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Purpose.  
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## Basel III – Pillar 3 Disclosures

31 December 2025

### Introduction

The Central Bank of the UAE ("CBUAE") supervises Emirates Islamic Bank P.J.S.C. ("EI" or the "Bank") and its subsidiaries (together referred to as the "Group") on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. The capital requirements are computed at a Group 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 is structured around three 'pillars': minimum capital requirements (Pillar 1); supervisory review process (Pillar 2); and market discipline (Pillar 3).

### Pillar 3 Disclosures 2025

Pillar 3 complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing disclosure requirements which allow market participants to assess specified information on the scope of application of Basel III, capital, particular risk exposures and risk assessment processes, and hence the capital adequacy of the institution. Disclosures consist of both quantitative and qualitative information and are provided at the consolidated level.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ('CET1'), Additional Tier 1 ('AT1') and Total Capital. Additional capital buffers (Capital Conservation Buffer and Countercyclical Capital Buffer – maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

In November 2020, CBUAE issued revised standards and guidelines for Capital Adequacy in UAE. The standards include guidance on the topics of Credit Risk, Market Risk, and Operational Risk. In December 2022, CBUAE published revised capital guidelines mainly focused on updates on Pillar 2.

CBUAE requires the Pillar 2 – Supervisory Review Process to focus on each bank's Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar I Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

The revised Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by the Group, and provide a consistent and understandable disclosure framework that enhances transparency and improves comparability and consistency.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures include qualitative and quantitative information on the Group's risk management objectives and policies, risk assessment processes, capital management and capital adequacy. The Group's Pillar 3 disclosures are in line with the key elements governed by the disclosure policy framework in line with CBUAE Basel III standards and approved by the Group Board Audit Committee.

### Verification

The Pillar 3 disclosures for the year ended 31 December 2025 have been reviewed by the Group's internal and statutory auditors.

### Implementation of Basel III standards and guidelines

The Group is compliant with Standardized Approach for Credit, Market and Operational Risk (Pillar 1) as applicable in 2025. The Group also assigns capital on other than Pillar 1 risk categories, which are part of Pillar 2 framework.

### Group Structure

The Bank was incorporated by a decree of His Highness the Ruler of Dubai as a conventional Bank with a limited liability in the Emirate of Dubai on 3 October 1975. The Bank was reregistered as a Public Joint Stock Company in July 1995 and is regulated by the Central Bank of United Arab Emirates.

At an extraordinary general meeting held on 10 March 2004, a resolution was passed to transform the Bank's activities to be in full compliance with the Sharia rules and principles. The entire process was completed on 9 October 2004 (the "Transformation Date") when the Bank obtained the UAE Central Bank and other UAE authorities' approvals.

The Bank is a subsidiary of Emirates NBD Bank PJSC, Dubai (the "Group Holding Company"). The ultimate parent company of the Group Holding Company is Investment Corporation of Dubai (the "Ultimate Parent Company"), which is wholly owned by the Government of Dubai.

On 10 June 2025, the trading in shares of Emirates Islamic Bank P.J.S.C. was suspended on Dubai Financial Market (DFM) followed by the acquisition of the remaining non-controlling shareholding by the Group Holding Company. The Bank was subsequently delisted from the DFM. As a result of this acquisition, the Bank is now a wholly owned subsidiary of the Group Holding Company.

The Bank's website is [www.emiratesislamic.ae](http://www.emiratesislamic.ae). The Pillar 3 disclosures comprise of the Emirates Islamic Bank PJSC and its subsidiaries (together referred to as "the Group").

## Basel III – Pillar 3 Disclosures continued 31 December 2025

### Introduction continued

The direct subsidiaries of the Group are as follows:

Subsidiaries:	Group % Shareholding	Nature of Business	Country of Incorporation	Description of Accounting Treatment (Consolidation/ Investment Accounting)	Description of Regulatory Capital Treatment (Consolidation/ Deduction from capital/ neither)
Emirates Islamic Financial Brokerage Co. LLC*	100	Brokerage services	Dubai, U.A.E.	Consolidation	Consolidation
EI Funding Limited EIB	100	Special Purpose Entity	Cayman Islands	Consolidation	Consolidation
EIB Sukuk Company Limited **	–	Special Purpose Entity	Cayman Islands	Consolidation	Consolidation
EIB CD Limited **	–	Special Purpose Entity	Cayman Islands	Consolidation	Consolidation

\* This subsidiary is in the process of being dissolved.

\*\* This entity is consolidated by the Group on bases of control assessment.

### Key metrics for the Group (KMI)

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

	31 December 2025 AED 000	30 September 2025 AED 000	30 June 2025 AED 000	31 March 2025 AED 000	31 December 2024 AED 000
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	<b>14,583,602</b>	17,045,880	16,137,793	15,261,265	14,358,016
1a Fully loaded ECL accounting model <sup>1</sup>	<b>14,583,602</b>	17,045,880	16,137,793	15,261,265	14,191,302
2 Tier 1	<b>14,583,602</b>	17,045,880	16,137,793	15,261,265	14,358,016
2a Fully loaded ECL accounting model Tier 1	<b>14,583,602</b>	17,045,880	16,137,793	15,261,265	14,191,302
3 Total capital	<b>15,709,495</b>	18,137,667	17,190,327	16,229,513	15,261,588
3a Fully loaded ECL accounting model total capital	<b>15,709,495</b>	18,137,667	17,190,327	16,229,513	15,094,874
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	<b>99,499,898</b>	96,416,786	92,888,961	85,748,547	79,978,461
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 ratio (%)	<b>14.66%</b>	17.68%	17.37%	17.80%	17.95%
5a Fully loaded ECL accounting model CET1 (%)	<b>14.66%</b>	17.68%	17.37%	17.80%	17.74%
6 Tier 1 ratio (%)	<b>14.66%</b>	17.68%	17.37%	17.80%	17.95%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	<b>14.66%</b>	17.68%	17.37%	17.80%	17.74%
7 Total capital ratio (%)	<b>15.79%</b>	18.81%	18.51%	18.93%	19.08%
7a Fully loaded ECL accounting model total capital ratio (%)	<b>15.79%</b>	18.81%	18.51%	18.93%	18.87%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	<b>2.50%</b>	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	<b>0.01%</b>	0.01%	0.01%	0.01%	0.01%
10 Bank D-SIB additional requirements (%)	<b>0.00%</b>	0.00%	0.00%	0.00%	0.00%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	<b>2.51%</b>	2.51%	2.51%	2.51%	2.51%
12 CET1 available after meeting the bank's minimum capital requirements (%)	<b>5.29%</b>	8.31%	8.01%	8.43%	8.58%

	31 December 2025 AED 000	30 September 2025 AED 000	30 June 2025 AED 000	31 March 2025 AED 000	31 December 2024 AED 000
<b>Leverage Ratio</b>					
13 Total leverage ratio measure	<b>159,251,982</b>	150,110,107	148,972,908	132,833,774	119,443,488
14 Leverage ratio (%) (row 2/row 13)	<b>9.16%</b>	11.36%	10.83%	11.49%	12.02%
14a Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	<b>9.16%</b>	11.36%	10.83%	11.49%	11.88%
14b Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	<b>9.16%</b>	11.36%	10.83%	11.49%	11.88%
<b>Liquidity Coverage Ratio</b>					
<b>ELAR</b>					
15 Total HQLA	<b>19,143,082</b>	22,600,817	24,283,593	19,093,054	17,679,062
16 Total Liabilities	<b>112,195,512</b>	120,828,384	116,430,257	103,862,658	95,522,740
17 Eligible Liquid Assets Ratio (ELAR) (%)	<b>17.06%</b>	18.70%	20.86%	18.38%	18.51%
<b>ASRR</b>					
18 Total available stable funding	<b>122,324,711</b>	111,667,072	113,257,009	99,923,672	92,030,381
19 Total Advances	<b>102,077,612</b>	97,571,687	92,135,936	87,295,060	80,600,069
20 Advances to Stable Resources Ratio (%)	<b>83.45%</b>	87.38%	81.35%	87.36%	87.58%

Significant change in each metrics compared with previous year have been explained below:

CET1 capital increased by AED 226 million as compared to last year, mainly driven by increase in profit of AED 3,344 million and reserves by AED 100 million which is offset by appropriation of proposed dividend of AED 3,010 million, decrease in prudential filter of AED 167 million and regulatory deduction of AED 41 million.

CET1 capital decreased by AED 2,462 million as compared to last quarter, mainly driven by increase in profit of AED 628 million which is offset by appropriation of proposed dividend of AED 3,010 million and decrease in reserves by AED 79 million and regulatory deduction of AED 1 million.

Total Risk weighted assets (RWA) increased by AED 19,521 million during the year. Refer OVI disclosure for further details on RWAs.

1 "Fully Loaded" means bank's regulatory capital compared with a situation where the transitional arrangement had not been applied. CBUAE introduced transitional arrangements as per circular no. 04/2020 "Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements".

Pursuant to the above regulation, CBUAE issued a regulation for a 'Prudential Filter' that permits Banks to add back increase in IFRS 9 provisions (stage 1 and stage 2) to the regulatory capital over a transition period of 5 years, on a proportionate basis. The increase in IFRS 9 provision requirements is determined by calculating the difference between the IFRS 9 provision as of 31 December 2019 and the IFRS 9 provision as at the respective reporting date. The proportion of the increase in IFRS 9 provisions that is permitted to be added-back to regulatory capital from 1 January 2020 onwards will be phased out over a 5-year transition period (100%, 100%, 75%, 50%, 25% for the years 2020 to 2024 respectively).

**Basel III – Pillar 3 Disclosures** continued  
31 December 2025

**Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories (LII)**

Below table splits the financial balance sheet into each regulatory risk category. The regulatory risk category drives the approach applied in the calculation of regulatory exposures and RWA.

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>31 December 2025</b>							
<b>AED 000</b>							
<b>Assets</b>							
Cash and Deposits with Central Bank	21,447,454	21,447,454	21,447,454	-	-	-	-
Due from Banks	15,509,494	15,509,494	15,509,494	-	-	-	-
Investment Securities	16,406,572	16,406,572	16,406,572	-	-	-	-
Financing Receivables	88,861,071	88,861,071	88,861,071	-	-	-	-
Positive Fair Value of Derivatives	275,720	275,720	-	275,720	-	275,720	-
Customer Acceptances	1,682,641	1,682,641	1,682,641	-	-	-	-
Investment Properties	165,356	165,356	165,356	-	-	-	-
Property & Equipment	348,685	348,685	199,711	-	-	-	148,974
Other Assets	1,068,355	1,068,355	1,068,355	-	-	-	-
<b>Total Assets</b>	<b>145,765,348</b>	<b>145,765,348</b>	<b>145,340,654</b>	<b>275,720</b>	<b>-</b>	<b>275,720</b>	<b>148,974</b>
<b>Liabilities</b>							
Due to Banks	5,101,677	5,101,677	-	-	-	-	5,101,677
Islamic Customer Deposits	102,099,353	102,099,353	-	-	-	-	102,099,353
Sukuk Payable	14,588,250	14,588,250	-	-	-	-	14,588,250
Negative Fair Value of Derivatives	259,433	259,433	-	259,433	-	259,433	-
Customer Acceptances	1,682,641	1,682,641	-	-	-	-	1,682,641
Other Liabilities	4,291,753	4,291,753	-	-	-	-	4,291,753
<b>Total Liabilities</b>	<b>128,023,107</b>	<b>128,023,107</b>	<b>-</b>	<b>259,433</b>	<b>-</b>	<b>259,433</b>	<b>127,763,674</b>

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to the securitisation framework	Subject to market risk framework	Not subject to capital requirements or subject to deduction from capital
<b>31 December 2024</b>							
<b>AED 000</b>							
<b>Assets</b>							
Cash and Deposits with Central Bank	14,674,527	14,674,527	14,674,527	-	-	-	-
Due from Banks	10,028,460	10,028,460	10,028,460	-	-	-	-
Investment Securities	13,463,573	13,463,573	13,463,573	-	-	-	-
Financing Receivables	70,479,855	70,479,855	70,479,855	-	-	-	-
Positive Fair Value of Derivatives	156,947	156,947	-	156,947	-	156,947	-
Customer Acceptances	747,795	747,795	747,795	-	-	-	-
Investment Properties	170,795	170,795	170,795	-	-	-	-
Property & Equipment	320,207	320,207	211,198	-	-	-	109,009
Other Assets	1,086,514	1,086,514	1,086,514	-	-	-	-
<b>Total Assets</b>	<b>111,128,673</b>	<b>111,128,673</b>	<b>110,862,717</b>	<b>156,947</b>	<b>-</b>	<b>156,947</b>	<b>109,009</b>
<b>Liabilities</b>							
Due to Banks	5,883,525	5,883,525	-	-	-	-	5,883,525
Islamic Customer Deposits	76,784,930	76,784,930	-	-	-	-	76,784,930
Sukuk Payable	9,263,125	9,263,125	-	-	-	-	9,263,125
Negative Fair Value of Derivatives	150,020	150,020	-	150,020	-	150,020	-
Customer Acceptances	747,795	747,795	-	-	-	-	747,795
Other Liabilities	3,998,967	3,998,967	-	-	-	-	3,998,967
<b>Total Liabilities</b>	<b>96,828,362</b>	<b>96,828,362</b>	<b>-</b>	<b>150,020</b>	<b>-</b>	<b>150,020</b>	<b>96,678,342</b>

The differences between financial and regulatory consolidation arises primarily due to the requirement to not consolidate non-financial subsidiaries for regulatory purposes which are subject to full consolidation for financial purposes. The Group does not have any variance in financial and regulatory consolidation.

