1. Overview

National Bank of Kuwait - United Arab Emirates branches (the "Branch") relates to the activities of the Dubai and Abu Dhabi Branches of National Bank of Kuwait S.A.K (the "Head Office"), a public shareholding company incorporated in Kuwait in 1952 and registered as a commercial bank with the Central Bank of Kuwait.

The Branch is registered as a Foreign Branch and is regulated by the Central Bank of the United Arab Emirates ("CBUAE") and is engaged in commercial banking activities. The registered addresses of each of the UAE branches and Head office are as follows:

- Dubai Branch: P.O. Box 9293, Dubai, United Arab Emirates
- Abu Dhabi Branch: P.O. Box 113567 Abu Dhabi, United Arab Emirates
- Head office: Al Shuhada Street, Sharq, P.O. Box 95,Safat, 13001, Kuwait

The Pillar III disclosure document is prepared in line with the CBUAE Regulation and Guidelines issued by the CBUAE.

The Pillar III disclosure reflect the activities and operations of the Dubai and Abu Dhabi Branches only and exclude all transactions, activities and operations of the Head Office and its other branches.

The purpose of this report is to inform market participants of the key components, scope and effectiveness of the Bank's risk measurement processes, risk profile and capital adequacy. This is accomplished by providing consistent and understandable disclosures of the Branch's risk profile in a manner that enhances comparability with other financial institutions.

The Basel Accord framework consists of three pillars:

- Pillar 1 provides a framework for measuring capital requirements for credit, operational and market risks under the "Standardised Approach";
- Pillar 2 relates to the supervisory review process and emphasises the importance of the Internal Capital Adequacy Assessment Process (ICAAP) performed by banks; and
- Pillar 3 aims to complement the capital adequacy requirements under Pillar 1 and Pillar 2 by requiring banks to provide a consistent and understandable disclosure framework which facilitates comparison, thus enhancing the safety and soundness of the banking industry in UAE.

A key objective of Branch along with its Head Office is (collectively the "Group") is to maximise shareholders' value with optimal levels of risk, whilst maintaining a strong capital base to support the development of its business and comply with externally imposed capital requirements.

The table below summarizes the Key Metrics of Capital Adequacy Ratio for UAE branches.

	Table - KM1 - Key metrics (at UAE Branches level)	Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	Available capital (AED 000)					
1	Common Equity Tier 1 (CET1)	2,360,658	2,368,778	2,373,306	2,186,385	2,197,283
1a	Fully loaded ECL accounting model	2,360,658	2,368,778	2,373,306	2,186,385	2,197,283
2	Tier 1	2,360,658	2,368,778	2,373,306	2,186,385	2,197,283
2a	Fully loaded ECL accounting model Tier 1	2,360,658	2,368,778	2,373,306	2,186,385	2,197,283
3	Total capital	2,419,871	2,423,035	2,427,985	2,297,186	2,321,589
3a	Fully loaded ECL accounting model total capital	2,419,871	2,423,035	2,427,985	2,297,186	2,321,589
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	11,168,270	11,732,074	11,272,183	9,379,118	10,344,362
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	21.14%	20.19%	21.05%	23.31%	21.24%
5a	Fully loaded ECL accounting model CET1 (%)	21.14%	20.19%	21.05%	23.31%	21.24%
6	Tier 1 ratio (%)	21.14%	20.19%	21.05%	23.31%	21.24%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	21.14%	20.19%	21.05%	23.31%	21.24%
7	Total capital ratio (%)	21.67%	20.65%	21.54%	24.49%	22.44%
7a	Fully loaded ECL accounting model total capital ratio (%)	21.67%	20.65%	21.54%	24.49%	22.44%
	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 (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%

12	CET1 available after meeting the bank's minimum capital requirements (%)	14.14%	13.19%	14.05%	16.31%	14.24%
	Leverage Ratio					
13	Total leverage ratio measure	18,235,628	21,111,525	22,361,892	17,247,380	17,704,268
14	Leverage ratio (%) (row 2/row 13)	12.95%	11.22%	10.61%	12.68%	12.41%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	12.95%	11.22%	10.61%	12.68%	12.41%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	12.95%	11.22%	10.61%	12.68%	12.41%
	Liquidity Coverage Ratio					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	Net Stable Funding Ratio					
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
	ELAR					
21	Total HQLA	3,670,793	4,932,047	4,653,799	3,171,032	2,857,017
22	Total liabilities	11,422,314	14,675,058	15,802,292	10,497,837	11,057,877
23	Eligible Liquid Assets Ratio (ELAR) (%)	32.14%	33.61%	29.45%	30.21%	25.84%
	ASRR					
24	Total available stable funding	11,411,189	14,343,818	15,470,694	10,329,898	10,934,700
25	Total Advances	7,467,863	7,222,475	6,091,254	5,390,307	6,414,192
26	Advances to Stable Resources Ratio (%)	65.44%	50.35%	39.37%	52.18%	58.66%

