Habib Bank AG Zurich

(Incorporated in Switzerland 1967)

Habib Bank AG Zurich

United Arab Emirates

Basel Pillar III Disclosures

for the period ended 30th June 2026

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1. Introduction:

Habib Bank AG Zurich (the "Bank") was established in the UAE in 1974 and operates with eight branches in the Emirates of Abu Dhabi (1), Dubai (6), and Sharjah (1) under a full commercial banking license issued by the Central Bank of the United Arab Emirates ("CBUAE"). Additionally, the Bank has an Electronic Banking Unit in Musaffah, Abu Dhabi area since November 2024. The Bank is also licensed by the UAE Capital Market Authority (CMA) for Promotion Activity and Securities Portfolio Management. The Head Office of the Bank is Habib Bank AG Zurich (the "Head Office") incorporated in Switzerland. The registered address of the Bank is P. O. Box 3306, Dubai, United Arab Emirates.

2. Purpose and basis of preparation:

The Central Bank of the UAE ("CBUAE") supervises the Bank and therefore receives information on the capital adequacy of and sets capital requirements for the Bank. The capital requirements are computed using the Basel III framework of the Basel Committee on Banking Supervision ("Basel Committee"), after applying the amendments advised by the CBUAE, within national discretion. The Basel framework is structured around three pillars as follows:

- Pillar 1 prescribes the minimum capital requirements.
- Pillar 2 addresses the associated supervisory review process; and
- Pillar 3 specifies further public disclosure requirements in respect of the capital and risk profile.

The disclosures have been prepared in line with the disclosure templates introduced by the CBUAE guidelines re capital adequacy on disclosure requirements (CBUAE/BSD/N/2020/4980, CBUAE/BSD/N/2021/5508, and CBUAE/BSD/2022/5280) published in November 2020, November 2021, and December 2022 respectively.

The semi-annual Pillar 3 report of the Bank for the period ended 30 June 2026 comprises detailed information on the underlying drivers of Risk-Weighted Assets (RWA) and capital of the Bank.

3. Overview of Pillar 3

The aim of the capital adequacy regime is to promote safety and soundness in the financial system. It is structured around three 'pillars': Pillar 1 on minimum capital requirements; Pillar 2 on the supervisory review process; and Pillar 3 on market discipline. Pillar 3 requires the Banks to publish a set of disclosures which allow market participants to assess the specified information on the scope of application of Basel III, organization's key prudential metrics, particular risk exposures and risk assessment process, and the capital adequacy of the Bank. These disclosures consist of both qualitative and quantitative information.

The Central Bank of the UAE (CBUAE) implemented the Basel III capital framework with effect from 1 February 2017. Under the CBUAE Capital Adequacy Regulations, banks are required to maintain minimum capital ratios of 7.0% Common Equity Tier 1 (CET1), 8.5% Tier 1 Capital, and 10.5% Total Capital. In addition to these minimum requirements, banks are required to maintain a Capital Conservation Buffer (CCB) of 2.5% and, where applicable, a Countercyclical Capital Buffer (CCyB) and other regulatory buffers as prescribed by the CBUAE.

3.1 Policy and Verification

The Bank has operated within a framework of internal controls and procedures for assessing the appropriateness of this disclosure.

These Pillar 3 disclosures have been subject to review from internal auditors and appropriate senior management within the Bank.

We confirm that the Bank's Pillar 3 disclosures, to the best of our knowledge, comply with the revised CBUAE Pillar 3 market disclosures requirements and have been prepared in compliance with the Bank's internal control framework.

3.2 Implementation of Basel III Standards and Guidelines

The Bank has adopted the Standardized Approach for Credit Risk, Counterparty Credit Risk and Market Risk and the Basic Indicator Approach for Operational Risk (Pillar 1) for regulatory reporting purposes. Credit Valuation Adjustment (CVA) capital became effective from 30 June 2022.

The Bank also assigns capital on other than Pillar 1 risk categories, for example 'Interest rate risk on banking book' and for 'Business risk', within the Pillar 2 framework.

