) - of which	84,829	-	-	84,829	76,328	-	-	76,328
7	loans to corporates	-	-	-	-	-	-	-	-
10	other wholesale	84,829	-	-	84,829	76,328	-	-	76,328

- Banks securitization exposure in 'wholesale assets' has increased from Jun'25 (AED 84.82 MM) vs. Dec'25 (AED 76.3 MM) driven mainly due to change in book value of existing security

Securitization exposures in the banking book and associated capital requirements - bank acting as investor (SEC4)

		Jun-2025 (AED 000)																
		a	b	c	d	e	f	g	h	i	j	k	l	m	N	o	p	q
		Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <952% RW	952% RW	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%
1	Total exposures	54,707			30,122			84,829				43,774				4,596		
6	Of which wholesale	54,707			30,122			84,829				43,774				4,596		

		Dec2024 (AED 000)																
		a	b	c	d	e	f	g	H	i	j	k	l	m	n	o	p	q
		Exposure values (by RW bands)				Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap				
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <952% RW	952% RW	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	952%
1	Total exposures	49,613			26,715			76,328				39,042				4,099		
6	Of which wholesale	49,613			26,715			76,328				39,042				4,099		

- RWA for Jun'25 (~AED 43.77 MM) has increased compared to previous reporting period of Dec'24 (~AED 39.04 MM) in line with movement in book value of underlying securities.

Market risk

This section provides a description of the risk management objectives and policies for market risk.

Market risk under the standardised approach (SA) (MR1)

		Jun - 2025 (AED 000)	Dec - 2024 (AED 000)
		A	A
		RWA	RWA
1	General Interest rate risk (General and Specific)	1,967,351	973,326
2	Equity risk (General and Specific)	339,231	371,892
3	Foreign exchange risk	1,739,492	1,334,000
4	Commodity risk	-	233
5	Simplified approach	-	1
6	Delta-plus method	-	-
9	Total	4,046,074	2,679,453

- There is an increase in the overall market risk RWA (Jun'25 ~ AED 4,046 MN) compared to previous reporting period of Dec'24 (~AED 2,679MM). This is mainly driven by increase in interest rate risk resulting from higher positions o/s in trading debt securities and FX compared to previous reporting.