2. OVERVIEW OF RISK MANAGEMENT AND RWA

Risk management

The Group's risk management framework is integral to its operations and culture and it seeks to manage risk in a structured, systematic manner through a global risk policy, which embeds comprehensive risk management into the organisational structure, risk measurement and monitoring processes.

Ultimate responsibility for setting out risk appetite and effective management of risk rests with the Board of Directors. This is managed through the Board Risk & Compliance Committee (the "BRCC") and the Group Executive Committee (the "EC"), which ensure that risk-taking authority and policies are effectively communicated from the Board to the appropriate business units. The Group's risk management and compliance function and its internal audit function assist Executive Management in controlling and actively managing the Group's overall risk profile.

The key features of the Group's comprehensive risk management policy are:

- the Board provides overall risk management direction and oversight;
- the Group's risk appetite is reviewed by the BRCC and ultimately approved by the Board;
- risk management is embedded in the Group as an intrinsic process and is a core competency of all its employees;
- the Group manages its credit, market, liquidity and operational risks in a coordinated manner within the organisation; and
- the Group's internal audit function reports to the Board Audit Committee (the “BAC”) and provides independent validation of the business units' compliance with risk policies and procedures and the adequacy and effectiveness of the risk management framework on a Group-wide basis.

The function also ensures that:

- The Group’s overall business strategy is consistent with its risk appetite approved by the Board and allocated by the Executive Committee.
- Risk policies, procedures and methodologies are consistent with the Group’s risk appetite.
- Appropriate risk management architecture and systems are developed and implemented; and
- Risks and limits of the portfolio are monitored throughout the Group, including at appropriate “regional” levels.

The Group regularly assesses the adequacy and effectiveness of its risk management framework in light of the changing risk environment.

The key elements of the Board-approved risk strategy are:

- maintaining stability and business continuity during stress situations;
- ensuring effective and adequate compliance with Regulatory Capital requirements
- developing the Group's IT infrastructure and using modern methods to raise the professional level and levels of experience of human resources;
- effective risk planning through an appropriate risk appetite; and

The Group's risk appetite defines the maximum limit of risk that the Group is willing to accept in relevant business categories in order to achieve an optimal balance of risk and return which will enable the achievement of its strategic objectives. Any risk, which breaches the Group's stated risk appetite, must be mitigated as a matter of priority to within acceptable levels.

The risk appetite is annually reviewed and presented by the BRCC to the Board for final approval. This ensures the risk appetite statements are consistent with the Group's strategy and business environment. Through the risk appetite statements, the Board communicates to Management the acceptable level of risk for the Group, determined in a manner which meets the objectives of shareholders, depositors and regulators.

The Group risk management and compliance function aims to identify early warnings of risk limit and risk appetite breaches, and is responsible for notifying them to the BRCC and the Board.

The Group's risk management framework enables the Group to identify, assess, limit and monitor risks using a comprehensive range of quantitative and qualitative tools. Some of these tools are common to a number of risk categories, while others are tailored to the particular features of specific risk categories and enable generation of information.

The Group regularly assesses the adequacy and effectiveness of its reporting tools and metrics in light of the changing risk environment.

The Group organizes and manages its operations by segmentation of business lines into corporate, retail, private banking etc. International Banking Group (IBG) located in Kuwait (established by the Board of Directors of NBK SAK) is responsible for the management and oversight of NBK branch and subsidiary operations located outside Kuwait. It comprises a dedicated senior management team committed and closely involved in the strategic decisions and directions of the Branch along with EC.

The overall risk function is managed by Group Risk Management (GRM) headed by the Group Chief Risk Officer (CRO) centrally. There are various Credit committees to manage the credit risk, ALCO manages market and liquidity risk.

Capital management

The capital planning exercise and execution involves the development of specific capital and other actions the branch plans to execute over the coming year, as well as the development of a number of contingent mitigating actions that can be called upon if needed. The development of the capital plan is a core exercise of the local ICAAP committee. The capital plan is submitted to IBG management for further actions if any required. Final approval is received from Group Executive Committee for any capital action proposed.