4 Highlights

In line with Article 2.2. of Capital Adequacy Regulation, CBUAE requires banks to apply the following minimum requirement:

- CET1 must be at least 7.0% of risk weighted assets (RWA);
- Tier 1 Capital must be at least 8.5% of RWA;
- Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5% of RWA.
- In addition, banks are required to maintain a Capital Conservation Buffer (CCB) of 2.5% and a Countercyclical Capital Buffer (CCyB), where applicable, in accordance with CBUAE regulations.
- All banks must maintain a leverage ratio of at least 3.0%.

The Bank has complied with all the externally imposed capital requirements and is well capitalized with low leverage and high levels of loss-absorbing capacity. As at 30 June 2026:

- The Bank's Common Equity Tier 1 (CET1) ratio of 19.03% (30 June 2025: 19.58%), Tier 1 capital ratio of 19.03% (30 June 2025: 19.58%), Capital Adequacy Ratio of 20.05% (30 June 2025: 20.62%), are all well ahead of the regulatory requirements.
- The Bank's leverage ratio of 9.98% (30 June 2025: 9.40%) is well ahead of the current regulatory requirement.
- The Bank continues to manage its balance sheet proactively, with focus on sound RWA management.

5 Overview of risk management and Risk Weighted Assets (OVA)

5.1 Key Metrics (KM1)

Key prudential regulatory metrics have been included in the following table:

		AED '000s	AED '000s	AED '000s	AED '000s	AED '000s
		30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sept 2025	30 Jun 2025
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1,516,928	1,512,790	1,531,355	1,530,410	1,521,361
1a	Fully loaded ECL accounting model	1,516,928	1,512,790	1,531,355	1,530,410	1,521,361
2	Tier 1	1,516,928	1,512,790	1,531,355	1,530,410	1,521,361
2a	Fully loaded ECL accounting model Tier 1	1,516,928	1,512,790	1,531,355	1,530,410	1,521,361
3	Total capital	1,598,450	1,591,113	1,613,812	1,614,756	1,602,176
3a	Fully loaded ECL accounting model total capital	1,598,450	1,591,113	1,613,812	1,614,756	1,602,176
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	7,972,643	7,710,370	8,037,769	8,053,822	7,768,575
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	19.03%	19.62%	19.05%	19.00%	19.58%
5a	Fully loaded ECL accounting model CET1 (%)	19.03%	19.62%	19.05%	19.00%	19.58%
6	Tier 1 ratio (%)	19.03%	19.62%	19.05%	19.00%	19.58%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	19.03%	19.62%	19.05%	19.00%	19.58%
7	Total capital ratio (%)	20.05%	20.64%	20.08%	20.05%	20.62%
7a	Fully loaded ECL accounting model total capital ratio (%)	20.05%	20.64%	20.08%	20.05%	20.62%
	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 (%)	0.05%	0.06%	0.45%	0.45%	0.46%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	**Total of bank CET1 specific buffer requirements (%)**	**2.55%**	**2.56%**	**2.95%**	**2.95%**	**2.96%**
12	CET1 available after meeting the bank's minimum capital requirements (%)	9.55%	10.14%	9.58%	9.55%	10.12%

		AED ‘000s	AED ‘000s	AED ‘000s	AED ‘000s	AED ‘000s
		30 Jun 2026	31 Mar 2026	31 Dec 2025	30 Sept 2025	30 Jun 2025
	Leverage Ratio					
13	Total leverage ratio measure	15,201,879	16,122,940	16,060,700	15,767,259	16,184,261
14	Leverage ratio (%)	9.98%	9.38%	9.53%	9.71%	9.40%
14a	Fully loaded ECL accounting model leverage ratio (%)	9.98%	9.38%	9.53%	9.71%	9.40%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	9.98%	9.38%	9.53%	9.71%	9.40%
21	Total HQLA	5,270,062	6,142,460	5,822,896	5,629,964	6,440,761
22	Total liabilities	12,996,350	13,654,108	13,666,432	13,412,035	14,020,341
23	Eligible Liquid Assets Ratio (ELAR) (%)	40.6%	45.0%	42.6%	42.0%	45.9%
	ASRR					
24	Total available stable funding	12,358,471	13,126,747	13,233,237	12,899,385	13,194,296
25	Total Advances	5,048,740	4,881,167	5,307,376	5,260,620	5,027,438
26	Advances to Stable Resources Ratio (%)	40.9%	37.2%	40.1%	40.8%	38.1%