The amounts shown in the column 'Carrying values under scope of regulatory consolidation' do not equal the sum of the amounts shown in the remaining columns of this table for line items 'Derivatives'. Derivatives are subject to regulatory capital charges for counterparty credit risk and market risk.

**Basel III – Pillar 3 Disclosures** continued  
31 December 2025

**Main sources of differences between regulatory exposure amounts and carrying values in financial statements (LI2)**

	a	b	Items subject to:			e
			Total	Credit risk framework	Securitisation framework	
31 December 2025 AED 000						
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	145,765,348	145,340,654	–	275,720	275,720
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	259,433	–	–	259,433	259,433
3	<b>Total net amount under regulatory scope of consolidation</b>	<b>145,505,915</b>	<b>145,340,654</b>	<b>–</b>	<b>16,287</b>	<b>16,287</b>
4	Off-balance sheet amounts Excluding Derivatives	10,767,980	10,767,980	–	–	–
5	Differences due to different netting rules, other than those already included in row 2	–	–	–	–	–
6	Differences due to consideration of provisions and profit in suspense	4,083,546	4,083,546	–	–	–
7	Differences due to prudential filters	–	–	–	–	–
8	Derivatives	968,936	–	–	968,936	–
9	Assets deducted from CET 1 capital	(148,974)	–	–	–	–
10	<b>Exposure amounts considered for regulatory purposes</b>	<b>161,177,403</b>	<b>160,192,180</b>	<b>–</b>	<b>985,223</b>	<b>16,287</b>

	a	b	Items subject to:			e
			Total	Credit risk framework	Securitisation framework	
31 December 2024 AED 000						
1	Asset carrying value amount under scope of regulatory consolidation (as per template LI1)	111,128,673	110,862,717	–	156,947	156,947
2	Liabilities carrying value amount under regulatory scope of consolidation (as per template LI1)	150,020	–	–	150,020	150,020
3	<b>Total net amount under regulatory scope of consolidation</b>	<b>110,978,653</b>	<b>110,862,717</b>	<b>–</b>	<b>6,927</b>	<b>6,927</b>
4	Off-balance sheet amounts Excluding Derivatives	6,283,585	6,283,585	–	–	–
5	Differences due to different netting rules, other than those already included in row 2	–	–	–	–	–
6	Differences due to consideration of provisions and profit in suspense	4,917,419	4,917,419	–	–	–
7	Differences due to prudential filters	–	–	–	–	–
8	Derivatives	712,442	–	–	712,442	–
9	Assets deducted from CET 1 capital	(109,009)	–	–	–	–
10	<b>Exposure amounts considered for regulatory purposes</b>	<b>122,783,090</b>	<b>122,063,721</b>	<b>–</b>	<b>719,369</b>	<b>6,927</b>

Major differences between carrying values and amounts considered for regulatory purposes are:

- Off-balance sheet amounts subject to credit risk including undrawn portions of committed facilities, trade finance commitments and guarantees post credit conversion factor (CCF). Further potential future exposures ('PFE') are added for counterparty credit risk on derivative exposures.
- Credit risk adjustments, including expected credit loss (ECL) and profit in suspense (PIS) which are grossed up for regulatory exposures.
- Regulatory deduction of intangible assets from CET 1 capital.

**Capital Management**

**Approach and policy**

The Group's approach to capital management is driven by strategic and organizational requirements, considering the regulatory, economic, and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent in the business and invest in accordance with its strategy, meeting both consolidated and local regulatory capital requirements consistently.

Additional capital buffers (Capital Conservation Buffer (CCB) and Countercyclical Capital Buffer (CCyB) – maximum up to 2.5% for each buffer) introduced over and above the minimum CET1 requirement of 7%.

**Regulatory Capital**

The Group's capital base is divided into three main categories, namely CET1, AT1 and Tier 2, depending on their characteristics.

- CET1 capital is the highest quality form of capital, comprising share capital, share premium, legal, statutory and other reserves, fair value reserve, retained earnings, non-controlling interest after deductions for goodwill and intangibles and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes under 'CBAUE' guidelines.
- AT1 capital comprises eligible non-common equity capital instruments.
- Tier 2 capital comprises qualifying subordinated financing, and undisclosed reserve.

Details of the Group's qualifying equity instruments is set out in Appendix A.

## Basel III - Pillar 3 Disclosures continued

### 31 December 2025

#### Composition of regulatory capital (CC1)

This provides a breakdown of the constituent elements of the bank's capital.

	31 December 2025 AED 000	31 December 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	5,430,422	5,430,422	a
2 Retained earnings <sup>1</sup>	7,121,029	7,372,291	b
3 Accumulated other comprehensive income (and other reserves)	2,181,125	1,664,312	
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)	-	-	
<b>6 Common Equity Tier 1 capital before regulatory deductions</b>	<b>14,732,576</b>	<b>14,467,025</b>	
<b>Common Equity Tier 1 capital regulatory adjustments</b>			
7 Prudent valuation adjustments	-	-	
8 Goodwill (net of related tax liability)	-	-	
9 Other intangibles including mortgage servicing rights (net of related tax liability)	(148,974)	(109,009)	c
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	-	-	
<b>24 Total regulatory adjustments to Common Equity Tier 1</b>	<b>(148,974)</b>	<b>(109,009)</b>	
<b>25 Common Equity Tier 1 capital (CET1)</b>	<b>14,583,602</b>	<b>14,358,016</b>	
<b>Additional Tier 1 capital: instruments</b>			
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	-	-	
<b>Additional Tier 1 capital: regulatory adjustments</b>			
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	-	-	
<b>38 Additional Tier 1 capital (AT1)</b>	<b>-</b>	<b>-</b>	
<b>39 Tier 1 capital (T1= CET1 + AT1)</b>	<b>14,583,602</b>	<b>14,358,016</b>	
<b>Tier 2 capital: instruments and provisions</b>			
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)	-	-	

	31 December 2025 AED 000	31 December 2024 AED 000	CC2 Reference
43 Of which: instruments issued by subsidiaries subject to phase-out	-	-	
44 Provisions	1,125,893	903,572	d
<b>45 Tier 2 capital before regulatory adjustments</b>	<b>1,125,893</b>	<b>903,572</b>	
<b>Tier 2 capital: regulatory adjustments</b>			
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	-	-	
<b>50 Total regulatory adjustments to Tier 2 capital</b>	<b>-</b>	<b>-</b>	
<b>51 Tier 2 capital (T2)</b>	<b>1,125,893</b>	<b>903,572</b>	
<b>52 Total regulatory capital (TC = T1 + T2)</b>	<b>15,709,495</b>	<b>15,261,588</b>	
<b>53 Total risk-weighted assets</b>	<b>99,499,898</b>	<b>79,978,461</b>	
<b>Capital ratios and buffers</b>			
54 Common Equity Tier 1 (as a percentage of risk-weighted assets)	14.66%	17.95%	
55 Tier 1 (as a percentage of risk-weighted assets)	14.66%	17.95%	
56 Total capital (as a percentage of risk-weighted assets)	15.79%	19.08%	
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)	2.51%	2.51%	
58 Of which: capital conservation buffer requirement	2.50%	2.50%	
59 Of which: bank-specific countercyclical buffer requirement	0.01%	0.01%	
60 Of which: higher loss absorbency requirement (e.g., DSIB)	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. The CBUAE Minimum Capital Requirement	5.29%	8.58%	
62 Common Equity Tier 1 minimum ratio	7.00%	7.00%	
63 Tier 1 minimum ratio	8.50%	8.50%	
64 Total capital minimum ratio	10.50%	10.50%	
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)	-	-	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
69 Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	2,001,294	1,676,039	
70 Cap on inclusion of provisions in Tier 2 under standardized approach	1,125,893	903,572	d
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	-	-	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>			
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)	-	-	

CET1 capital increased by AED 226 million as compared to last year, mainly driven by increase in profit of AED 3,344 million and reserves by AED 100 million which is offset by appropriation of proposed dividend of AED 3,010 million, decrease in prudential filter of AED 167 million and regulatory deduction of AED 41 million.

<sup>1</sup> Retained Earnings for 31 December 2024 is after the inclusion of IFRS 9 prudential filters as prescribed by the CBUAE and Retained Earnings for 31 December 2025 is after deduction of proposed dividend of AED 3,010 million.

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Reconciliation of regulatory capital to balance sheet (CC2)

The following table enable users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show 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 set out in template CC1. Variances between the financial and regulatory consolidated balance sheets are consistent with LII disclosure.

31 December 2025 AED 000	Balance sheet as in published financial statements	Under regulatory scope of consolidation	CC1 Reference
<b>Assets</b>			
Cash and Deposits with Central Bank	21,447,454	21,447,454	
Due from Banks	15,509,494	15,509,494	
Investment Securities	16,406,572	16,406,572	
Financing Receivables	88,861,071	88,861,071	
Positive Fair Value of Derivatives	275,720	275,720	
Customer Acceptances	1,682,641	1,682,641	
Investment Properties	165,356	165,356	
Property & Equipment	348,685	348,685	
Other Assets	1,068,355	1,068,355	
<b>Total Assets</b>	<b>145,765,348</b>	<b>145,765,348</b>	
<b>Liabilities</b>			
Due to Banks	5,101,677	5,101,677	
Islamic Customer Deposits	102,099,353	102,099,353	
Sukuk Payable	14,588,250	14,588,250	
Negative Fair Value of Derivatives	259,433	259,433	
Customer Acceptances	1,682,641	1,682,641	
Other Liabilities	4,291,753	4,291,753	
<b>Total Liabilities</b>	<b>128,023,107</b>	<b>128,023,107</b>	
Issued Capital	5,430,422	5,430,422	a
Legal and Statutory Reserve	1,642,594	1,642,594	
Other Reserves	543,043	543,043	
Fair Value Reserve	(4,512)	(4,512)	
Retained Earnings <sup>1</sup>	10,130,694	7,121,029	b
Common equity tier 1 capital regulatory deductions	–	(148,974)	c
Provisions eligible for inclusion in Tier 2	–	1,125,893	d
<b>Total Capital</b>	<b>17,742,241</b>	<b>15,709,495</b>	

<sup>1</sup> Retained Earnings for regulatory scope of consolidation is after deduction of proposed dividend of AED 3,010 million.

31 December 2024 AED 000	Balance sheet as in published financial statements	Under regulatory scope of consolidation	CC1 Reference
<b>Assets</b>			
Cash and Deposits with Central Bank	14,674,527	14,674,527	
Due from Banks	10,028,460	10,028,460	
Investment Securities	13,463,573	13,463,573	
Financing Receivables	70,479,855	70,479,855	
Positive Fair Value of Derivatives	156,947	156,947	
Customer Acceptances	747,795	747,795	
Investment Properties	170,795	170,795	
Property & Equipment	320,207	320,207	
Other Assets	1,086,514	1,086,514	
<b>Total Assets</b>	<b>111,128,673</b>	<b>111,128,673</b>	
<b>Liabilities</b>			
Due to Banks	5,883,525	5,883,525	
Islamic Customer Deposits	76,784,930	76,784,930	
Sukuk Payable	9,263,125	9,263,125	
Negative Fair Value of Derivatives	150,020	150,020	
Customer Acceptances	747,795	747,795	
Other Liabilities	3,998,967	3,998,967	
<b>Total Liabilities</b>	<b>96,828,362</b>	<b>96,828,362</b>	
Issued Capital	5,430,422	5,430,422	a
Legal and Statutory Reserve	1,308,187	1,308,187	
Other Reserves	543,043	543,043	
Fair Value Reserve	(186,918)	(186,918)	
Retained Earnings <sup>1</sup>	7,205,577	7,372,291	b
Common equity tier 1 capital regulatory deductions	–	(109,009)	c
Provisions eligible for inclusion in Tier 2	–	903,572	d
<b>Total Capital</b>	<b>14,300,311</b>	<b>15,261,588</b>	

<sup>1</sup> Retained Earnings for regulatory scope of consolidation is after the inclusion of IFRS 9 prudential filers as prescribed by the CBUAE.

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Geographical distribution of credit exposures used in the countercyclical capital buffer (CCyB1)

Banks are required to maintain CCyB as per geographical distribution of its private sector exposures. The Group will be subject to CCyB rate of 0.5% on its private sector corporate exposures within the UAE effective 1 January 2026, vide circular no 1265.2024 dated 10 December 2024 issued by CBUAE. Following table provides an overview of the geographical distribution of private sector credit exposures relevant for countries with active CCyB rate.