A number of options available for maintaining an adequate risk and capital profile are evaluated. These actions may be used in emergency conditions as well as regular operating conditions and cover both short-term remedies to a threat to the branch's capital adequacy as well as longer-term policies.

The actions include:

- Setting internal limits and targets for capital resources/ ratios
- Establishing appropriate repatriation policy in relation to capital adequacy
- Executing capital infusion
- Executing other instruments like MTN etc.
- Managing other levels of risk

On an ongoing basis, NBKUAE management reviews the options available to it to optimize its capital structure. These options include actions such as additional capital infusion from HO, modification of repatriation policies, adjustment of limits or other actions to affect the balance of risk and capital within the branch.

HO is committed to providing adequate financial support through capital retention and capital contributions, as and when required.

The following table provides an Overview of the total risk weighted asset (RWA) for UAE branches.

	Table - OV1 - Overview of RWA	RWA (AED 000)					Minimum capital requirements*
		Jun-26	Mar-26	Dec-25	Sep-25	Jun-25	Jun-26
1	Credit risk (excluding counterparty credit risk)	9,880,746	10,193,949	10,442,541	8,369,653	9,649,893	1,037,478
2	Of which: standardised approach (SA)	9,880,746	10,193,949	10,442,541	8,369,653	9,649,893	1,037,478
3	Of which: foundation internal ratings-based (F-IRB) approach						
4	Of which: supervisory slotting approach						
5	Of which: advanced internal ratings-based (A-IRB) approach						
6	Counterparty credit risk (CCR)	619,310	870,837	220,587	494,458	294,599	-
7	Of which: standardised approach for counterparty credit risk						
8	Of which: Internal Model Method (IMM)						
9	Of which: other CCR						
10	Credit valuation adjustment (CVA)						
11	Equity positions under the simple risk weight approach						
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						
17	Of which: securitisation internal ratings-based approach (SEC-IRBA)						
18	Of which: securitisation external ratings-based approach (SEC-ERBA)						
19	Of which: securitisation standardised approach (SEC-SA)						
20	Market risk	227,232	226,307	220,151	126,103	10,966	23,859
21	Of which: standardised approach (SA)	227,232	226,307	220,151	126,103	10,966	23,859
22	Of which: internal models approach (IMA)						
23	Operational risk	440,981	440,981	388,904	388,904	388,904	46,303
24	Amounts below thresholds for deduction (subject to 250% risk weight)						
25	Floor adjustment						
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**11,168,270**	**11,732,074**	**11,272,183**	**9,379,118**	**10,344,362**	**1,107,641**

* Minimum capital requirements applied is 10.5%

3. COMPOSITION OF CAPITAL

The Branch's Regulatory Capital comprises:

Common Equity Tier 1 (CET1) capital which is considered as the core measure of the Branch's financial strength and includes allocated capital, eligible reserves, retained earnings, and

Tier 2 (T2) capital which consists of the allowed portions of general provisions.

The following table provides breakup of the Branch's regulatory capital.