5.2 Overview of RWAs (OV1)

		AED '000s	AED '000s	AED '000s
		RWA		Minimum capital requirements
		30 Jun 2026	31 Mar 2026	30 Jun 2026
1	Credit risk (excluding counterparty credit risk)	6,512,641	6,257,597	683,827
2	Of which: standardised approach (SA)	6,512,641	6,257,597	683,827
6	Counterparty credit risk (CCR)	6,997	6,366	735
7	Of which: standardised approach for counterparty credit risk	6,997	6,366	735
10	Credit valuation adjustment (CVA)	2,134	1,873	224
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	23,139	16,803	2,430
21	Of which: standardised approach (SA)	23,139	16,803	2,430
23	Operational risk	1,427,732	1,427,732	149,912
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**7,972,643**	**7,710,370**	**837,128**

Total capital requirement is defined as the sum of Pillar I and Pillar II capital requirements set by the CBUAE for Capital Adequacy. The minimum requirements represent the total capital requirement to be met by CET1.

6 Regulatory Capital

6.1 Capital Management

The Bank's regulator, the Central Bank of the UAE ('CBUAE'), sets and monitors regulatory capital requirements. The Bank's objectives when managing capital are as follows:

- Safeguard the Bank's ability to continue as a going concern and optimize returns for shareholders;
- Comply with regulatory capital requirements set by the Central Bank of the UAE.

The Bank's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank also assesses its capital requirements internally taking into consideration growth requirements and business plans and quantifies its Regulatory and Risk / Economic Capital requirements within its ICAAP.

Risks such as Interest Rate Risk in the Banking Book, Credit Concentration Risk, Legal Risk, Compliance Risk, Liquidity Risk, Business Risk, Residual Risk, Counterparty Credit Risk and Reputational Risk are all part of the ICAAP.

The CBUAE supervises the Bank on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Bank as a whole. Effective from 2017, the capital is computed at a Bank level using the Basel III framework of the Basel Committee on Banking Supervision ('Basel Committee'), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework, like Basel II, is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline.

The Bank has complied with all the externally imposed capital requirements.

6.2 Composition of Regulatory Capital (CC1)

		(AED '000s) 30 June 2026
	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	500,000
2	Retained earnings	773,955
3	Accumulated other comprehensive income (and other reserves)	242,973
4	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	
5	Common share capital issued by third parties (amount allowed in group CET1)	-
6	**Common Equity Tier 1 capital before regulatory deductions**	**1,516,928**
	Common Equity Tier 1 capital regulatory adjustments	
7	Prudent valuation adjustments	-
8	Goodwill (net of related tax liability)	-
9	Other intangibles including mortgage servicing rights (net of related tax liability)	-
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-
11	Cash flow hedge reserve	-
12	Securitisation gain on sale	-
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-
14	Defined benefit pension fund net assets	-
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-
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)	-
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)	-
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-

	Common Equity Tier 1 capital regulatory adjustment	(AED '000s) 30 June 2026
20	Amount exceeding 15% threshold	-
21	Of which: significant investments in the common stock of financials	-
22	Of which: deferred tax assets arising from temporary differences	-
23	CBUAE specific regulatory adjustments	-
24	**Total regulatory adjustments to Common Equity Tier 1**	-
25	**Common Equity Tier 1 capital (CET1)**	**1,516,928**
	Additional Tier 1 capital: instruments	
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-
27	OF which: classified as equity under applicable accounting standards	-
28	Of which: classified as liabilities under applicable accounting standards	-
29	*Directly issued capital instruments subject to phase-out from additional Tier 1*	-
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)	-
31	*Of which: instruments issued by subsidiaries subject to phase-out*	-
32	Additional Tier 1 capital before regulatory adjustments	-
	Additional Tier 1 capital: regulatory adjustments	
33	Investments in own additional Tier 1 instruments	-
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-
36	CBUAE specific regulatory adjustments	-
37	Total regulatory adjustments to additional Tier 1 capital	-
38	**Additional Tier 1 capital (AT1)**	-
39	**Tier 1 capital (T1= CET1 + AT1)**	**1,516,928**
	Tier 2 capital: instruments and provisions	
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
41	*Directly issued capital instruments subject to phase-out from Tier 2*	-
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)	-