31 December 2025	a	b	c	d	e	f
Geographical breakdown	Counter cyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Minimum Capital Requirement AED 000	Share of Minimum Capital (%)	Bank-specific counter cyclical capital buffer rate (%)
		Exposure values AED 000	Risk-weighted assets AED 000			
Norway	2.50%	78	58	8	0.00%	0.00%
Armenia	1.50%	78	59	8	0.00%	0.00%
Hong Kong	1.00%	95	71	9	0.00%	0.00%
Luxembourg	0.50%	80	60	8	0.00%	0.00%
Sweden	2.00%	31,636	31,510	4,096	0.04%	0.00%
United Kingdom	2.00%	322,010	271,743	35,327	0.37%	0.01%
Germany	0.75%	1,572	1,799	234	0.00%	0.00%
Greece	0.25%	117,879	115,934	15,071	0.16%	0.00%
France	1.00%	557	397	52	0.00%	0.00%
Netherlands	2.00%	325	229	30	0.00%	0.00%
Croatia (local name: Hrvatska)	1.50%	7	5	1	0.00%	0.00%
Denmark	2.50%	76	68	9	0.00%	0.00%
Romania	1.00%	1,840,040	3,791	493	0.01%	0.00%
Slovakia (Slovak Republic)	1.50%	83	46	6	0.00%	0.00%
Ireland	1.50%	96	73	9	0.00%	0.00%
Poland	1.00%	262	196	25	0.00%	0.00%
Czech Republic	1.25%	5	3	-	0.00%	0.00%
Slovenia	0.50%	72	54	7	0.00%	0.00%
Belgium	1.00%	201	151	20	0.00%	0.00%
Korea, Republic of (South Korea)	1.00%	52	39	5	0.00%	0.00%
Hungary	0.50%	8,564	3	-	0.00%	0.00%
Cyprus	1.00%	2,241	2,258	293	0.00%	0.00%
Spain	0.50%	329,461	326,504	42,446	0.44%	0.00%
United Arab Emirates <sup>3</sup>	0.00%	95,356,717	67,350,287	8,755,537	90.48%	0.00%
Others <sup>4</sup>	0.00%	9,956,720	6,330,048	822,906	8.50%	0.00%
<b>Sum<sup>1</sup></b>		<b>2,655,470</b>	<b>755,051</b>			
<b>Total<sup>2</sup></b>		<b>107,968,907</b>	<b>74,435,386</b>			<b>0.01%</b>

	31 December 2025	31 December 2024
Total risk-weighted assets of the Group (AED 000)	<b>74,435,386</b>	61,516,485
Bank specific countercyclical capital buffer rate (%)	<b>0.01%</b>	0.01%
Bank specific countercyclical capital buffer requirement (AED 000)	<b>27</b>	24

1 Sum of private sector credit exposures and related RWA in jurisdictions with a non-zero countercyclical buffer rate only.

2 Total of private sector credit exposures and related RWA across all jurisdictions.

3 Effective 1 January 2026 CBUAE vide circular no. 1265.2024 on 10 December 2024 increased CCyB requirement for the private sector corporate exposures in UAE to 0.5%.

4 Others primarily include exposures in other markets with no CCyB requirement.

31 December 2024

	a	b	c	d	e	f
Geographical breakdown	Counter cyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Minimum Capital Requirement AED 000	Share of Minimum Capital (%)	Bank-specific counter cyclical capital buffer rate (%)
		Exposure values AED 000	Risk-weighted assets AED 000			
Hong Kong	1.00%	72	54	7	0.00%	0.00%
Sweden	2.00%	7,157	7,118	925	0.01%	0.00%
United Kingdom	2.00%	289,885	274,372	35,668	0.45%	0.01%
Germany	0.75%	763	654	85	0.00%	0.00%
France	1.00%	864	718	93	0.00%	0.00%
Netherlands	2.00%	493	369	48	0.00%	0.00%
Denmark	2.50%	85	73	9	0.00%	0.00%
Ireland	1.50%	225	169	22	0.00%	0.00%
Czech Republic	1.25%	8	6	1	0.00%	0.00%
Slovenia	0.50%	80	60	8	0.00%	0.00%
Belgium	1.00%	9	6	1	0.00%	0.00%
Korea, Republic of (South Korea)	1.00%	77	58	8	0.00%	0.00%
Hungary	0.50%	8,482	564	73	0.00%	0.00%
Cyprus	1.00%	1,036	1,058	138	0.00%	0.00%
United Arab Emirates <sup>3</sup>	0.00%	78,358,885	55,024,546	7,153,191	89.45%	0.00%
Others <sup>4</sup>	0.00%	8,517,201	6,206,660	806,866	10.09%	0.00%
<b>Sum<sup>1</sup></b>		<b>309,236</b>	<b>285,279</b>			
<b>Total<sup>2</sup></b>		<b>87,185,322</b>	<b>61,516,485</b>			<b>0.01%</b>

1 Sum of private sector credit exposures and related RWA in jurisdictions with a non-zero countercyclical buffer rate only.

2 Total of private sector credit exposures and related RWA across all jurisdictions.

3 Effective 1 January 2026 CBUAE vide circular no. 1265.2024 on 10 December 2024 increased CCyB requirement for the private sector corporate exposures in UAE to 0.5%.

4 Others primarily include exposures in other markets with no CCyB requirement.

**Basel III – Pillar 3 Disclosures** continued  
31 December 2025

**Leverage Ratio**

**Summary comparison of accounting assets v/s leverage ratio exposure (LR1)**

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

	31 December 2025 AED 000	30 September 2025 AED 000	31 December 2024 AED 000
1 Total consolidated assets as per published financial statements	145,765,348	137,761,891	111,128,673
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 securitized 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 recognized 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	792,832	805,963	576,537
9 Adjustment for securities financing transactions (i.e., repos and similar secured financing)	–	–	–
10 Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	14,525,417	13,386,713	8,595,082
11 Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	–	–	–
12 Other adjustments <sup>1</sup>	(1,831,615)	(1,844,460)	(856,804)
13 <b>Leverage ratio exposure measure</b>	<b>159,251,982</b>	<b>150,110,107</b>	<b>119,443,488</b>

<sup>1</sup> Includes Assets deducted from CET1 capital, and customer acceptances (considered as off-balance sheet)

**Leverage ratio common disclosure template (LR2)**

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

	31 December 2025 AED 000	30 September 2025 AED 000	31 December 2024 AED 000
<b>On-balance sheet exposures</b>			
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	143,806,987	135,773,562	110,190,943
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 recognized 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)	(148,976)	(147,858)	(109,009)
7 <b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>143,658,011</b>	<b>135,625,704</b>	<b>110,081,934</b>
<b>Derivative exposures</b>			
8 Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	323,761	338,925	189,935
9 Add-on amounts for PFE associated with all derivatives transactions	439,492	445,139	357,545
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 <b>Total derivative exposures (sum of rows 8 to 12) *1.4</b>	<b>1,068,554</b>	<b>1,097,690</b>	<b>766,472</b>
<b>Securities financing transactions</b>			
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 <b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Other off-balance sheet exposures</b>			
19 Off-balance sheet exposure at gross notional amount	45,108,547	41,004,370	28,491,055
20 (Adjustments for conversion to credit equivalent amounts)	30,583,130	27,617,657	19,895,973
21 (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	–	–	–
22 <b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>14,525,417</b>	<b>13,386,713</b>	<b>8,595,082</b>
<b>Capital and total exposures</b>			
23 <b>Tier 1 capital</b>	<b>14,583,602</b>	<b>17,045,880</b>	<b>14,358,016</b>
24 <b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>159,251,982</b>	<b>150,110,107</b>	<b>119,443,488</b>
<b>Leverage ratio</b>			
25 <b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>9.16%</b>	<b>11.36%</b>	<b>12.02%</b>
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.16%	11.36%	12.02%
26 CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27 <b>Applicable leverage buffers</b>	<b>6.16%</b>	<b>8.36%</b>	<b>9.02%</b>

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Overview of Risk Management and Risk Weighted Assets (“RWAs”) (OVI)

##### Risk management approach

Please refer Note 36 of the group annual financial statements for the risk management framework including: risk governance structure, risk profile and risk measurement systems of the bank, risk mitigation and risk reporting to the Board of Directors (Board) and senior management.

The Group conducts a wide-ranging stress testing exercise that supports the requirements of risk management and capital planning. This includes execution of stress tests mandated by regulators. The Group’s stress testing is supported by dedicated teams and infrastructure. The stress testing exercise assesses capital strength and enhances resilience to external shocks, thereby helping to understand and mitigate risks and informed decision making on capital levels.

##### Overview of RWAs (OVI)

The following table provides an overview of total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts.

	a	b	c	d
	31 December 2025 AED 000	30 September 2025 AED 000	31 December 2024 AED 000	Minimum capital requirements 31 December 2025 AED 000
1 Credit risk (excluding counterparty credit risk)	88,698,305	85,914,682	71,150,545	11,540,536
2 Of which: standardized approach (SA)	88,698,305	85,914,682	71,150,545	11,540,536
3 Counterparty credit risk (CCR)	715,630	716,261	485,284	93,111
4 Of which: standardized approach for counterparty credit risk	715,630	716,261	485,284	93,111
5 Credit valuation adjustment (CVA)	657,504	712,035	649,939	85,548
6 Equity investments in funds - look-through approach	-	-	-	-
7 Equity investments in funds - mandate-based approach	-	-	-	-
8 Equity investments in funds - fallback approach	-	-	-	-
9 Settlement risk	-	-	-	-
10 Securitization exposures in the banking book	-	-	-	-
Of which: securitization external ratings-based approach (SEC-ERBA)	-	-	-	-
11 Of which: securitization standardized approach (SEC-SA)	-	-	-	-
12 Market risk	109,636	73,141	61,033	14,265
13 Of which: standardized approach (SA)	109,636	73,141	61,033	14,265
14 Operational risk	9,318,823	9,000,667	7,631,660	1,212,472
15				
16 <b>Total (1+3+5+6+7+8+9+10+13+15)</b>	<b>99,499,898</b>	<b>96,416,786</b>	<b>79,978,461</b>	<b>12,945,932</b>

The regulatory minimum capital requirement is calculated at 13.01 per cent of the RWA including CBUAE assigned capital buffers.

Credit risk weighted assets (CRWAs) increased by AED 17.79 billion due to overall volume growth in financing receivables, banks and contingencies.

Decrease in Market risk weighted assets (MRWA) was contributed by increase in non-USD positions majorly SAR compared to prior year.

Operational risk weighted assets (ORWAs) increased by AED 1.687 billion compared to prior year due to increase in revenue.

#### Credit Risk

Please refer Note no. 36 in the annual financial statements for criteria, approach, structure, and organization of credit risk management and reporting of risk exposures, risk mitigation and stress testing related to credit risk. For definition of default please refer Note 5(i) of annual financial statements.

#### Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of the Group’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)
	Defaulted exposures <sup>3</sup>	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
	31 December 2025 AED 000					
1 Financing receivables	2,446,191	90,135,630	3,720,750	2,018,786	1,701,964	88,861,071
2 Sukuk <sup>1</sup>	-	16,510,161	166,364	-	166,364	16,343,797
3 <b>Total</b>	<b>2,446,191</b>	<b>106,645,791</b>	<b>3,887,111</b>	<b>2,018,786</b>	<b>1,868,328</b>	<b>105,204,868</b>
4 Off-balance sheet exposures <sup>2</sup>	236,608	50,212,691	341,766	236,608	105,158	50,107,533

  

	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 <sup>3</sup>	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
	31 December 2024 AED 000					
1 Financing receivables	3,300,175	71,875,546	4,695,866	3,111,460	1,584,406	70,479,855
2 Sukuk <sup>1</sup>	-	13,414,553	13,755	-	13,755	13,400,798
3 <b>Total</b>	<b>3,300,175</b>	<b>85,290,099</b>	<b>4,709,621</b>	<b>3,111,460</b>	<b>1,598,161</b>	<b>83,880,653</b>
4 Off-balance sheet exposures <sup>2</sup>	339,753	52,521,485	312,229	256,572	55,656	52,549,009

#### Changes in stock of defaulted Financing Receivables and Sukuk (CR2)

The following table 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.

	31 December 2025 AED 000	31 December 2024 AED 000
1 Defaulted financing receivables and sukuk at the end of the previous reporting period	3,300,175	3,682,118
2 Financing receivables and sukuk that have defaulted since the last reporting period	641,269	960,539
3 Returned to non-default status	(124,004)	(55,492)
4 Amounts written off	(1,320,521)	(974,553)
5 New financial assets, net of repayments and others	(50,727)	(312,437)
6 <b>Defaulted financing receivables and sukuk at the end of the reporting period (1+2-3-4+5)</b>	<b>2,446,192</b>	<b>3,300,175</b>

1 Sukuk Includes Only Banking Book Securities, excluding equities / funds

2 Includes Letter of credit, Guarantees, Liability on risk participations, Irrevocable financing commitments, customer acceptances and notional amount of derivatives

3 Defaulted exposures are net of Profit in Suspense (PIS)

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Additional disclosure related to the credit quality of assets

##### Definition of Default

Please refer Note no. 5 in the annual financial statements for definition of 'default'.

##### Past due exposures more than 90+dpd not impaired

As of 31 December 2025, there were no past due exposure that were not impaired (2024: Nil).

The methods used for determining accounting provisions for credit losses and adopting an ECL accounting model for categorization of ECL accounting provisions in general and specific categories for standardized approach exposures have been detailed in the annual financial statements Note 6(j).

##### Restructured Financial Assets

Please refer note 6(j) of the annual financials 2025 for restructured financial assets.

As of 31 December 2025, restructured financing constituted AED 524 million (2024: AED 1,402 million), out of which impaired exposures constituted AED 524 million (2024: AED 1,402 million).

#### Gross Credit Exposure – Currency Classification

The Group's credit exposure by foreign and local currency, both funded and non-funded are detailed below:

31 December 2025 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non-funded	Grand Total
Foreign									
Currency	7,304,483	13,098,706	12,966,108	33,369,297	–	408,838	3,100,665	3,509,503	36,878,800
AED	85,445,960	3,411,455	25,514,847	114,372,262	2,127,032	576,385	7,222,924	9,926,341	124,298,603
<b>Total</b>	<b>92,750,443</b>	<b>16,510,161</b>	<b>38,480,955</b>	<b>147,741,559</b>	<b>2,127,032</b>	<b>985,223</b>	<b>10,323,589</b>	<b>13,435,844</b>	<b>161,177,403</b>

  

31 December 2024 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non-funded	Grand Total
Foreign									
Currency	4,979,171	11,174,425	7,557,558	23,711,154	–	189,706	1,624,995	1,814,701	25,525,855
AED	70,390,674	2,231,587	18,698,926	91,321,187	919,186	529,663	4,487,199	5,936,048	97,257,235
<b>Total</b>	<b>75,369,845</b>	<b>13,406,012</b>	<b>26,256,484</b>	<b>115,032,341</b>	<b>919,186</b>	<b>719,369</b>	<b>6,112,194</b>	<b>7,750,749</b>	<b>122,783,090</b>

1 Other assets include Cash & Deposits with Central Bank, Due from Banks, Investment Securities (Equity & Funds), Investment Properties, Property & Equipment (excluding intangible assets), and Other Assets.