	Table - CC1 - Composition of regulatory capital	**30 Jun 2026 AED(000)**	**31 Dec 2025 AED(000)**	**30 Jun 2025 AED(000)**	**31 Dec 2024 AED(000)**	**CC2 Reference**
	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	1,420,113	1,420,113	1,420,113	1,420,113	B
2	Retained earnings	824,351	840,688	680,291	680,291	C
3	Accumulated other comprehensive income (and other reserves)	120,525	117,182	100,775	95,824	D
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**	**2,364,989**	**2,377,983**	**2,201,179**	**2,196,228**	
	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)	(4,331)	(4,677)	(3,896)	(4,138)	
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)					
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**	(4,331)	(4,677)	(3,896)	(4,138)	
25	**Common Equity Tier 1 capital (CET1)**	2,360,658	2,373,306	2,197,283	2,192,090	
	Table - CC1 - Composition of regulatory capital	**30 Jun 2026 AED(000)**	**31 Dec 2025 AED(000)**	**30 Jun 2025 AED(000)**	**30 Dec 2024 AED(000)**	**CC2 Reference**
	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	-	-	-	0	
	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			-	0	
38	**Additional Tier 1 capital (AT1)**	**-**	**-**	**-**	**0**	
39	**Tier 1 capital (T1= CET1 + AT1)**	**2,360,658**	**2,373,306**	**2,197,283**	**2,192,090**	
	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)					
43	*Of which: instruments issued by subsidiaries subject to phase-out*					
44	Provisions (max 1.25% of CRWA under standardised approach)	59,213	54,679	124,306	91,852	A
45	**Tier 2 capital before regulatory adjustments**	59,213	54,679	124,306	91,852	
	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**	-	-	-	0	
51	**Tier 2 capital (T2)**	59,213	54,679	124,306	91,852	
52	**Total regulatory capital (TC = T1 + T2)**	2,419,871	2,427,985	2,321,589	2,283,942	
53	**Total risk-weighted assets**	11,168,270	10,344,362	10,344,362	7,654,082	
	Table - CC1 - Composition of regulatory capital	**30 Jun 2026 AED(000)**	**31 Dec 2025 AED(000)**	**30 Jun 2025 AED(000)**	**30 Dec 2024 AED(000)**	**CC2 Reference**
	Capital ratios and buffers					
54	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	21.14%	22.94%	21.24%	28.64%	
55	**Tier 1 (as a percentage of risk-weighted assets)**	21.14%	22.94%	21.24%	28.64%	
56	**Total capital (as a percentage of risk-weighted assets)**	21.67%	23.47%	22.44%	29.84%	
57	**Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)**	2.50%	2.50%	2.50%	2.50%	
58	**Of which: capital conservation buffer requirement**	2.50%	2.50%	2.50%	2.50%	
59	**Of which: bank-specific countercyclical buffer requirement**	0.00%	0.00%	0.00%	0.00%	
60	**Of which: higher loss absorbency requirement (e.g. DSIB)**	0.00%	0.00%	0.00%	0.00%	
61	**Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.**	14.14%	15.94%	14.24%	21.64%	
	The CBUAE Minimum Capital Requirement					
62	Common Equity Tier 1 minimum ratio	7.00%	7.00%	7.00%	7.00%	
63	Tier 1 minimum ratio	8.50%	8.50%	8.50%	8.50%	
64	Total capital minimum ratio	10.50%	10.50%	10.50%	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)					
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities					
66	Significant investments in common stock of financial entities					
67	Mortgage servicing rights (net of related tax liability)					
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)	131,251	138,310	149,167	110,222	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	59,213	54,679	124,306	91,852	
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)					
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach					
	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*	-	-	-	0	
74	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	-	-	0	
75	*Current cap on AT1 instruments subject to phase-out arrangements*	-	-	-	0	
76	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	-	-	0	
77	*Current cap on T2 instruments subject to phase-out arrangements*	-	-	-	0	
78	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	-	-	0	

Reconciliation of Regulatory Capital to Balance Sheet

The below table provides reconciliation between regulatory capital and balance sheet

Table - CC2 - Reconciliation of regulatory capital to balance sheet	**Balance sheet as in published financial statements (AED 000)**	**Under regulatory scope (AED 000)**	**Reference (CC1)**
	As at period-end Jun 2026	**As at period-end Jun 2026**	
Assets			
Cash and short term funds	2,138,092	2,138,092	
Deposits with banks and other financial institutions	1,694,806	1,694,806	
Investments Securities	2,718,501	2,718,501	
Loans and advances to customers - Gross loans	6,928,479	6,928,479	
Of which: Eligible general provision (max 1.25% of CRWA under standardised approach) included in Tier 2	59,213	59,213	A
Premises and equipment	38,438	38,438	
Other assets	147,095	147,095	
Derivative financial instruments	172,442	172,442	
Total assets	**13,837,853**	**13,837,853**	
Liabilities			
Due to banks and other financial institutions	1,498,068	1,498,068	
Customer deposits	9,550,051	9,550,051	
Other liabilities	374,855	374,855	
Total liabilities	**11,422,974**	**11,422,974**	
Shareholders' equity			
Paid-in share capital			
Of which: amount eligible for CET1	1,420,113	1,420,113	B
Of which: amount eligible for AT1			

Retained earnings	759,859	759,859	
Of which: amount eligible for CET1	671,068		C
Statutory reserve	117,182		
Of which: amount eligible for CET1	117,182	117,182	D
General impairment reserve	110,297	110,297	
Accumulated other comprehensive income	7,428		
Total shareholders' equity	**2,414,879**	**2,407,451**	

Table - CCA - Main features of regulatory capital instruments is not applicable as the branch has not issued any capital instruments.