	Tier 2 capital: instruments and provision	(AED '000s) 30 June 2026
43	*Of which: instruments issued by subsidiaries subject to phase-out*	-
44	Provisions	81,522
45	**Tier 2 capital before regulatory adjustments**	81,522
	Tier 2 capital: regulatory adjustments	
46	Investments in own Tier 2 instruments	-
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)	-
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-
49	CBUAE specific regulatory adjustments	-
50	**Total regulatory adjustments to Tier 2 capital**	-
51	**Tier 2 capital (T2)**	81,522
52	**Total regulatory capital (TC = T1 + T2)**	**1,598,450**
53	**Total risk-weighted assets**	7,972,643
	Capital ratios and buffers	
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	19.03%
55	**Tier 1 (as a percentage of risk-weighted assets)**	19.03%
56	**Total capital (as a percentage of risk-weighted assets)**	20.05%
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)**	2.55%
58	**Of which: capital conservation buffer requirement**	2.50%
59	**Of which: bank-specific countercyclical buffer requirement**	0.05%
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.**	9.55%
	The CBUAE Minimum Capital Requirement	
62	Common Equity Tier 1 minimum ratio	7.00%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%

		(AED '000s) 30 June 2026
	Amounts below the thresholds for deduction (before risk weighting)	
[redacted]		
66	Significant investments in common stock of financial entities	-
[redacted]		
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-
	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)	125,059
70	Cap on inclusion of provisions in Tier 2 under standardised approach	81,522
[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*	-
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-
77	*Current cap on T2 instruments subject to phase-out arrangements*	-
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-

6.3 Reconciliation of regulatory capital to balance sheet (CC2)

The table also presents the link between the Bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template (CC1).

30 June 2026	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	AED '000s	AED '000s
Assets		
Cash and balances with UAE Central Bank	2,691,858	2,691,858
Due from banks	1,235,329	1,235,329
Due from related parties	133,880	133,880
Loans and Islamic financing receivables	4,766,302	4,766,302
Investments	5,448,550	5,448,550
Property and equipment	35,545	35,545
Right of use of assets	36,964	36,964
Customers' indebtedness for acceptances	118,648	118,648
Deferred tax assets	46,257	46,257
Other assets	152,914	152,914
Total assets	**14,666,247**	**14,666,247**
Liabilities		
Deposits from customers	12,366,047	12,366,047
Due to banks	190,658	190,658
Due to related parties	75,725	75,725
Liabilities under acceptances	118,648	118,648
Other liabilities	251,835	251,835
Lease liabilities	14,218	14,218
Total liabilities	**13,017,131**	**13,017,131**
Shareholders' equity		
Allocated capital	500,000	500,000
Legal reserve	250,000	250,000
Retained earnings	773,955	773,955
Revaluation Reserves	-7,027	-7,027
Current Year Profit	131,270	-
Current Year Comprehensive Income	918	-
Eligible general provision	-	81,522
Total shareholders' equity	**1,649,116**	**1,598,450**