2 Other Off-Balance Sheet exposures are represented as post Credit Conversion Factor (CCF)

#### Gross Credit Exposure by Maturity

The Group's credit exposure by Residual Maturity, both funded and non-funded are detailed below:

31 December 2025 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non-funded	Grand Total
Less than 3 months	16,710,746	508,532	24,457,279	41,676,557	852,162	9,647	9,921,373	10,783,182	52,459,739
3 months to 1 year	14,169,983	1,481,625	6,540,379	22,191,987	–	73,231	–	73,231	22,265,218
1 year to 5 years	37,279,307	10,158,961	6,827,268	54,265,536	8,800	327,293	269,528	605,621	54,871,157
Over 5 years	20,701,035	4,194,679	628,219	25,523,933	1,266,070	575,052	132,688	1,973,810	27,497,743
Add: Grossing up of profit in suspense and provisions	3,889,372	166,364	27,810	4,083,546	–	–	–	–	4,083,546
<b>Total</b>	<b>92,750,443</b>	<b>16,510,161</b>	<b>38,480,955</b>	<b>147,741,559</b>	<b>2,127,032</b>	<b>985,223</b>	<b>10,323,589</b>	<b>13,435,844</b>	<b>161,177,403</b>

  

31 December 2024 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non-funded	Grand Total
Less than 3 months	17,232,227	305,227	15,504,200	33,041,654	314,246	8,341	442,979	765,566	33,807,220
3 months to 1 year	10,985,631	1,270,504	9,625,431	21,881,566	598,594	2,804	5,365,946	5,967,344	27,848,910
1 year to 5 years	26,514,883	9,054,613	–	35,569,496	6,346	434,366	160,991	601,703	36,171,199
Over 5 years	15,747,114	2,770,454	1,104,634	19,622,202	–	273,858	142,278	416,136	20,038,338
Add: Grossing up of profit in suspense and provisions	4,889,990	5,214	22,219	4,917,423	–	–	–	–	4,917,423
<b>Total</b>	<b>75,369,845</b>	<b>13,406,012</b>	<b>26,256,484</b>	<b>115,032,341</b>	<b>919,186</b>	<b>719,369</b>	<b>6,112,194</b>	<b>7,750,749</b>	<b>122,783,090</b>

1 Other assets include Cash & Deposits with Central Bank, Due from Banks, Investment Securities (Equity & Funds), Investment Properties, Property & Equipment (excluding intangible assets), and Other Assets.

2 Other Off-Balance Sheet exposures are represented as post Credit Conversion Factor (CCF)

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Gross Credit Exposure by Geography

The Group's credit exposure by Geography, both funded and non-funded are detailed below:

31 December 2025 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non- funded	Grand Total
United Arab Emirates	81,614,757	8,814,028	30,478,767	120,907,552	2,057,819	964,780	7,850,271	10,872,870	131,780,422
GCC excluding UAE <sup>3</sup>	4,494,859	6,510,819	3,267,142	14,272,820	32,314	–	646,590	678,904	14,951,724
Arab League (excluding GCC)	1,409,505	3,673	1,216,987	2,630,165	25,824	3,717	958,937	988,478	3,618,643
Asia	1,521,343	1,119,430	2,677,834	5,318,607	2,358	1,240	58,642	62,240	5,380,847
Africa	257,410	–	264,414	521,824	–	–	–	–	521,824
North America	66,216	62,211	195,264	323,691	604	2,372	–	2,976	326,667
South America	512	–	–	512	–	–	–	–	512
Caribbean	392,021	–	–	392,021	558	3,253	–	3,811	395,832
Europe	2,993,820	–	378,879	3,372,699	7,555	9,861	809,149	826,565	4,199,264
Australia	–	–	1,668	1,668	–	–	–	–	1,668
Others	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>92,750,443</b>	<b>16,510,161</b>	<b>38,480,955</b>	<b>147,741,559</b>	<b>2,127,032</b>	<b>985,223</b>	<b>10,323,589</b>	<b>13,435,844</b>	<b>161,177,403</b>

31 December 2024 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non- funded	Grand Total
United Arab Emirates	68,706,164	6,705,448	20,065,858	95,477,470	864,733	708,815	5,551,053	7,124,601	102,602,071
GCC excluding UAE <sup>3</sup>	3,873,466	5,610,898	3,969,023	13,453,387	–	–	311,642	311,642	13,765,029
Arab League (excluding GCC)	1,260,656	–	797,626	2,058,282	–	588	150,515	151,103	2,209,385
Asia	471,901	1,027,553	1,088,551	2,588,005	50	1,984	52,093	54,127	2,642,132
Africa	10,218	–	91,962	102,180	16	–	–	16	102,196
North America	32,726	62,113	59,188	154,027	–	–	–	–	154,027
South America	654	–	–	654	–	–	36,725	36,725	37,379
Caribbean	110,325	–	–	110,325	868	1,464	–	2,332	112,657
Europe	903,421	–	183,388	1,086,809	53,519	6,518	10,166	70,203	1,157,012
Australia	314	–	888	1,202	–	–	–	–	1,202
Others	–	–	–	–	–	–	–	–	–
<b>Total</b>	<b>75,369,845</b>	<b>13,406,012</b>	<b>26,256,484</b>	<b>115,032,341</b>	<b>919,186</b>	<b>719,369</b>	<b>6,112,194</b>	<b>7,750,749</b>	<b>122,783,090</b>

1 Other assets include Cash & Deposits with Central Bank, Due from Banks, Investment Securities (Equity & Funds), Investment Properties, Property & Equipment (excluding intangible assets) and Other Assets.

2 Off-Balance Sheet exposures are reported as post Credit Conversion Factor (CCF)

3 This includes Saudi Arabia, Bahrain, Kuwait, Oman and Qatar

#### Gross Credit Exposure by Economic Activity

The Group's credit exposure by Economic Activity, both funded and non-funded are detailed below:

31 December 2025 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non- funded	Grand Total
Agriculture, fishing & related activities	41,479	–	–	41,479	–	–	89,231	89,231	130,710
Crude, oil gas, mining & quarrying	–	1,163,621	–	1,163,621	–	–	–	–	1,163,621
Manufacturing	4,791,263	–	–	4,791,263	11,956	690	35,059	47,705	4,838,968
Electricity and water	–	1,047,885	–	1,047,885	–	–	–	–	1,047,885
Construction	127,792	–	–	127,792	9,159	16,124	4,290,938	4,316,221	4,444,013
Trade	4,806,294	92,639	–	4,898,933	45,259	8,182	465,602	519,043	5,417,976
Transport, Storage & Communication	845,576	341,349	–	1,186,925	38,126	2,425	78,015	118,566	1,305,491
Financial Institutions and investment companies	2,041,767	5,403,498	15,572,268	23,017,533	100,000	518,357	2,798,479	3,416,836	26,434,369
Real Estate	10,461,296	696,031	–	11,157,327	397,784	12,720	1,291,552	1,702,056	12,859,383
Services	10,499,287	1,001,366	–	11,500,653	109,371	129,328	514,677	753,376	12,254,029
Sovereign	2,956,770	6,597,408	20,346,133	29,900,311	26,437	–	13	26,450	29,926,761
Personal	47,533,863	–	–	47,533,863	1,332,145	246,613	42,654	1,621,412	49,155,275
All Others	4,755,684	–	2,534,744	7,290,428	56,795	50,784	717,369	824,948	8,115,376
Add: Grossing up of Profit in suspense and provisions	3,889,372	166,364	27,810	4,083,546	–	–	–	–	4,083,546
<b>Total</b>	<b>92,750,443</b>	<b>16,510,161</b>	<b>38,480,955</b>	<b>147,741,559</b>	<b>2,127,032</b>	<b>985,223</b>	<b>10,323,589</b>	<b>13,435,844</b>	<b>161,177,403</b>

1 Other assets include Cash & Deposits with Central Bank, Due from Banks, Investment Securities (Equity & Funds), Investment Properties, Property & Equipment (excluding intangible assets), and Other Assets.

2 Other Off-Balance Sheet exposures are reported as post Credit Conversion Factor (CCF)

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Gross Credit Exposure by Economic Activity continued

The Group's credit exposure by Economic Activity, both funded and non-funded are detailed below:

31 December 2024 AED 000	Financing Receivables	Sukuk	Other assets <sup>1</sup>	Total funded	Commitments	Derivatives	Other off- balance sheet exposures <sup>2</sup>	Total non- funded	Grand Total
Agriculture, fishing & related activities	101,685	-	-	<b>101,685</b>	-	-	63,067	<b>63,067</b>	<b>164,752</b>
Crude, oil gas, mining & quarrying	-	731,744	-	<b>731,744</b>	-	-	-	-	<b>731,744</b>
Manufacturing Electricity and water	2,288,180	-	-	<b>2,288,180</b>	61,249	3,218	201,155	<b>265,622</b>	<b>2,553,802</b>
Construction	-	896,014	-	<b>896,014</b>	-	-	-	-	<b>896,014</b>
Trade	139,913	-	-	<b>139,913</b>	22,425	449	2,711,383	<b>2,734,257</b>	<b>2,874,170</b>
Transport, Storage & Communication	5,199,852	92,748	-	<b>5,292,600</b>	7,459	24,758	565,663	<b>597,880</b>	<b>5,890,480</b>
Financial Institutions and investment companies	628,452	447,636	-	<b>1,076,088</b>	14,027	5,807	48,364	<b>68,198</b>	<b>1,144,286</b>
Real Estate	1,497,965	4,916,469	10,091,227	<b>16,505,661</b>	-	420,287	1,122,349	<b>1,542,636</b>	<b>18,048,297</b>
Services	7,995,316	512,811	-	<b>8,508,127</b>	250,381	2,929	483,195	<b>736,505</b>	<b>9,244,632</b>
Sovereign	5,994,893	899,890	-	<b>6,894,783</b>	44,596	102,277	359,624	<b>506,497</b>	<b>7,401,280</b>
Personal	1,413,224	4,903,486	13,503,939	<b>19,820,649</b>	64,180	-	13	<b>64,193</b>	<b>19,884,842</b>
All Others	41,317,784	-	-	<b>41,317,784</b>	447,292	95,064	42,870	<b>585,226</b>	<b>41,903,010</b>
Add: Grossing up of Profit in suspense and provisions	3,902,591	-	2,639,099	<b>6,541,690</b>	7,577	64,580	514,511	<b>586,668</b>	<b>7,128,358</b>
<b>Total</b>	<b>75,369,845</b>	<b>13,406,012</b>	<b>26,256,484</b>	<b>115,032,341</b>	<b>919,186</b>	<b>719,369</b>	<b>6,112,194</b>	<b>7,750,749</b>	<b>122,783,090</b>

1 Other assets include Cash & Deposits with Central Bank, Due from Banks, Investment Securities (Equity & Funds), Investment Properties, Property & Equipment (excluding intangible assets), and Other Assets.

2 Other Off-Balance Sheet exposures are reported as post Credit Conversion Factor (CCF)

#### Impaired Financing by Geography

The Group's Impaired Credit Exposure by Geography, is detailed below:

31 December 2025 AED 000	Overdue (Gross of Profit in Suspense/ Provisions)			Provisions		Adjustments		Profit in Suspense	Total Impaired Assets
	Less than 90 days	90 days and above	Total	Specific <sup>1</sup>	General <sup>2</sup>	Write-offs	Write-backs		
United Arab Emirates GCC excluding UAE <sup>3</sup>	-	<b>2,259,947</b>	<b>2,259,947</b>	<b>1,679,899</b>	-	<b>1,320,521</b>	<b>876,236</b>	<b>161,987</b>	<b>418,061</b>
Arab League (excluding GCC)	-	<b>8,860</b>	<b>8,860</b>	<b>93</b>	-	-	-	-	<b>8,767</b>
Asia	-	<b>4,739</b>	<b>4,739</b>	<b>4,340</b>	-	-	<b>1,001</b>	<b>824</b>	<b>(425)</b>
Africa	-	<b>31</b>	<b>31</b>	<b>31</b>	-	-	-	-	-
North America South America Caribbean	-	<b>1,607</b>	<b>1,607</b>	<b>1,301</b>	-	-	-	<b>26</b>	<b>280</b>
Europe	-	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,614,814</b>	<b>2,614,814</b>	<b>2,018,786</b>	<b>1,701,964</b>	<b>1,320,521</b>	<b>877,237</b>	<b>168,622</b>	<b>427,406</b>

31 December 2024 AED 000	Overdue (Gross of Profit in Suspense/ Provisions)			Provisions		Adjustments		Profit in Suspense	Total Impaired Assets
	Less than 90 days	90 days and above	Total	Specific <sup>1</sup>	General <sup>2</sup>	Write-offs	Write-backs		
United Arab Emirates GCC excluding UAE <sup>3</sup>	-	3,460,209	3,460,209	3,106,264	-	962,403	206,472	193,510	<b>160,435</b>
Arab League (excluding GCC)	-	28	28	-	-	7,470	866	-	<b>28</b>
Asia	-	46	46	46	-	4,680	196	-	-
Africa	-	34,016	34,016	5,150	-	-	-	614	<b>28,252</b>
North America South America Caribbean	-	-	-	-	-	-	-	-	-
Europe	-	-	-	-	-	-	-	-	-
Australia	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>3,494,299</b>	<b>3,494,299</b>	<b>3,111,460</b>	<b>1,584,406</b>	<b>974,553</b>	<b>207,534</b>	<b>194,124</b>	<b>188,715</b>