4. LEVERAGE RATIO

The table below provides the details of leverage ratio

	Table - LR2 - Leverage ratio common disclosure template (January 2014 standard) (AED 000)	**Jun-26**	**Mar-26**	**Dec-25**	**Sep-25**	**Jun-25**
On-balance sheet exposures						
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	13,928,453	17,307,079	18,413,910	12,921,169	13,521,471
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)	(4,331)	(4,547)	(4,677)	(3,832)	(3,896)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	13,924,122	17,302,532	18,409,233	12,917,337	13,517,575
Derivative exposures						
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	13,304	11,371	9,783	12,490	20,697
9	Add-on amounts for PFE associated with *all* derivatives transactions	124,360	157,870	120,125	177,189	253,152
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 8 to 12)**	192,730	236,937	181,871	265,551	383,389
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)					
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	10,195,513	8,834,710	9,399,179	10,003,086	9,002,876
20	(Adjustments for conversion to credit equivalent amounts)	(6,076,737)	(5,262,654)	(5,628,392)	(5,938,593)	(5,199,571)
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)**	4,118,777	3,572,056	3,770,787	4,064,493	3,803,305
Capital and total exposures						
23	**Tier 1 capital**	2,360,658	2,368,778	2,373,306	2,186,385	2,197,283
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	18,235,628	21,111,525	22,361,892	17,247,380	17,704,268
Leverage ratio						
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**12.9%**	**11.2%**	**10.6%**	**12.7%**	**12.4%**
25 a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-	-	-	-
26	CBUAE minimum leverage ratio requirement	3%	3%	3%	3%	3%
27	**Applicable leverage buffers**	9.9%	8.2%	7.6%	9.7%	9.4%

5. **Eligible Liquid Asset Ratio (ELAR)**

The details of the Eligible Liquid Asset Ratio (ELAR) is provided in the below table

Table - ELAR - Eligible Liquid Assets Ratio (AED 000)		**Jun-26**		**Mar-26**		**Dec-25**		**Sep-25**		**Jun-25**	
1	**High-Quality Liquid Assets**	**Nominal amount**	**Eligible Liquid Asset**	**Nominal amount**	**Eligible Liquid Asset**	**Nominal amount**	**Eligible Liquid Asset**	**Nominal amount**	**Eligible Liquid Asset**	**Nominal amount**	**Eligible Liquid Asset**
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,205,194		5,212,180	-	4,451,893		2,966,388		2,384,031	
1.2	UAE Federal Government Bonds and Sukuks	197,077		195,452		201,906		204,644		199,499	
	Sub Total (1.1 to 1.2)	3,402,271	3,402,271	5,407,632	5,407,632	4,653,799	4,653,799	3,171,032	3,171,032	2,583,530	2,583,530
1.3	UAE local governments publicly traded debt securities	268,522		268,373	-	278,248		280,145		273,487	
1.4	UAE Public sector publicly traded debt securities			-		-					
	Sub total (1.3 to 1.4)	268,522	268,522	268,373	268,373	278,248	278,248	280,145	280,145	273,487	273,487

1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks			-	-	-	-	-	-		
1.6	**Total**	**3,670,793**	**3,670,793**	**5,676,005**	**5,676,005**	**4,932,047**	**4,932,047**	**3,451,177**	**3,451,177**	**2,857,017**	**2,857,017**
2	Total liabilities		11,422,314		14,675,058		15,802,292		10,497,837		11,057,877
3	**Eligible Liquid Assets Ratio (ELAR)**		**32.14 %**		**38.68 %**		**31.21 %**		**32.88 %**		**25.84 %**

6. Advances to Stable Resources Ratio (ASSR)

The below provide the detail of the Advances to Stable Resources Ratio (ASSR)

Table - ASRR - Advances to Stables Resource Ratio							
		Items (AED 000)	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
1		**Computation of Advances**	Jun-26	Mar-26	Dec-25	Sep-25	Jun-25
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	5,645,199	5,408,073	4,439,054	4,216,031	4424815
	1.2	Lending to non-banking financial institutions	-	-		-	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	330,377	329,302	341,075	307,548	296430
	1.4	Interbank Placements	1,492,287	1,485,100	1,311,125	866,728	1692947
	1.5	**Total Advances**	7,467,863	7,222,475	6,091,254	5,390,307	6,414,192
2		**Calculation of Net Stable Ressources**					
	2.1	Total capital + general provisions	2,474,092	2,470,578	2,544,787	2,482,354	2,396,756
		Deduct:					
	2.1.1	Goodwill and other intangible assets	4,331	4,547	4,677	3,832	3,896
	2.1.2	Fixed Assets	34,107	34,933	35,725	34,640	34,011
	2.1.3	Funds allocated to branches abroad	-	-	-	-	-
	2.1.5	Unquoted Investments	-	-	-	-	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-	-	-	-	-
	2.1.7	**Total deduction**	38,438	39,480	40,402	38,472	37,907
	2.2	**Net Free Capital Funds**	2,435,654	2,431,098	2,504,385	2,443,882	2,358,849
	2.3	**Other stable resources:**	-	-	-	-	-
	2.3.1	Funds from the head office	-	-	-	-	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	-	-	-	-	-
	2.3.3	Refinancing of Housing Loans	-	-		-	-