6.4 Main features of regulatory capital instruments (CCA)

S.No.	Description	Information
1	Issuer	Habib Bank AG Zurich
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	NA
3	Governing law(s) of the instrument	Federal Law No 14 of 2018/ Circular No 12/2021 of CBUAE UAE Federal Decree Law No. 32 of 2021
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	NA
5	Post-transitional arrangement rules (i.e. grandfathering)	NA
6	Eligible at solo/group/group and solo	NA
7	Instrument type (types to be specified by each jurisdiction)	Common Equity Tier 1
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 500 Million
9	Nominal amount of instrument	AED 500 Million
9a	Issue price	AED 1 per instrument
9b	Redemption price	NA
10	Accounting classification	Equity attributable to equity holders
11	Original date of issuance	NA
12	Perpetual or dated	NA
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	NA
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable	NA
	Coupons / dividends	NA
17	Fixed or floating dividend/coupon	NA
18	Coupon rate and any related index	NA
19	Existence of a dividend stopper	NA
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	NA
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	NA
21	Existence of step-up or other incentive to redeem	NA
22	Non-cumulative or cumulative	NA
23	Convertible or non-convertible	NA
24	Write-down feature	NA
25	If write down, write down trigger(s)	NA
26	If write down, full or partial	NA
27	If write down, permanent or temporary	NA
28	If temporary write-down, description of write-up mechanism	NA
28a	Type of subordination	NA
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
30	Non-compliant transitioned features	NA
31	If yes, specify non-compliant features	NA

6.5 Countercyclical Buffer (CCyB1)

The table also presents Geographical distribution of credit exposures used in the countercyclical capital buffer.

Geographical breakdown	30 June 2026 (AED '000s)				
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values	Risk-weighted assets		
UAE	0.000%	5,723,472	3,980,445		
Germany	0.014%	144,089	90,433		
United Kingdom	0.019%	72,881	45,216		
Korea, Republic of	0.010%	58,876	47,983		
Australia	0.009%	69,302	43,820		
Other Countries	0.002%	1,059,358	675,107		
Total	**0.054%**	**7,127,978**	**4,883,004**		

7 Leverage Ratio

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

The following table reconciles the total assets in the published financial statements to the leverage ratio exposure measure.

		30 June 2026 AED '000s
1	Total consolidated assets as per published financial statements *	14,666,247
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	16,568
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	519,064
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments – round off	-
13	**Leverage ratio exposure measure**	**15,201,879**

7.2 Leverage ratio common disclosure template (LR2)

The following table provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

		AED '000s	AED '000s
		30 Jun 2026	**31 Mar 2026**
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	14,547,598	15,484,708
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**14,547,598**	**15,484,708**
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	6	17
9	Add-on amounts for PFE associated with *all* derivatives transactions	11,829	10,474
	CCR exposure for derivatives transactions (calculated as 1.4 x (Row 8+9))	16,568	14,688
10	(Exempted CCP leg of client-cleared trade exposures)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivative exposures (sum of rows 9 to 12)**	**16,568**	**14,688**
Securities financing transactions			
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-

		AED ‘000s 30 Jun 2026	AED ‘000s 31 Mar 2026
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**-**	**-**
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	3,004,324	3,181,803
20	(Adjustments for conversion to credit equivalent amounts)	-2,366,612	-2,558,260
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
22	**Off-balance sheet items (sum of rows 19 to 21)**	637,713	623,544
Capital and total exposures			
23	**Tier 1 capital**	1,516,928	1,512,790
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	15,201,879	16,122,940
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	9.98%	9.38%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.98%	9.38%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	6.98%	6.38%

8 Credit Risk

8.1 Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of the Bank's (on- and off-balance sheet) assets.

		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)
30 June 2026 (AED '000s)		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	128,468	4,863,120	225,286	125,511	99,775	4,766,302
2	Debt securities		5,448,867	317		317	5,448,550
3	Off-balance sheet exposures including Customers' acceptances	1,271	841,724	11,470	1,271	10,199	831,525
4	**Total**	**129,739**	**11,153,711**	**237,073**	**126,782**	**110,291**	**11,046,377**

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

The table below identifies the changes in the Bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

		30 June 2026 AED '000s
1	**Defaulted loans and debt securities at the end of the previous reporting period (Dec 31, 2025)**	131,110
2	Loans and debt securities that have defaulted since the last reporting period	-
3	Returned to non-default status	
4	Amounts written off	-
5	Other changes	(1,371)
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**129,739**

