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PILLAR 3
BASEL III
Disclosures
Q3 2026



Contents

Overview 3
Overview of risk management, key prudential metrics and RWA 4
Key metrics (KM1) 4
Overview of Risk Weighted Assets (OV1) 5
Leverage ratio 6
Liquidity 7

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 III Policy and attestation process

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

Pillar III disclosures for the year ended 30th Sep 2026 have been appropriately reviewed by the management and internal audit.

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:

		Sep - 26	Jun - 26	Mar - 26	Dec - 25	Sep - 25
		(AED 000)				
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	36,715,653	35,842,673	33,710,032	31,667,913	32,626,687
1a	Fully loaded ECL accounting model	36,715,653	35,842,673	33,710,032	31,667,913	32,626,687
2	Tier 1	43,327,053	40,617,573	38,484,932	34,606,313	35,565,087
2a	Fully loaded ECL accounting model Tier 1	43,327,053	40,617,573	38,484,932	34,606,313	35,565,087
3	Total capital	46,581,034	43,965,683	42,020,797	37,511,346	38,540,901
3a	Fully loaded ECL accounting model total capital	46,581,034	43,965,683	42,020,797	37,511,346	38,540,901
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	278,318,488	259,761,596	266,255,838	258,441,049	229,923,001
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	13.19%	13.80%	12.66%	12.25%	14.19%
5a	Fully loaded ECL accounting model CET1 (%)	13.19%	13.80%	12.66%	12.25%	14.19%
6	Tier 1 ratio (%)	15.57%	15.64%	14.45%	13.39%	15.47%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.57%	15.64%	14.45%	13.39%	15.47%
7	Total capital ratio (%)	16.74%	16.93%	15.78%	14.51%	16.76%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.74%	16.93%	15.78%	14.51%	16.76%
	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 (%)	0.14%	0.14%	0.10%	0.14%	0.10%
10	Bank D-SIB additional requirements (%)	0.50%	0.50%	-	-	-
11	Total of bank CET1 specific buffer requirements (%)	3.14%	3.14%	2.60%	2.64%	2.60%
12	CET1 available after meeting the bank's minimum capital requirements (%)	6.19%	6.43%	5.28%	4.01%	6.26%
	Leverage Ratio					
13	Total leverage ratio measure	442,790,214	407,113,269	389,565,141	374,119,225	342,869,289
14	Leverage ratio (%) (row 2/row 13)	9.79%	9.98%	9.88%	9.25%	10.37%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	9.79%	9.98%	9.88%	9.25%	10.37%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	9.79%	9.98%	9.88%	9.25%	10.37%
	Liquidity Coverage Ratio					
15	Total HQLA	61,051,773	71,833,961	71,411,921	62,485,294	58,590,010
16	Total net cash outflow	53,806,436	58,820,214	52,286,265	46,061,013	47,352,511
17	LCR ratio (%)	113.47%	122.12%	136.58%	135.66%	123.73%
	Net Stable Funding Ratio					
18	Total available stable funding	222,756,104	207,958,509	194,374,902	178,667,677	163,829,943
19	Total required stable funding	200,294,884	185,340,742	169,895,386	157,746,139	145,662,995
20	NSFR ratio (%)	111.21%	112.20%	114.41%	113.26%	112.47%

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Overview of Risk Weighted Assets (OV1)

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

	a	b	c
	RWA		Minimum capital requirements
	Sep – 2026 (AED 000)	Jun – 2026 (AED 000)	Sep – 2026 (AED 000)
Credit risk (excluding counterparty credit risk)	243,009,790	228,004,620	25,516,028
Of which: standardized approach (SA)	243,009,790	228,004,620	25,516,028
Counterparty credit risk (CCR)	1,967,004	1,115,363	206,535
Of which: standardized approach for counterparty credit risk	1,967,004	1,115,363	206,535
Credit valuation adjustment (CVA)	1,414,026	1,051,920	148,473
Equity investments in funds - look-through approach	411,677	410,477	43,226
Market risk	9,412,530	7,548,443	988,316
Of which: Standardized approach (SA)	9,412,530	7,548,443	988,316
Operational risk	22,103,461	21,630,773	2,320,863
Total	278,318,488	259,761,596	29,223,441

- The regulatory minimum capital requirement is calculated at 10.5% of the RWA.
- Credit risk weighted assets (CRWAs) increase as at September 30, 2026, is primarily on account of growth in loans and advances to customers and change in balance sheet mix.

Leverage ratio

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

		Sep - 2026 (AED 000)
1	Total consolidated assets as per published financial statements	405,550,124
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	2,731,217
8	Adjustments for derivative financial instruments	(947,941)
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	9,359,277
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	46,874,093
12	Other adjustments	(20,776,556)
13	Leverage ratio exposure measure	442,790,214

Leverage ratio common disclosure template (LR2)

		a	b
		Sep – 2026 (AED 000)	Jun – 2026 (AED 000)
On-balance sheet exposures			
1	On balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	383,145,610	344,887,691
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	383,145,610	344,887,691
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	850,387	589,082
9	Add-on amounts for PFE associated with all derivatives transactions	2,560,848	1,449,400
13	Total derivative exposures (sum of rows 8 to 12)	3,411,235	2,038,482
Securities financing transactions			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	7,465,259	9,284,363
16	CCR exposure for SFT assets	1,894,018	3,061,113
18	Total securities financing transaction exposures (sum of rows 14 to 17)	9,359,277	12,345,476
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	191,956,414	209,919,662
20	(Adjustments for conversion to credit equivalent amounts)	(145,082,322)	(162,078,042)
22	Off-balance sheet items (sum of rows 19 to 21)	46,874,092	47,841,620
Capital and total exposures			
23	Tier 1 capital	43,327,053	40,617,573
24	Total exposures (sum of rows 7, 13, 18 and 22)	442,790,214	407,113,269
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	9.79%	9.98%
26	CBUAE minimum leverage ratio requirement	3.50%	3.50%
27	Applicable leverage buffers	6.29%	6.48%

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

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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)

Sep - 2026 (AED 000)

		a	b
		Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets			
1	Total HQLA		61,051,773
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:		
3	Stable deposits	42,328,475	2,116,424
4	Less stable deposits	22,051,206	2,205,121
5	Unsecured wholesale funding, of which:		
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	56,981,158	14,245,290
7	Non-operational deposits (all counterparties)	71,101,789	43,161,523
8	Unsecured debt		
9	Secured wholesale funding		142,499
10	Additional requirements, of which:		
11	Outflows related to derivative exposures and other collateral requirements	868,881	868,881
12	Outflows related to loss of funding of debt products	-	-
13	Credit and liquidity facilities	69,106,301	14,491,810
14	Other contractual funding obligations	-	-
15	Other contingent funding obligations	28,300,387	1,415,019
16	TOTAL CASH OUTFLOWS		78,646,567
Cash inflows			
17	Secured lending (e.g. reverse repo)	1,775,259	1,685,714
18	Inflows from fully performing exposures	28,023,829	22,255,982
19	Other cash inflows	898,434	898,434
20	TOTAL CASH INFLOWS		24,840,131
			Total adjusted value
21	Total HQLA		61,051,773
22	Total net cash outflows		53,806,436
23	Liquidity coverage ratio (%)		113.47%

- The Group maintained LCR of 113.47% on a monthly average during the quarter and 124.11% as of September 30, 2026.
- 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 94.56% 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 needs under different stress scenarios and different time horizons.