	2.3.4	Borrowing from non-Banking Financial Institutions	836,548	984,206	726	415	421
	2.3.5 (a)	Customer Deposits with remaining life of more than 6 months (BRF 9)	142,959	189,157	1,034,643	77,905	48,599
	2.3.5 (b)	85% of the rest of Customer Deposits	7,996,028	10,739,357	11,930,940	7,807,696	8,526,831
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-	-	-	-
	2.3.7	**Total other stable resources**	8,975,535	11,912,720	12,966,309	7,886,016	8,575,851
	2.4	**Total Stable Resources (2.2+2.3.7)**	11,411,189	14,343,818	15,470,694	10,329,898	10,934,700
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	65.44	50.35	39.37	52.18	58.66

7. CREDIT RISK

Credit risk is defined as the likelihood that a customer or counterparty is unable to meet the contracted financial obligations resulting in a default situation and/or financial loss. These risks arise in the Branch and Group's normal course of business.

The below table summarises the credit quality of assets (CR1) as at under

Jun-26

Table - CR1 - Credit quality of assets - Jun 2026

		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	207,447	6,948,236	227,204	207,447	19,757	6,928,479
2	Debt securities	2,729,288		10,787	-	-	2,718,501
3	Off-balance sheet exposures	10,346		38,777	10,346	28,431	(28,431)
4	**Total**	**2,947,081**	**6,948,236**	**276,768**	**217,793**	**48,188**	**9,618,549**

Dec-25

Table - CR1 - Credit quality of assets - Dec 2025

		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	94,291	5,288,060	81,054	56,484	24,570	5,301,297
2	Debt securities		2,723,343	1,273	-	-	2,722,070
3	Off-balance sheet exposures	10,346	8,200,505	30,126	10,346	19,780	8,180,725
4	**Total**	**104,637**	**16,211,908**	**112,453**	**66,830**	**44,350**	**16,204,092**

Jun-25

Table - CR1 - Credit quality of assets - Jun 2025

		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	94,291	772,343	88,859	56,492	32,367	777,775
2	Debt securities		2,032,986	6,440	-	-	2,026,546
3	Off-balance sheet exposures	10,346	8,148,241	38,825	10,346	28,479	8,119,762
4	**Total**	**104,637**	**10,953,570**	**134,124**	**66,838**	**60,846**	**10,924,083**

The below table describes the changes in the defaulted exposure, the flow between defaulted and non-defaulted exposure and write off during the year.

	Table - CR2 - Changes in the stock of defaulted loans and debt securities	**2026**	**2025**
1	**Defaulted loans and debt securities at the end of the previous reporting period**	94,291	95,081
2	Loans and debt securities that have defaulted since the last reporting period	148,511	
3	Returned to non-default status		
4	Amounts written off		
5	Other changes	(4,811)	(790)
6	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	237,991	94,291

Definition of default

The Branch considers a financial asset to be in default and therefore Stage 3 (credit impaired) for ECL calculations when:

the borrower is unlikely to pay its credit obligations to the Branch in full, without recourse by the Branch to actions such as realising security (if any is held);
the borrower is past due more than 90 days on any material credit obligation to the Branch; or
borrower is considered as credit impaired based on qualitative assessment for internal credit risk Management purposes
retail facilities from commencement of legal recourse.

Any credit impaired or stressed facility that has been restructured would also be considered as in default.

The Branch considers investments and interbank balances as in default when the coupon or principal payment is past due for 1 day.

The Branch considers a variety of indicators that may indicate unlikeliness to pay as part of a qualitative assessment of whether a customer is in default. Such indicators include:

breaches of covenants
borrower having past due liabilities to public creditors or employees
borrower is deceased

The Branch considers a financial asset as ‘cured’ (i.e. no longer be in default) and therefore reclassified out of stage 3 when it no longer meets any of the default criteria. In respect of restructured facilities which are classified in stage 3, these would be required to complete the moratorium period (if any) and meet the scheduled payments (all on current basis) for at least 1 year (except for retail facilities), or as determined by the Branch for consideration for classifying the facility in stage 2/stage 1.