1 Specific provisions represent Stage 3 Expected Credit Losses (ECL).

2 General provisions represent Stage 1 and Stage 2 Expected Credit Losses (ECL).

3 This includes Saudi Arabia, Bahrain, Kuwait, Oman and Qatar

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Impaired Financing by Economic Activity

The Group's Impaired Credit Exposure by Economic Activity, is detailed below:

31 December 2025 AED 000	Overdue (Gross of Profit in Suspense/ Provisions)			Provisions		Adjustments		Profit in Suspense	Total Impaired Assets
	Less than 90 days	90 days and above	Total	Specific <sup>1</sup>	General <sup>2</sup>	Write-offs	Write-backs		
Agriculture, fishing & related activities	-	-	-	-	-	-	-	-	-
Crude, oil gas, mining & quarrying	-	-	-	-	-	-	-	-	-
Manufacturing	-	335,246	335,246	326,468	-	244,210	50,813	11,456	(2,678)
Electricity and water	-	-	-	-	-	-	-	-	-
Construction	-	112,965	112,965	112,233	-	60,507	10,104	3,433	(2,701)
Trade	-	95,463	95,463	85,143	-	24,718	220,924	4,487	5,833
Transport, Storage & Communication	-	2,839	2,839	-	-	-	79	-	2,839
Financial Institutions	-	38	38	-	-	-	255,911	-	38
Real Estate	-	169,892	169,892	151,714	-	-	73,245	20,080	(1,902)
Services	-	586,558	586,558	588,857	-	15,410	182,858	4,577	(6,876)
Sovereign	-	-	-	-	-	-	-	-	-
Personal	-	1,284,436	1,284,436	727,011	-	721,903	74,750	122,868	434,557
All Others	-	27,377	27,377	27,360	-	253,773	8,553	1,721	(1,704)
<b>Total</b>	<b>-</b>	<b>2,614,814</b>	<b>2,614,814</b>	<b>2,018,786</b>	<b>1,701,964</b>	<b>1,320,521</b>	<b>877,237</b>	<b>168,622</b>	<b>427,406</b>

31 December 2024 AED 000	Overdue (Gross of Profit in Suspense/ Provisions)			Provisions		Adjustments		Profit in Suspense	Total Impaired Assets
	Less than 90 days	90 days and above	Total	Specific <sup>1</sup>	General <sup>2</sup>	Write-offs	Write-backs		
Agriculture, fishing & related activities	-	-	-	-	-	-	-	-	-
Crude, oil gas, mining & quarrying	-	-	-	-	-	-	-	-	-
Manufacturing	-	395,886	395,886	405,716	-	12,645	29,031	5,080	(14,910)
Electricity and water	-	-	-	-	-	-	-	-	-
Construction	-	106,133	106,133	221,609	-	290,471	90,594	10,572	(126,048)
Trade	-	408,489	408,489	411,793	-	82,271	23,582	9,347	(12,651)
Transport, Storage & Communication	-	559	559	174	-	174	80	-	385
Financial Institutions	-	250,535	250,535	251,661	-	11,719	16,445	8,288	(9,414)
Real Estate	-	239,743	239,743	224,662	-	824	16,022	16,609	(1,528)
Services	-	552,422	552,422	558,184	-	18,673	3,593	16,285	(22,047)
Sovereign	-	-	-	-	-	-	-	-	-
Personal	-	1,096,196	1,096,196	608,186	-	556,724	18,600	113,706	374,304
All Others	-	444,336	444,336	429,475	-	1,052	9,587	14,237	624
<b>Total</b>	<b>-</b>	<b>3,494,299</b>	<b>3,494,299</b>	<b>3,111,460</b>	<b>1,584,406</b>	<b>974,553</b>	<b>207,534</b>	<b>194,124</b>	<b>188,715</b>

1 Specific provisions represent Stage 3 Expected Credit Losses (ECL).

2 General provisions represent Stage 1 and Stage 2 Expected Credit Losses (ECL).

#### Qualitative disclosure requirements related to credit risk mitigation techniques – CRC

Please refer Note no. 36 in the annual financial statements for criteria, approach, structure, and organization of credit risk management and reporting of risk exposures, risk mitigation and stress testing related to credit risk.

The Group has adopted comprehensive approach for collateral valuation assessment. Categories of collaterals include cash/ fixed deposits, shares, guarantees (corporate and bank guarantees). As at 31 December 2025, total eligible collaterals held by the Group amounted to AED 13,179 million (2024: AED 6,371 million). CR3 table below discloses collaterals securing financing and sukuk only. Out of these, AED 5,235 million (2024: AED 2,459 million) were held as cash collaterals.

#### Credit risk mitigation techniques – overview (CR3)

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

		a	b	c	d	e	f	g
31 December 2025 AED 000		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	Financing receivables	74,612,398	14,094,173	11,449,186	154,500	137,024	-	-
2	Sukuk	16,343,797	-	-	-	-	-	-
3	<b>Total</b>	<b>90,956,195</b>	<b>14,094,173</b>	<b>11,449,186</b>	<b>154,500</b>	<b>137,024</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	400,952	26,453	22,331	-	-	-	-

		a	b	c	d	e	f	g
31 December 2024 AED 000		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	Financing receivables	62,668,081	7,518,555	5,318,624	293,219	218,920	-	-
2	Sukuk	13,400,798	-	-	-	-	-	-
3	<b>Total</b>	<b>76,068,879</b>	<b>7,518,555</b>	<b>5,318,624</b>	<b>293,219</b>	<b>218,920</b>	<b>-</b>	<b>-</b>
4	Of which defaulted	178,122	10,593	18,958	-	-	-	-

## Basel III – Pillar 3 Disclosures continued 31 December 2025

### Qualitative disclosures on banks' use of external credit ratings under the standardized approach for credit risk (CRD)

#### Recognition of External Credit Assessment Institutions (ECAI)

The standardized approach requires banks to use risk assessments prepared by ECAIs to determine the risk weightings applied to rated counterparties. As advised by CBUAE; Moody's Investor Service (Moody's), Standard and Poor's rating agency (S&P) and Fitch Ratings (Fitch) have been used for ratings purpose.

Based on the rating processes of these ECAIs, the CBUAE has established the following tables:

#### Long term rating

S & P	Fitch	Moody's
AAA to AA-	AAA to AA-	Aaa to Aa3
A+ to A-	A+ to A-	A1 to A3
BBB+ to BBB-	BBB+ to BBB-	Baa1 to Baa3
BB+ to BB-	BB+ to BB-	Ba1 to Ba3
B+ to B-	B+ to B-	B1 to B3
Below B-	Below B-	Below B3
Unrated	Unrated	Unrated

If there is only one rating, that rating is used to determine the risk weight of the exposure. If there are two ratings that map to different risk weights, the higher risk weight is applied.

If there are three ratings with different risk weights, the ratings corresponding to the two lowest risk weights is referred to. If these give rise to the same risk weight, that risk weight is applied. If different, the higher risk weight is applied.

ECAI risk assessments are used within the Group as part of the determination of risk weightings for the following classes of exposure:

- Sovereigns
- Public Sector Enterprises
- Banks
- Corporates

All other exposure classes are assigned risk weightings as prescribed in the CBUAE standards.

### Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

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

Risk weight Regulatory portfolio 31 December 2025 AED 000	Exposure before CRM		Exposure post CCF and CRM		RWA and RWA Density	
	On Balance Sheet	Off Balance Sheet	On Balance Sheet	Off Balance Sheet	RWA	RWA Density
Sovereigns and their central banks	29,836,777	151,933	29,836,777	36,721	2,130,594	7%
Public Sector Entities	7,140,729	3,590,245	7,140,461	233,194	6,389,566	87%
Multilateral development banks	654,894	217,147	654,894	–	208,143	32%
Banks	18,971,603	4,300,888	18,907,757	2,266,921	12,269,676	58%
Securities firms	–	–	–	–	–	–
Corporates	32,031,576	24,012,598	22,249,402	6,472,662	26,608,505	93%
Regulatory retail portfolios	21,681,045	8,440,681	21,372,094	78,821	16,234,007	76%
Secured by residential property	16,538,351	2,583,374	16,534,651	1,290,853	7,902,025	44%
Secured by commercial real estate	15,356,604	2,560,295	14,021,619	1,180,144	15,201,762	100%
Equity Investment in Funds (EIF)	–	–	–	–	–	–
Past-due financing	2,614,814	236,608	171,692	210,370	679,254	178%
Higher-risk categories	–	–	–	–	–	–
Other assets	2,915,165	–	2,915,165	–	1,790,403	61%
<b>Total</b>	<b>147,741,558</b>	<b>46,093,769</b>	<b>133,804,512</b>	<b>11,769,686</b>	<b>89,413,935</b>	<b>61%</b>

Risk weight Regulatory portfolio 31 December 2024 AED 000	Exposure before CRM		Exposure post CCF and CRM		RWA and RWA Density	
	On Balance Sheet	Off Balance Sheet	On Balance Sheet	Off Balance Sheet	RWA	RWA Density
Sovereigns and their central banks	19,730,378	21,766	19,730,378	21,293	1,725,587	9%
Public Sector Entities	5,228,030	1,426,615	5,228,030	188,336	4,809,699	89%
Multilateral development banks	481,739	–	481,739	–	121,636	25%
Banks	13,367,980	1,562,658	13,367,980	975,925	7,979,250	56%
Securities firms	–	–	–	–	–	–
Corporates	27,468,021	16,726,043	22,939,572	4,325,260	25,516,285	94%
Regulatory retail portfolios	18,363,754	6,951,690	17,965,176	86,391	13,679,047	76%
Secured by residential property	15,034,312	1,393,102	15,033,967	434,700	6,619,581	43%
Secured by commercial real estate	9,171,051	788,797	8,798,757	332,025	9,130,782	100%
Equity Investment in Funds (EIF)	–	–	–	–	–	–
Past-due financing	3,494,299	339,753	(86,958)	334,334	500,375	202%
Higher-risk categories	–	–	–	–	–	–
Other assets	2,692,778	–	2,692,778	–	1,553,587	58%
<b>Total</b>	<b>115,032,342</b>	<b>29,210,424</b>	<b>106,151,419</b>	<b>6,698,264</b>	<b>71,635,829</b>	<b>63%</b>

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Exposures by asset classes and risk weights (CR5)

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

Risk weight Regulatory portfolio 31 December 2025 AED 000	0%	20%	35%	50%	75%	100%	150%	Others 85%	Total credit exposure
Sovereigns	25,794,124	1,870,501	–	904,757	–	1,304,116	–	–	29,873,498
Public Sector Entities (PSEs)	–	767,441	–	740,271	–	5,865,943	–	–	7,373,655
Multilateral development banks (MDBs)	238,608	–	–	416,286	–	–	–	–	654,894
Banks	–	3,580,269	–	12,081,573	–	5,512,836	–	–	21,174,678
Securities firms	–	–	–	–	–	–	–	–	–
Corporates	–	2,840	–	3,620,508	–	22,785,518	70,687	2,242,511	28,722,064
Regulatory retail portfolios	–	17	–	–	20,867,581	583,317	–	–	21,450,915
Secured by residential property	–	–	13,872,541	–	3,625,308	327,655	–	–	17,825,504
Secured by commercial real estate	–	–	–	–	–	15,201,763	–	–	15,201,763
Equity Investment in Funds (EIF)	–	–	–	–	–	–	–	–	–
Past-due financing	–	–	–	–	–	(212,319)	594,381	–	382,062
Higher-risk categories	–	–	–	–	–	–	–	–	–
Other assets	1,101,319	68,545	–	–	–	1,682,517	62,784	–	2,915,165
<b>Total</b>	<b>27,134,051</b>	<b>6,289,613</b>	<b>13,872,541</b>	<b>17,763,395</b>	<b>24,492,889</b>	<b>53,051,346</b>	<b>727,852</b>	<b>2,242,511</b>	<b>145,574,198</b>

Risk weight Regulatory portfolio 31 December 2024 AED 000	0%	20%	35%	50%	75%	100%	150%	Others 85%	Total credit exposure
Sovereigns	16,321,845	1,609,791	–	832,813	–	987,222	–	–	19,751,671
Public Sector Entities (PSEs)	–	336,517	–	674,908	–	4,404,941	–	–	5,416,366
Multilateral development banks (MDBs)	238,468	–	–	243,271	–	–	–	–	481,739
Banks	–	2,106,328	–	9,368,916	–	2,858,932	9,729	–	14,343,905
Securities firms	–	–	–	–	–	–	–	–	–
Corporates	–	130	–	2,936,352	–	22,459,912	–	1,868,437	27,264,831
Regulatory retail portfolios	–	–	–	108,089	17,273,903	669,575	–	–	18,051,567
Secured by residential property	–	–	12,638,930	–	2,535,125	294,612	–	–	15,468,667
Secured by commercial real estate	–	–	–	–	–	9,130,782	–	–	9,130,782
Equity Investment in Funds (EIF)	–	–	–	–	–	–	–	–	–
Past-due financing	–	–	–	–	–	(258,620)	505,996	–	247,376
Higher-risk categories	–	–	–	–	–	–	–	–	–
Other assets	1,170,582	–	–	–	–	1,459,411	62,785	–	2,692,778
<b>Total</b>	<b>17,730,895</b>	<b>4,052,766</b>	<b>12,638,930</b>	<b>14,164,349</b>	<b>19,809,028</b>	<b>42,006,767</b>	<b>578,510</b>	<b>1,868,437</b>	<b>112,849,682</b>

#### Counterparty Credit Risk (CCR)

Counterparty Credit Risk (CCR) is the risk that the counterparty to a transaction could default before the final settlement. The value of derivative transactions will change with fluctuations in factors such as profit rates, foreign exchange rates, equities, or commodities. The Group is exposed to CCR from its sales and balance sheet management activities. CCR is managed through the Counterparty Credit Risk Policy and methodology framework.