8.3 Credit risk mitigation techniques – Overview (CR3)

The following table represents the extent of use of credit risk mitigation techniques.

		a	b	c	d	e	f	g
	30 June 2026 (AED ‘000s)	**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	3,332,402	1,652,575	525,004	6,611	2,449	-	-
2	Debt securities	5,448,867	-	-	-	-	-	-
3	**Total**	**8,781,269**	**1,652,575**	**525,004**	**6,611**	**2,449**	**-**	**-**
4	Of which defaulted	128,451	17	17	-	-	-	-

8.4 Standardized approach - Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

The following table illustrates the effect of CRM on standardized approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

30 June 2026 (AED ‘000s)	**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**
Sovereigns and their central banks	5,481,110	-	5,481,110	-	150,884	2.8%
Public Sector Entities	116,579	-	116,579	-	23,316	20.0%
Multilateral development banks	-	-	-	-	-	-
Banks	2,655,404	36,394	2,666,712	24,140	1,149,436	42.7%
Securities firms	-	-	-	-	-	-
Corporates	3,955,226	2,903,290	4,208,216	219,742	3,154,605	71.2%
Regulatory retail portfolios	151,374	81,208	202,243	9,275	75,110	35.5%
Secured by residential property	1,093,446	-	1,093,446	-	778,465	71.2%
Secured by commercial real estate	797,874	-	797,874	-	796,393	99.8%
Equity Investment in Funds (EIF)	-	-	-	-	-	-
Past-due loans	190,312	1,271	61,720	-	58,203	94.3%
Higher-risk categories	-	-	-	-	-	-
Other assets	348,813	-	348,813	-	333,227	95.5%
Total	**14,790,138**	**3,022,163**	**14,976,713**	**253,157**	**6,519,638**	**42.8%**

8.5 Standardized approach - Exposures by asset classes and risk weights (CR5)

The following table presents the breakdown of credit risk exposures under the standardized approach by asset class and risk weight.

	30 June 2026 AED '000s	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
	Asset classes									
1	Sovereigns and their central banks	5,192,934	216,446	-	-	-	-	71,730	-	5,481,110
2	Public Sector Entities	-	116,579	-	-	-	-	-	-	116,579
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	1,174,508	-	1,266,275	-	187,416	62,654	-	2,690,852
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	693,933	113,759	-	796,876	-	2,223,556	-	599,834	4,427,958
7	Regulatory retail portfolios	116,964		-	-	77,776	16,778	-	-	211,518
8	Secured by residential property	15,418	-	460,866	-	-	617,162	-	-	1,093,446
9	Secured by commercial real estate	1,481	-	-	-	-	796,393	-	-	797,874
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	3,517	-	-	-	-	58,203	-	-	61,720
12	Higher-risk categories	-	-	-	-	-	-	-	-	-
13	Other assets	84,972	-		-	-	217,584		46,257	348,813
14	**Total**	**6,109,219**	**1,621,292**	**460,866**	**2,063,151**	**77,776**	**4,117,092**	**134,384**	**646,091**	**15,229,870**

9 Counterparty credit risk (CCR)

9.1 Analysis of Counterparty Credit Risk by approach (CCR1)

The following table provides a comprehensive view of the method used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

	30 June 2026 AED '000s	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	6	11,829		1.4	16,568	6,997
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5							
6	**Total**						**6,997**

9.2 Credit valuation adjustment capital charge (CCR2)

	30 June 2026 AED '000s	a EAD post-CRM	b RWA
1	All portfolios subject to the Standardised CVA capital charge*	16,568	2,134
2	All portfolios subject to the Simple alternative CVA capital charge		

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

The following table provides a breakdown of counterparty credit risk exposures calculated according to the standardized approach by regulatory portfolio and by risk weight.