Significant increase in credit risk

The Branch continuously monitors all assets subject to ECLs. In order to determine whether an instrument or a portfolio of instruments is subject to 12 months ECL or life time ECL, the Branch assess as whether there has been a significant increase in credit risk since initial recognition. The quantitative criteria used to determine a significant increase in credit risk is a series of relative and absolute thresholds. All financial assets that are 90 days past due are deemed to have significant increase in credit risk since initial recognition and migrated to stage 2 even if other criteria do not indicate a significant increase in credit risk. Retail facilities however, migrate to stage 2 based on days past due movement and the IFRS 9 presumption of 30 days past due is rebuttable but not rebutted.

The Branch considers a financial instrument with an external rating of “investment grade” (high grade) as at the reporting date to have low credit risk. In addition to the above quantitative criteria, the Branch applies qualitative criteria for the assessment of significant increase in credit risk based on monitoring of certain early warning signals.

The below table summarises the effect of CRM on standardised approach capital requirements and RWA density provides riskiness of each asset class

As at 30 Jun 2026

Table - CR4 - Standardised approach - credit risk exposure and CRM effects

	a	b	c	d	e	f
	Exposures before CCF and CRM		**Exposures post-CCF and CRM**		**RWA and RWA density**	
Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Sovereigns and their central banks	3,662,744	-	3,662,744		53,704	1%
Public Sector Entities	2,865,504	1,477,213	2,865,504	738,607	2,336,989	65%
Multilateral development banks	-	-	-		-	0%
Banks	4,172,800	2,538,031	3,229,130	1,993,454	1,618,236	31%
Securities firms	-	-	-		-	0%
Corporates	2,785,864	4,781,208	2,878,938	3,423,285	6,299,647	100%
Regulatory retail portfolios	10,479	-	3,997		3,997	100%
Secured by residential property	61,703	-	61,703		21,596	35%
Secured by commercial real estate	19,776	-	18,495		18,495	100%
Equity Investment in Funds (EIF)		-				0%
Past-due loans	208,125	-	679		679	100%
Higher-risk categories	-	-	-		-	0%
Other assets	154,762		154,762		146,713	95%
Total	**13,941,757**	**8,796,452**	**12,875,952**	**6,155,345**	**10,500,056**	55%

As at 31 Dec 2025

Table - CR4 - Standardised approach - credit risk exposure and CRM effects						
	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Sovereigns and their central banks	4,922,738	-	4,922,738	-	55,650	1%
Public Sector Entities	-	-	-	-	-	0%
Multilateral development banks	-	-	-	-	-	0%
Banks	8,606,982	1,325,891	8,606,982	316,399	2,282,759	26%
Securities firms	-	-	-	-	-	0%
Corporates	4,424,349	6,874,613	6,153,506	2,577,885	7,958,974	91%
Regulatory retail portfolios	13,340	-	13,340	-	13,340	100%
Secured by residential property	43,539	-	43,539	-	15,239	35%
Secured by commercial real estate	22,478	-	22,478	-	22,478	100%
Equity Investment in Funds (EIF)	-	-	-	-	-	0%
Past-due loans	94,291	-	37,805	-	37,805	100%
Higher-risk categories	-	-	-	-	-	0%
Other assets	286,193	-	276,884	-	276,884	100%
Total	**18,413,910**	**8,200,504**	**20,077,272**	**2,894,285**	**10,663,128**	46%

As at 30 Jun 2025

Table - CR4 - Standardised approach - credit risk exposure and CRM effects						
	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	**On-balance sheet amount**	**Off-balance sheet amount**	**On-balance sheet amount**	**Off-balance sheet amount**	**RWA**	**RWA density**
Sovereigns and their central banks	2,846,310	-	2,846,310	-	54,697	2%
Public Sector Entities	-	-	-	-	-	0%
Multilateral development banks	-	-	-	-	-	0%
Banks	5,967,514	1,486,020	5,967,514	559,533	2,073,112	32%
Securities firms						0%