#### Counterparty Credit Risk Oversight and Management

The Board Credit and Investment Committee (BCIC) is the board level committee with an oversight on counterparty credit risk. The Group Risk Committee (GRC) and Management Credit Committee (MCC) are the management level committees responsible for the same and have an oversight on policy, methodology and limit framework.

Emirates Islamic Market & Treasury Credit Risk (EI MTCR) is a function which is independent from the first line client relationship and product risk taking units. EI MTCR reports directly to the EI Chief Risk Officer (CRO), has second line responsibility for measuring, monitoring and assists with managing counterparty credit risk in the Group.

#### Identification

Existing credit underwriting process, New Products and Process Approvals (NPPA) and ongoing discussions with business units and customers are the methods adopted by the Group in its CCR management process.

#### Measurement

Mark-to-Market, Potential Future Exposure, Issuer (Risk) Exposure, Repo Exposure and Settlement (Risk) Exposure are calculated and reported daily. Approved risk measurement methodology is used to model statistical CCR measures such as the Potential Future Exposure (PFE). For derivative contracts, the total credit exposure of a contract is computed as peak exposure at a specified confidence interval over the remaining term of the contract.

#### Monitoring, Control and Reporting

Only authorized sales activities for approved products and risk types are used by the Emirates Islamic Markets & Treasury business. Limits are approved to reflect credit exposure amount and tenor appetite. CCR positions are monitored daily against approved and allocated CCR limits. Exceptions, including any temporary breaches, are reported and escalated to senior management. CCR Limits are reviewed annually in accordance with applicable credit policies, processes and approval delegation. Interim reviews are undertaken where necessitated by change in counterparty credit worthiness and/or business plans. Appropriate counterparty credit limits are established for each counterparty based on the Group's assessment of the counterparty's creditworthiness. CCR limits are subject to regular review and are approved within the overarching framework of credit risk management. Counterparties are actively monitored and reviewed. Collateral may be taken to partially or fully cover mark-to-market exposures on outstanding positions. The collateral agreement typically includes a minimum threshold amount where additional collateral is to be posted by either party if the mark-to-market exposures exceed the agreed threshold. Master agreements, such as those from the ISDA IIFM Tahawwut Master Agreement (ISDA IIFM TMA) also allow for closeout netting if either counterparty defaults.

#### Counterparty Credit Risk Limits

The Group's credit policy focuses on the core credit principles, lending guidelines and parameters, control, monitoring and IFRS 9 reporting requirements, problem financing identification, management of high-risk customers and provisioning. Standard procedures specific to businesses are in place to manage various types of risks across different business segments, products and portfolios.

#### Counterparty Credit Risk Capital Calculation

For regulatory capital charge purposes of Over the Counter (OTC) Islamic derivatives, the Group calculates capital adequacy requirement using following counterparty credit risk measures:

- Standardized Approach to Counterparty Credit Risk Capital Calculation (SA-CCR)
- Standardized Credit Valuation Adjustment Capital Charge (CVA)

**Basel III – Pillar 3 Disclosures** continued  
31 December 2025

**Counterparty Credit Risk (CCR)** continued

Risk Category	Approach	Application
Islamic Derivatives	Standardized Approach for Counterparty Credit Risk (SA-CCR)	SACCR calculates the exposure at default of Islamic derivatives and “long-settlement transactions” exposed to counterparty credit risk. It builds EAD as (i) a “Replacement Cost”, were the counterparty to default today; combined with (ii) an “Add On” with its appropriate multiplier, essentially potential future exposure.  The SACCR EAD is an input to the bank’s regulatory capital calculation where it is combined with the counterparty’s external ratings to derive risk weights.
	Standardized Credit Valuation Adjustment(S-CVA)	Group also provides capital requirement to cover the risk of mark-to-market losses on the expected counterparty risk (such losses being known as CVA) to OTC Islamic derivatives.

**Wrong Way Risk (WWR)**

WWR arises when there is adverse (positive) correlation between a client’s credit worthiness (probability of default) and the Group’s credit exposure to that client. Wrong Way Risk is broadly categorized as either general or specific.

**General Wrong Way Risk (GWWR)**

GWWR arises where there is adverse (positive) correlation between the client’s credit worthiness (PD) and the Group’s exposure to the client owing to a co-dependency on non-client specific, market driven risk factors such as market levels for Forex, Profit Rates or Commodities. GWWR transactions are strongly discouraged and require pre-approval.

**Specific Wrong Way Risk (SWWR)**

SWWR arises when there is adverse (positive) correlation between the client’s credit worthiness (PD) and the Group’s exposure to the client owing to the respective counterparty-group specific reasons. These would include trades with direct or indirect reference (including underlying collateral) to the counterparty or related entity’s (parent, holding company, subsidiary, group entity) equity price or credit spread. These also include direct or indirect reference to the Group’s security issuances. SWWR transactions are not permitted unless pre-approved.

Policy guidelines related to WWR are integrated in the Group’s Counterparty Credit Risk Policy Framework. The goal of these guidelines is to provide best practices and guidelines for the identification, approval, reporting and mitigation of specific and general WWR.

**Islamic Derivative ISDA IIFM Tahawwut Master Netting Agreements and Margin Agreements**

Credit risk from Islamic derivatives is mitigated where possible through netting agreements whereby derivative assets and liabilities with the same counterparty can be offset. The Group policy requires all netting arrangements to be legally documented. ISDA IIFM Tahawwut Master Agreement (ISDA IIFM TMA) are the Group’s preferred manner for documenting OTC Islamic derivatives.

The agreements provide the contractual framework within which dealing activities across a full range of OTC products are conducted and contractually bind both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur.

The Group considers the level of legal certainty regarding enforceability of its offsetting rights under master netting agreements and credit support annexes to be an important factor in its risk management process.

In-house legal counsel independently reviews relevant jurisdictions, counterparties and respective master agreements and advise business and risk units on close-out netting and collateral enforceability.

The SACCR and S-CVA capital charge accordingly incorporates the margining impact due to these enforceable netting and margining agreements.

**Impact of the Group’s Rating downgrade on Collateral**

The liquidity impact of a downgrade on collateral management from the Group’s perspective is not material as the collateral agreements are generally not linked to Group’s rating.

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

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

**SA-CCR (for derivatives)**

		a	b	c	d	e	f
31 December 2025 AED 000		Replacement cost	Potential future exposure	Effective Expected Positive Exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	323,761	379,970	–	1.4	985,223	715,630
2	Simple Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
3	Comprehensive Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
4	<b>Total</b>	<b>323,761</b>	<b>379,970</b>	<b>–</b>		<b>985,223</b>	<b>715,630</b>

		a	b	c	d	e	f
31 December 2024 AED 000		Replacement cost	Potential future exposure	Effective Expected Positive Exposure	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	189,935	323,900	–	1.4	719,369	485,284
2	Simple Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
3	Comprehensive Approach for credit risk mitigation (for SFTs)	–	–	–	–	–	–
4	<b>Total</b>	<b>189,935</b>	<b>323,900</b>	<b>–</b>		<b>719,369</b>	<b>485,284</b>

**Credit valuation adjustment (CVA) capital charge (CCR2)**

		a	b
31 December 2025		EAD post-CRM AED 000	RWA AED 000
1	All portfolios subject to the Standardised CVA capital charge	985,223	657,504
2	All portfolios subject to the Simple alternative CVA capital charge	–	–

		a	b
31 December 2024		EAD post-CRM AED 000	RWA AED 000
1	All portfolios subject to the Standardised CVA capital charge	719,369	649,939
2	All portfolios subject to the Simple alternative CVA capital charge	–	–

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Standardized approach – CCR exposures by regulatory portfolio and risk weights (CCR3)

The following table presents information on the risk-weighting of CCR exposures under the standardized approach by regulatory portfolio.

Risk weight Regulatory portfolio 31 December 2025 AED 000	a	b	c	d	e	f	g	h
	0%	20%	50%	75%	100%	150%	Others 85%	Total credit exposure
Sovereigns	10,493	–	–	–	–	–	–	10,493
Public Sector Entities (PSEs)	–	–	–	–	24,930	–	–	24,930
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–
Banks	–	9,647	497,278	–	–	–	–	506,925
Securities firms	–	–	–	–	–	–	–	–
Corporates	–	–	–	–	408,394	–	10,867	419,261
Regulatory retail portfolios	–	–	–	4,453	19,160	–	–	23,613
-Secured by residential property	–	–	–	–	–	–	–	–
Secured by commercial real estate	–	–	–	–	–	–	–	–
Equity Investment in Funds (EIF)	–	–	–	–	–	–	–	–
Past-due financing	–	–	–	–	–	–	–	–
Higher-risk categories	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–
<b>Total</b>	<b>10,493</b>	<b>9,647</b>	<b>497,278</b>	<b>4,453</b>	<b>452,484</b>	<b>–</b>	<b>10,867</b>	<b>985,222</b>

Risk weight Regulatory portfolio 31 December 2024 AED 000	a	b	c	d	e	f	g	h
	0%	20%	50%	75%	100%	150%	Others 85%	Total credit exposure
Sovereigns	20,820	–	–	–	–	–	–	20,820
Public Sector Entities (PSEs)	–	–	–	–	11,571	–	–	11,571
Multilateral development banks (MDBs)	–	–	–	–	–	–	–	–
Banks	–	8,078	409,820	–	–	–	–	417,898
Securities firms	–	–	–	–	–	–	–	–
Corporates	–	–	–	–	234,077	–	11,141	245,218
Regulatory retail portfolios	–	–	–	884	22,978	–	–	23,862
Secured by residential property	–	–	–	–	–	–	–	–
Secured by commercial real estate	–	–	–	–	–	–	–	–
Equity Investment in Funds (EIF)	–	–	–	–	–	–	–	–
Past-due financing	–	–	–	–	–	–	–	–
Higher-risk categories	–	–	–	–	–	–	–	–
Other assets	–	–	–	–	–	–	–	–
<b>Total</b>	<b>20,820</b>	<b>8,078</b>	<b>409,820</b>	<b>884</b>	<b>268,626</b>	<b>–</b>	<b>11,141</b>	<b>719,369</b>

#### Market Risk

Market Risk is the risk that the value of financial instruments in the Group's book – with the inclusion of some other financial assets and liabilities could produce a loss because of changes in future market conditions.

The Group takes on market risks in the pursuit of its strategic and business objectives.

The Group predominantly pursues opportunities in the market that exposes itself to the following categories of market risk – which are actively managed and monitored:

- Profit Rate Risk: losses in value due to changes in the level, slope and curvature of yield curves, the volatility of profit rates and changes in credit spreads
- FX Risk: losses in value due to exposures to changes in spot prices, forward prices and volatilities of currency rates
- Credit Spread Risk: Losses in the value due to change in credit spreads driven by associated credit risk of the security issuer/ underlying
- Commodity Price Risk: losses in value due to exposures to changes in spot prices, forward prices, and volatilities of commodities such as precious metals.

The Group's risk exposures to market risk are segregated into Trading and Banking Books. The Trading Book include those financial instruments held with trading intent arising from market-making, position-taking and other so designated financial instruments accounted for at fair value daily. The Banking Book include financial instruments not held with trading intent that arise from the management of Profit Rate risk and FX risk from the Group's retail and corporate and institutional banking assets and liabilities, and other financial investments designated as either FVOCI or Amortised Cost.

#### Market risk oversight and management process

As part of the Group's enterprise-wide risk management framework, an extensive governance processes are applied to the market risk taking activities. This governance framework includes, inter alia:

- Approval by the Group's Board Risk Committee (BRC) and Asset-Liability Committee (ALCO) of a set of risk limits with appropriate monitoring, reporting and limits excesses' escalation procedures subject to regular review and consistent with the Bank's approach to strict compliance with Shari'ah rules and principles.
- A comprehensive set of policies, procedures and limits; and
- Monitoring a wide range of risk metrics appropriate for the respective dealing activities – such as risk sensitivities, Gross and Net open positions, Value-at-Risk (VaR) and stop-loss limits.

Respective desk head/ managers are accountable for managing market risk within the approved limits. These managers have extensive knowledge of markets and products, their risk exposures and of the financial instruments available to hedge their exposures.

#### Oversight by EI Market & Treasury Credit Risk (EI MTCR)

Emirates Islamic MTCR is a risk function which is independent from the first line market risk taking units. EI MTCR reports directly to EI CRO, has second line responsibility for measuring, monitoring and managing market risk in the Bank, in co-operation with other independent and support functions across the bank's global businesses.

Depending on the exposure and as appropriate, EI MTCR uses appropriate metrics including Profit rate sensitivity, FX sensitivity, Net open/Net Gross outstanding positions, Maximum notional, and Value-at-Risk (VaR) measures to measure market risk on an ongoing basis.