Regulatory portfolio	0%	20%	50%	75%	100%	150%	Others	Total credit exposure
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-	-
Banks	-	4,290	12,278	-	-	-	-	16,568
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	-	-	-	-
Regulatory retail portfolios	-	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
Total	**-**	**4,290**	**12,278**	**-**	**-**	**-**	**-**	**16,568**

9.4 Composition of collateral for Counterparty Credit Risk exposure (CCR5)

CCR5 is not applicable for the Bank

9.5 Credit derivatives exposures (CCR6)

CCR6 is not applicable for the Bank

9.6 Exposure to Central Counterparties (CCR8)

The following table provides a comprehensive picture of the bank's exposures to central counterparties.

		EAD (post-CRM)	RWA
1	**Exposures to QCCPs (total)**		
2	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:		
3	(i) OTC derivatives		
4	(ii) Exchange-traded derivatives		
5	(iii) Securities financing transactions		
6	(iv) Netting sets where cross-product netting has been approved		
7	Segregated initial margin		
8	Non-segregated initial margin		
9	Pre-funded default fund contributions		
10	Unfunded default fund contributions		
11	**Exposures to non-QCCPs (total)**		
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution); of which:		
13	(i) OTC derivatives	16,568	6,997
14	(ii) Exchange-traded derivatives		
15	(iii) Securities financing transactions		
16	(iv) Netting sets where cross-product netting has been approved		
17	Segregated initial margin		
18	Non-segregated initial margin		
19	Pre-funded default fund contributions		
20	Unfunded default fund contributions		

10 Securitization

The securitization section is not applicable to the Bank.

11 Market Risk

11.1 Market risk under the standardized approach (MR1)

		30 June 2026 AED ‘000s
		RWA
1	General Interest rate risk (General and Specific)	-
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	23,139
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	[redacted]	
8	Securitization	-
9	**Total**	**23,139**

12 Liquidity Risk

12.1 Liquidity Coverage Ratio (LIQ1)

The LIQ1 is not applicable to the Bank.

12.2 Net Stable Funding Ratio (NSFR) – LIQ2

The LIQ2 is not applicable to the Bank.

12.3 Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,691,858	
1.2	UAE Federal Government Bonds and Sukuks	2,320,840	
	Sub Total (1.1 to 1.2)	5,012,698	5,012,698
1.3	UAE local governments publicly traded debt securities	37,016	
1.4	UAE Public sector publicly traded debt securities		
	Sub total (1.3 to 1.4)	37,016	37,016
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	220,348	220,348
1.6	**Total**	**5,270,062**	**5,270,062**
2	Total liabilities		12,996,350
3	**Eligible Liquid Assets Ratio (ELAR)**		**40.55%**

12.4 Advances to Stable Resources Ratio

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	4,748,674
	1.2	Lending to non-banking financial institutions	377
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	112,996
	1.4	Interbank Placements	186,693
	1.5	**Total Advances**	**5,048,740**
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	1,773,257
		Deduct:	
	2.1.1	Goodwill and other intangible assets	
	2.1.2	Fixed Assets	35,544
	2.1.3	Funds allocated to branches abroad	
	2.1.5	Unquoted Investments	0
	2.1.6	Investment in subsidiaries, associates and affiliates	
	2.1.7	**Total deduction**	**35,544**
	2.2	**Net Free Capital Funds**	**1,737,713**
	2.3	**Other stable resources:**	
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	0
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	17,779
	2.3.5	Customer Deposits	10,602,979
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
	2.3.7	**Total other stable resources**	**10,620,758**
	2.4	**Total Stable Resources (2.2+2.3.7)**	**12,358,471**
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**40.85%**

Details of Not Applicable Tables

S No	Table	Information Overview	Topic
1	LIQ1	Liquidity Coverage Ratio	Liquidity
2	LIQ2	Net Stable Funding Ratio	
3	CCR5	Composition of collateral for CCR exposure	Counterparty credit risk (CCR)
4	CCR6	Credit derivatives exposures	
5	SEC1	Securitisation exposures in the banking book	
6	SEC2	Securitisation exposures in the trading book	
7	SEC3	Securitisation exposures in the banking book and associated regulatory capital requirements - bank acting as originator or as sponsor	
8	SEC4	Securitisation exposures in the trading book and associated capital requirements - bank acting as investor	