	-	-	-	-	-	
Corporates	4,312,144	6,672,568	4,312,144	4,421,942	7,365,005	84%
Regulatory retail portfolios	9,169	-	9,169	-	9,169	100%
Secured by residential property	41,076	-	41,076	-	14,377	35%
Secured by commercial real estate	25,179	-	25,179	-	25,179	100%
Equity Investment in Funds (EIF)	-	-	-	-	-	0%
Past-due loans	94,291	-	37,247	-	37,247	100%
Higher-risk categories	-	-	-	-	-	0%
Other assets	225,788	-	225,788	-	215,081	95%
Total	**13,521,471**	**8,158,588**	**13,464,427**	**4,981,475**	**9,793,867**	53%

The below table summarises the credit risk exposure under the standardised approach by asset class and their corresponding risk weight

As at 30 Jun 2026

Table - CR5 - Standardised approach - exposures by asset classes and risk weights									
	a	**b**	**c**	**d**	**e**	**f**	**g**	**h**	**i**
Asset classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Sovereigns and their central banks	3,394,222	268,522							3,662,744
Public Sector Entities									-
Multilateral development banks									-
Banks		3,831,949		1,077,577		313,057			5,222,583
Securities firms									-
Corporates	2,576	1,583,902				7,926,056			9,512,534
Regulatory retail portfolios						3,997			3,997
Secured by residential property			61,703						61,703
Secured by commercial real estate						18,495			18,495
Equity Investment in Funds (EIF)									-
Past-due loans						679			679
Higher-risk categories									-
Other assets	8,049					146,713		393,800	548,562
Total	**3,404,847**	**5,684,373**	**61,703**	**1,077,577**	**-**	**8,408,997**	**-**	**-**	**19,031,296**

As at 31 Dec 2025

Table - CR5 - Standardised approach - exposures by asset classes and risk weights									
	a	b	c	d	e	f	g	h	i
Asset classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Sovereigns and their central banks	4,644,490	278,248	-	-	-	-	-	-	4,922,738
Public Sector Entities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	0	7,921,411		1,263,794		66,580			9,251,785
Securities firms									-
Corporates	295,596	1,169,197				7,266,598			8,731,391
Regulatory retail portfolios						13,340			13,340
Secured by residential property			43,539						43,539
Secured by commercial real estate						22,478			22,478
Equity Investment in Funds (EIF)									-
Past-due loans						37,805			37,805
Higher-risk categories									-
Other assets	9,309					276,884		458,536	744,729
Total	**4,949,395**	**9,368,856**	**43,539**	**1,263,794**	**-**	**7,683,685**	**-**	**458,536**	**23,767,805**

As at 30 Jun 2025

Table - CR5 - Standardised approach - exposures by asset classes and risk weights									
	a	b	c	d	e	f	g	h	i
Asset classes	**0%**	**20%**	**35%**	**50%**	**75%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF and post-CRM)**
Sovereigns and their central banks	2,572,823	273,487	-	-	-	-	-	-	2,846,310
Public Sector Entities	-	-	-	-	-	-	-	-	-
Multilateral development banks	-	-	-	-	-	-	-	-	-
Banks	-	4,323,204	-	1,990,744	-	213,099	-	-	6,527,047
Securities firms	-	-	-	-	-	-	-	-	-
Corporates	1,289	1,709,741	-	-	-	7,023,056	-	-	8,734,086
Regulatory retail portfolios	-	-	-	-	-	9,169	-	-	9,169
Secured by residential property	-	-	41,076	-	-	-	-	-	41,076
Secured by commercial				-	-		-		

real estate	-	-	-			25,179		-	25,179
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	37,247	-	-	37,247
Higher-risk categories	-	-	-	-	-	-	-	-	-
Other assets	10,707	-	-	-	-	215,081	-	-	225,788
Total	**2,584,819**	**6,306,432**	**41,076**	**1,990,744**	**-**	**7,522,831**	**-**	**-**	**18,445,902**

8. Market risk

Market risk is defined as the potential loss in value of financial instruments or contracts or portfolio of instruments/ caused by adverse movements in marke variables such as interest rates, foreign exchange rates, equity prices, volatility, spreads etc.

		30-Jun-26	31-Dec-25	30-Jun-25
	Table - MR1 - Market risk under the standardised approach	**RWA**	**RWA**	**RWA**
1	General Interest rate risk (General and Specific)	208,840	208,377	
2	Equity risk (General and Specific)			
3	Foreign exchange risk	18,392	11,774	10,966
4	Commodity risk			
	Options			
5	Simplified approach			
6	Delta-plus method			
7	[redacted]			
8	Securitisation			
9	**Total**	**227,232**	**220,151**	**10,966**