#### Market risk under the standardized approach (MRI)

The following table provides the components of capital requirement under the SA for market risk:

	31 December 2025 AED 000 RWA	31 December 2024 AED 000 RWA
1 General Profit rate risk (General and Specific)	–	–
2 Equity risk (General and Specific)	–	–
3 Foreign exchange risk	109,636	61,033
4 Commodity risk	–	–
Options	–	–
5 Simplified approach	–	–
6 Delta-plus method	–	–
7 Scenario approach	–	–
8 Securitization	–	–
<b>9 Total</b>	<b>109,636</b>	<b>61,033</b>

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Operational Risk (ORA)

For details of Group's Operational Risk Management, kindly refer Note 36 (k) in the Financial Statements

Basel framework outlines three methods for calculating the risk charge for operational risk: Basic Indicator, Standardized Approach and Advanced Measurement Approach. The Group presently follows the Standardized Approach.

The total capital requirement for Operational Risk as of 31 December 2025 is AED 9,319 million (2024: AED 7,632 million). This charge is computed by categorizing the Group's activities into 8 business lines (as defined by CBUAE guidelines) and multiplying the line's three-year average gross income by a pre-defined beta factor.

#### Profit Rate Risk in the Banking Book (PRRBB)

##### PRRBB Risk Management Objectives and Principles (PRRBBA)

##### Overview

Profit Rate Risk in the Banking Book (PRRBB) is defined as potential loss of future earnings or economic value due to adverse movement in Profit rates, which arises from a mismatch in the repricing profile of assets, liabilities and off-balance sheet items in the banking book.

##### Management

To manage this risk optimally, PRRBB in non-trading portfolios is transferred to Treasury under the supervision of the ALCO, through Funds Transfer Pricing (FTP) framework. Profit rate risk is managed by Treasury under oversight of ALCO and within the Risk Appetite approved by the Board. The Finance and Risk functions are responsible for measurement, monitoring, formulation of policy framework and provide periodic updates to the ALCO and the BRC. The Internal Audit provides an independent opinion to the Board Audit Committee (BAC) on the adequacy and effectiveness of risk governance and internal controls. The ALCO regularly monitors the Profit rate risk positions and if required directs suitable remediation to ensure this remains within Risk Appetite.

##### Measurement

The Bank uses two key metrics for measuring PRRBB: Net Profit Income (NPI) sensitivity, an income measure which quantifies the potential change in projected net profit income over a one-year horizon for defined movements in profit rates and Economic Value of Equity (EVE), a value measure which estimates the potential change in present value of the Bank's Assets and Liabilities for defined movements in profit rates. These metrics are measured and monitored on periodic basis.

The NPI sensitivity disclosed below is calculated based on a stressed assumption of parallel shifts to the yield curve as recommended by Basel and assessing the corresponding impact on NPI over a one-year horizon. The EVE sensitivity disclosed below is calculated based on a stressed assumption of parallel and non-parallel shifts to the yield curve as recommended by Basel. Further, the EVE computations are based on a gap analysis with a repricing schedule that distributes the principal cash flows into granular time buckets and discounted with the equivalent risk-free rate. The sensitivity analysis performed for down rate shocks includes a floor to the market rates at zero, unless the market rates are already negative. The average repricing maturity of retail, wholesale non-maturity deposits are determined based on historical analysis conducted normally over a period of 5 years. Considering the nature, size, and duration of the portfolio, the profit rate risk on account of early settlement would not be significant relative to the portfolio and is excluded from computation assumptions.

##### Quantitative Disclosure

1. Average repricing maturity assigned to NMDs – 1.74 years
2. Longest repricing maturity assigned to NMDs – 5 years

##### PRRBB – Quantitative information on PRRBB

AED 000 Period	ΔEVE		ΔNFI	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Parallel up	(112,337)	(3,733)	804,013	370,011
Parallel down	(616,719)	(406,389)	(767,009)	(711,907)
Steepener	(136,672)	(332,525)	–	–
Flattener	(112,444)	(2,992)	–	–
Short rate up	(112,485)	(4,362)	–	–
Short rate down	(435,457)	(38,499)	–	–
<b>Maximum</b>	<b>(616,719)</b>	<b>(406,389)</b>	<b>–</b>	<b>–</b>
<b>Period</b>	<b>2025</b>		<b>2024</b>	
<b>Tier 1 capital</b>	<b>14,583,602</b>		<b>14,358,016</b>	

#### Liquidity

##### Overview and Governance

Liquidity Risk refers to the inability of the Group to fund an increase in assets and meet obligations as they become due (Structural Funding Risk), or the inability to convert assets into cash at reasonable prices (Market Liquidity Risk). The risk arises from mismatches in the amount and timings of cash flows.

The Emirates Islamic Board of Directors (BOD), through the Board Risk Committee (BRC), sets out the absolute boundaries of the Bank's Risk Appetite. The ALCO (Asset Liability Committee) is the principal senior management committee supporting the BOD to effectively discharge their oversight function on the Group's liquidity risk. ALCO is responsible for managing the liquidity risk within the internally approved Risk Appetite. The ALCO executes the liquidity risk management strategies through Treasury and Business units. The Finance and Risk functions are responsible for measurement, monitoring, formulation of policy framework and provide periodic updates to the ALCO and the BRC.

##### Management

The objective of the Group's liquidity and funding management framework is to ensure that all foreseeable funding commitments, under both normal and stressed conditions can be met when due. To this end, the Group maintains a diversified funding base comprising core retail and corporate customer deposits and institutional balances. The funding profile is further augmented with Term funding from Capital Market and Wholesale funding sources. The Group maintains a portfolio of High-Quality Liquid Assets to enable quick and smooth response to unforeseen liquidity requirements. The details of liquidity risk maturity analysis are in the Note 36 of the Financial Statements.

The ALCO through the Funds Transfer Pricing (FTP) framework, incorporates the liquidity costs, benefits and risks in the internal pricing of assets and liabilities to the business lines.

The funding liquidity management process includes:

- projecting cash flows under various stress scenarios and considering the level of liquid assets necessary in relation thereto.
- mis-match analysis between assets and liabilities for different periods with a focus on shorter time frames. These gap reports are based on contractual cash flow with overlays of behavioral assumptions for non-maturing assets and liabilities and potential liquidity demand through undrawn commitments.
- monitoring balance sheet liquidity, advances to deposits ratios, long term funding ratios, Eligible Liquid Asset Ratio (ELAR) and Advances to stable Resource Ratio (ASRR) against internal and regulatory requirements.
- maintaining a diverse range of funding sources with back-up facilities.
- managing the deposit concentration and profile of sukuk maturities.

##### Stress Testing

Stress Testing is an integral part of the Liquidity Risk Management Framework. The objective of stress testing is to ensure that the Group maintains adequate level of liquidity to be able to withstand a range of severe stress scenario. The Group conducts liquidity stress testing across Systemic, Bank Specific and Combined Scenarios and ensures that the Survival Horizon across these stress scenarios remains within the Board approved appetite. The Stress Tests are conducted on a periodic basis and updated to the ALCO and the BRC.

##### Contingency Funding Plan

The Contingency Funding Plan (CFP) sets out the Group's strategies to respond to a severe disruption of the bank's liquidity or funding position due to internal or external events. The plan designates the CFP Team, which will be activated in the event of a liquidity crisis and establishes allocation of roles within the Team. The CFP includes a set of early warning triggers consisting of internal and external indicators, which are monitored by the ALCO and updated to the BRC. The plan includes identification, invocation and escalation procedures and details of potential actions, available sources of liquidity, mitigations and specifies a communication plan, which could be implemented based on the severity of the liquidity crisis.

#### Eligible Liquid Assets Ratio (ELAR)

The Eligible Liquid Asset Ratio (ELAR) is a regulatory ratio introduced in accordance with Circular No. 33/2015 – Regulations re Liquidity with an objective to promote short term resilience of the liquidity risk profile of the Bank.

The Group measures and reports its ELAR under the Central Bank of the UAE liquidity regulations. ELAR is calculated as a proportion of the stock of eligible liquid assets against the total liabilities.

The eligible liquid assets comprise of the following:

- Highly Liquid Assets made of Cash, Reserves placed with the Central Bank, Central Bank CDs and Federal Government Sukuk Securities.
- Other liquid Assets made of publicly traded sukuk securities of the UAE Local Government and Public Sector Entities having 0% risk weight under Basel III Standardized Approach and rated by recognized rating agencies.
- Other liquid assets in the form of foreign sovereign sukuk instruments issued by their respective central banks which are 0% risk weighted Basel III Standardized Approach.

The total liabilities comprise of total customer deposits, interbank deposits, sukuk payables and other liabilities.

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Liquidity continued

##### Ratio

The ELAR is calculated in the following table.

	Nominal Amount 31 December 2025 AED 000	Eligible Liquid Asset 31 December 2025 AED 000	Nominal Amount 31 December 2024 AED 000	Eligible Liquid Asset 31 December 2024 AED 000
<b>1 High Quality Liquid Assets</b>				
1.1 Physical cash in hand at the bank + balances with the CBUAE	16,038,836	–	15,404,880	–
1.2 UAE Federal Government Bonds and Sukuks	2,565,865	–	1,882,464	–
Sub Total (1.1 to 1.2)	18,604,701	18,604,701	17,287,344	17,287,344
1.3 UAE local governments publicly traded sukuk securities	538,381	–	391,718	–
1.4 UAE Public sector publicly traded sukuk securities	–	–	–	–
Sub Total (1.3 to 1.4)	538,381	538,381	391,718	391,718
1.5 Foreign Sovereign sukuk instruments or instruments issued by their respective central banks	–	–	–	–
<b>1.6 Total</b>	<b>19,143,082</b>	<b>19,143,082</b>	<b>17,679,062</b>	<b>17,679,062</b>
2 Total liabilities	–	112,195,512	–	95,522,740
<b>3 Eligible Liquid Assets Ratio (ELAR)</b>	<b>–</b>	<b>17.06%</b>	<b>–</b>	<b>18.51%</b>

The Group maintained ELAR of 17.06% (calculated on the basis of 90 days simple average). ELAR as of 31 December 2025 was 17.20%, which is in excess of the regulatory minimum of 10%. The ELAR is influenced by the amount of eligible liquid assets over the total liabilities.

The Average Eligible Liquid Assets were AED 19.14 billion which mainly comprised of cash and reserves with Central Bank of the UAE. The Average Total Liabilities were AED 112.20 billion.

#### Advance to Stable Resources Ratio (ASRR)

The Advance to Stable Resources Ratio (ASRR) is a regulatory ratio introduced in accordance with Circular No. 33/2015 which is a measure that recognizes both the actual uses as well as the likely uses of funds in terms of the contractual maturity and behavioral profile of the sources of funds available to the bank, in order to ensure that there are limited maturity mismatches and cliff effects.

The Group measures and reports its ASRR under Central Bank of the UAE liquidity regulations.

The ASRR is calculated as a proportion of Total Net financing against the Total Stable Resources. The Total Net Financing is defined as following:

- Include all types of Islamic Financing net of deductions for provisions for bad and doubtful financing (other than general provisions) and profit in suspense:
- Plus: financing to non-banking financial institutions
- Plus: financial guarantees and stand-by LCs issued (without netting for margin deposits)
- Less: financial guarantees and stand-by LCs received
- Plus: Interbank placements having remaining maturity of 3 months or more (including residual maturity in roll over cases) whether in the UAE or abroad less matching interbank deposits with remaining maturity of 3 to 6 months. This means that any placements matched by any deposits both maturing within the 3 to 6 months bucket can be offset and are not to be included in "Islamic Financing".

The Total Stable Resources comprises of the following:

Net Free Capital Funds: These will consist of total capital funds by way of capital and reserves.

Deductions from free capital funds:

- Goodwill, capitalized expenditure and other intangible assets
- Fixed assets
- Unquoted investments
- Investment in unconsolidated subsidiaries and affiliates

If free capital funds after deducting the above show a negative figure, it will be deducted from other stable resources as given below. Positive figure will be added to other stable resources.

Other stable resources

- Non-repayable head office funds
- Inter-bank deposits with remaining maturity life of more than 6 months
- 100% of refinancing of real estate Islamic financing
- Non-banking financial institutions – Stable portion to be estimated as under:
  - (a) 100% of all deposits with a remaining life of more than 6 months; and
  - (b) 85% of all other deposits
- Customer deposits including margin deposits – Stable portion to be calculated as under:
  - (a) 100% of all deposits with a remaining life of more than 6 months; and
  - (b) 85% of all other deposits
- Sukuk Payable maturing after 6 months
- Head office financing towards funding of large exposures

#### Ratio

The ASRR computed based on Central Bank of the UAE regulations is included in the following table.

Items	31 December 2025 AED 000	31 December 2024 AED 000
<b>1 Computation of Advances</b>		
1.1 Net Financing (gross financing – specific and collective provisions + profit in suspense)	88,984,762	70,418,832
1.2 Financing to non-banking financial institutions	1,578,121	1,645,267
1.3 Net Financial Guarantees & Stand-by LC (issued – received)	674,379	623,391
1.4 Interbank Placements	10,840,350	7,912,579
<b>1.5 Total Advances</b>	<b>102,077,612</b>	<b>80,600,069</b>
<b>2 Calculation of Net Stable Resources</b>		
2.1 Total capital + general provisions	19,603,697	15,744,707
<b>Deduct:</b>		
2.1.1 Goodwill and other intangible assets	–	–
2.1.2 Fixed Assets	348,680	320,213
2.1.3 Funds allocated to branches abroad	–	–
2.1.5 Unquoted Investments	62,774	62,774
2.1.6 Investment in subsidiaries, associates and affiliates	30,000	30,000
<b>2.1.7 Total deduction</b>	<b>441,454</b>	<b>412,987</b>
<b>2.2 Net Free Capital Funds</b>	<b>19,162,243</b>	<b>15,331,720</b>
<b>2.3 Other stable resources:</b>		
2.3.1 Funds from the head office	–	–
2.3.2 Interbank deposits with remaining life of more than 6 months	671,617	863,477
2.3.3 Refinancing of Home financing	–	–
2.3.4 Deposits from non-Banking Financial Institutions	1,730,491	1,044,789
2.3.5 Customer Deposits	87,172,110	65,527,270
2.3.6 Sukuk payable maturing after 6 months from reporting date	13,588,250	9,263,125
<b>2.3.7 Total other stable resources</b>	<b>103,162,468</b>	<b>76,698,661</b>
<b>2.4 Total Stable Resources (2.2+2.3.7)</b>	<b>122,324,711</b>	<b>92,030,381</b>
<b>3 Advances to Stable Resources Ratio (1.5/ 2.4*100)</b>	<b>83.45%</b>	<b>87.58%</b>

The Group maintained ASRR of 83.45% as of 31 December 2025, which is below the regulatory limit of 100%.

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Remuneration Policy

ENBD Group's Remuneration Policy is designed to ensure the implementation of appropriate remuneration policies and practices across ENBD and applies to its entities including Emirates Islamic (EI) Bank PJSC, with a focus on promoting sound and effective risk management. The Remuneration Policy incorporates key aspects which include, but are not limited to, the Group's Compensation Philosophy, Remuneration Governance framework and Remuneration Structure. The Policy aligns with the UAE remuneration regulatory requirements with respect to:

- The application of a cap on the discretionary annual bonus
- The categories for Material Risk Taker (MRT) identification
- The application of deferred compensation as part of variable remuneration
- Performance adjustment associated with malus and claw back.

Changes to the Policy are reviewed and approved by the EI Board Nomination, Remuneration and ESG Committee (BNRESGC). Changes made to the Policy during the 2025 year were to add clarity, update or elaborate on various sections.

Whilst the Group Remuneration Policy covers all international entities and branches, there are additional specific remuneration policies and practices applicable in India, Egypt, the United Kingdom and Turkey to comply with local remuneration regulations

#### Composition and functions of the EI BNRESGC

The BNRESGC is the main governing body that oversees remuneration for EI, on behalf of the Board of Directors. The BNRESGC has independent oversight of:

- EI's organizational structure, human resource policies and strategies.
- The plans for general pay increments for employees.
- Remuneration policies for Senior Management.
- The assessment of performance of Senior Management.
- Fit and proper process for selection of Senior Management.
- Succession plans for Senior Management.
- Compensation policies and disclosures of EI's remuneration levels and policies.

The BNRESGC oversees EI's corporate culture and values, guides Management on strategic human resources decisions and reviews and approves changes to human resource policies, such as succession planning, nationalization strategy, reward, workforce planning, Senior Management compensation and human resource governance. The BNRESGC also focuses on human resource strategic issues associated with Reward including bonus planning and variable pay policies, to ensure an appropriate balance between risk and financial results.

The BNRESGC consists of three members from the Board of Directors and assembles on a quarterly basis. Management attendance comprises of the EI CEO, the EI Chief Human Resource Officer (EI CHRO) and other members of executive and senior management who may attend by invitation.

#### Design and structure of remuneration policies and processes

The Group's general remuneration policies and practices aim to provide a total reward offering that recognizes and rewards performance aligned to ENBD and EI's strategy, within a sound risk management and governance framework that clearly emphasizes 'how' goals are achieved in addition to 'what' is achieved and has the following set objectives:

- Attract, retain and motivate talent through fair and equitable remuneration based on the role, with an offering that is clear and easy to understand and appropriately balanced between fixed and variable compensation.
- Foster a pay-for-performance culture, with appropriate differentiation based on performance and contribution aligned to the achievement of business objectives.
- Offer flexible and agile compensation structures to help attract and retain key talent and grow and sustain the business.
- Support a culture that generates sustainable growth and value over the long term to our stakeholders, customers, employees and communities.
- Align, drive and reinforce our culture, values and desired behaviors that are integral to the attainment of individual and team results and the achievement of organizational goals.
- Integrate risk management and compensation, promoting conduct based on prudent decision-making and highest ethical standards and guided by internal controls and regulatory compliance.
- Instill a sense of ownership in our employees by providing them with opportunities to share in ENBD and EI's success through our competitive total reward offering that is linked to exceptional performance and financial results.

#### Remuneration – effective alignment of compensation with prudent risk taking

A key element of our compensation philosophy is the integration of risk management and compensation, promoting conduct based on prudent decision-making and highest ethical standards and guided by internal controls and regulatory compliance. Under the guidance of the BNRESGC, EI focuses on ensuring alignment of compensation with prudent risk taking, supported by strong corporate governance.

Compensation is linked to corporate, business and individual performance objectives achieved whilst considering the Group's target risk profile as articulated in the Board approved Risk Appetite Statement. For control functions which are independent of the business units, performance is assessed based on the objectives of their respective functions and not the performance of the business units that they oversee/support.

Variable remuneration to be awarded to employees is intended to be subject to Ex-Post Risk Adjustments covered in detail further below.

In addition, EI periodically conducts a robust review to identify employees who have the potential to take or commit EI to significant risks. A portion of the variable compensation for Material Risk Takers (MRTs), including Senior Management, is subject to deferral and performance adjustment to promote prudent risk taking.

#### Identification of Senior Managers and Material Risk Takers

From an EI perspective, for the 2025 performance year, 15 Senior Managers (including current and former) have been identified as those responsible and accountable to the Board of Directors for the sound and prudent day-to-day management of EI and as key employees responsible for the oversight of EI's key business lines. i.e., the EI CEO, the EI ExCo, EI Heads of the Control Functions including Shari'ah Units, (i.e. Risk, Compliance and Audit) and EI Head of Legal.

In addition to EI Senior Managers, EI has identified 6 MRTs (including current and former) in EI based on appropriately set qualitative and quantitative criteria to capture all categories of employees whose professional activities have a material impact on the risk profile of EI and in line with the CBUAE Corporate Governance and Standards (September 2019). The qualitative criteria capture staff:

- Whose duties involve the assumption of risk or the taking on of exposure.
- Who engage in the design, sales and management of either securities or derivative products.
- Who are incentivized to meet certain quotas or targets by payment of variable remuneration.

In line with UAE regulatory requirements, variable remuneration awarded to EI Senior Management and MRTs under the discretionary annual bonus scheme is comprised of cash bonuses, paid after the end of the performance year, and deferred cash awards, granted under the terms and conditions of the relevant plan rules. Deferred awards vest in tranches over a three-year period.

#### Overview of main performance metrics

In assessing performance, there is a focus on 'how' goals are achieved in addition to 'what' is achieved, and this applies to all levels of ENBD and EI, including business units and at the individual levels, with MRTs being held to a higher standard on the 'how'. The assessment of the 'how' is aligned to employee behaviors including but not limited to living the organizational values and demonstration of good conduct or managing conduct risk in line with the Group Conduct Risk Policy and Framework.

The EI Scorecard and EI Senior Management Scorecards include qualitative and quantitative measures which are set to support the Group's vision to building the Bank of the future.

- The qualitative measures in EI and EI Senior Management Scorecards are aligned with the Group's vision and set the objectives of the organization that are cascaded to business units and employees.
- From a quantitative perspective, there are metrics in the Scorecard focused on the following areas: Financials, Customer and Communities, Core Business, Future Potential, Market Leading Infrastructure, and People.
- There are also benchmark metrics set by the Control Functions which are focused on promoting the right behaviors associated with the organization values and which set the minimum level of performance relating to governance, controls and risk management across the organization. Where these metrics have not been met, this has a negative impact on the overall scoring for EI Senior Management on their Scorecards.

At the employee level, there are roles that may have standard objectives and/or KPIs applied as assessed by the business. Where appropriate, specific customer conduct objectives are included within individual performance objectives.

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Remuneration Policy continued

##### Individual remuneration including different forms of variable remuneration linked to bank-wide and individual performance

Fixed remuneration for employees is reviewed annually in line with the Group's compensation philosophy. It is set appropriately based on the EI's affordability, market and internal pay levels for the comparable roles in the industry by location, individual's expertise, professional experience, role responsibilities and seniority of the employee and regulatory and governance requirements.

Variable remuneration is paid as an annual discretionary bonus or incentive payments depending on the role:

##### Annual Discretionary Bonus

The Group's annual bonus scheme applies the pay-for-performance principle and operates on a discretionary basis.

The Group BNRESGC approves the bonus pool taking into account financial and non-financial performance of EI and overall compliance with the risk appetite. The pay-for-performance principle is then applied, and bonus pools are allocated based on the performance of business units and employees measured against a range of performance metrics as set out in the relevant Scorecards.

Bonus allocations to employees are determined based on the overall risk-adjusted EI performance, business performance and individual performance, whereby performance is assessed based on both financial and non-financial criteria, including conduct and behavior.

Performance objectives are set by EI, EI Senior Management and employees at the start of the performance year. The attainment of performance metrics is assessed throughout the year, formally at mid-year and year-end. Employee performance is assessed using performance ratings which are designed to support the pay-for-performance principle and enables the organization to differentiate between varying levels of performance. Individual bonuses are then determined taking into account the bonus pool funding for the relevant business and employee performance.

The annual discretionary bonus can comprise of both a cash bonus and a deferred award (which is granted and governed under the terms and conditions of the relevant plan rules). In line with UAE regulatory requirements, variable remuneration awarded from the 2022 Performance Year to MRTs includes a deferral element in the form of Deferred Cash.

##### Incentive Payments

Incentives apply to certain businesses and sales roles (or operations roles which support the sales roles) and/or roles responsible for recoveries against outstanding collections. Incentive payments are awarded in cash and have been aligned to practice in the local market, whilst enabling the Bank to reward employees based on EI, business unit and individual performance. The incentives also operate on the pay-for-performance principle. Incentives are calculated based on value-add, whether it be associated with the effort made by selling products and growing portfolios or volumes of transactions processed. Quantitative targets are set for specific roles and measurements against the quantitative targets are based on a set formulaic approach. Conduct, quality and risk measures apply to the performance assessment of the employee and impact the overall incentive payout to the employee. Employees who are under an incentive scheme are not entitled to annual bonuses.

EI may apply ex-post risk adjustment to variable compensation in the form of in-year adjustments via operation of Malus Adjustment and/or Claw back Adjustment on awards made and/or paid, including but not limited to, during periods of material restatement or downturn of financial results for the relevant period and instances of significant employee misbehavior or misconduct.

##### Remuneration related to Risk, Audit and Compliance employees

As Senior Managements of EI, the variable remuneration of the EI Head of Risk, EI Head of Audit and EI Head of Compliance are directly overseen by the EI BNRESGC.

Remuneration for EI Risk, Audit and Compliance employees is set at a level to attract and retain suitably qualified and experienced employees and is predominantly fixed remuneration (when considering the fixed: variable remuneration ratio). Performance is assessed based on the objectives of their respective functions and not on the performance of the business units that they oversee.

The bonus pool allocations to the EI Risk, Audit and Compliance functions and individual variable remuneration decisions for Control function employees are made independently of the overall financial performance of the business units they support and are based on the function's performance and overall affordability of EI.

Remuneration for the Shari'ah Control Function Units is managed separately as follows:

- for the Internal Shari'ah Control Head, variable compensation and fixed pay changes resulting from promotion are managed by the Board Risk Committee (BRC) and Internal Shari'ah Supervisory Committee (ISSC).
- for the Internal Shari'ah Audit Head, variable compensation, and fixed pay changes resulting from promotion, are managed by the Board Audit Committee (BAC) and Internal Shari'ah Supervisory Committee (ISSC).
- for employees reporting to the ISAD and ISCD Heads, variable compensation and fixed pay changes resulting from promotion, are managed by the respective department heads.

#### Remuneration awarded during the financial year (REMI)

The following table includes information on fixed and variable remuneration for the financial year.

		31 December 2025	
		Senior Management AED 000	Other Material Risk-takers AED 000
<b>Fixed Remuneration*</b>			
1	Number of employees**	15	6
2	Total fixed remuneration (3 + 5 + 7)	20,815	6,612
3	Of which: cash-based	20,259	6,537
4	Of which: deferred	–	–
5	Of which: shares or other share-linked instruments	–	–
6	Of which: deferred	556	75
7	Of which: other forms	–	–
8	Of which: deferred	–	–
<b>Variable Remuneration</b>			
9	Number of employees	13	6
10	Total variable remuneration (11 + 13 + 15)	14,840	5,600
11	Of which: cash-based	14,840	5,600
12	Of which: deferred	3,983	1,680
13	Of which: shares or other share-linked instruments	–	–
14	Of which: deferred	–	–
15	Of which: other forms	–	–
16	Of which: deferred	–	–
17	<b>Total Remuneration (2+10)</b>	<b>35,655</b>	<b>12,212</b>

\* Fixed Remuneration (which then forms part of Total Remuneration) has been reported on an award basis and excludes accrued post-employment and long-term benefits and deferrals which were paid in the current year but awarded in prior years.

\*\* The number of employees includes employees who were identified as Senior Management or MRTs at any time during the 2025 performance year, including those who were no longer Senior Management or MRTs as at the end of the year (i.e. former Senior Management / MRTs)

## Basel III – Pillar 3 Disclosures continued

### 31 December 2025

#### Remuneration Policy continued

##### Other variable remuneration

EI may award a guaranteed bonus to new hires, for the first year of employment only. The guaranteed bonus compensates for the loss of an annual bonus award from a prior employer that will be forfeited solely because of joining EI, in addition to the employee's performance with EI for the relevant performance year. An employee may also be awarded a discretionary annual bonus subject to their performance and in limited cases. Guaranteed bonuses will only be awarded in exceptional circumstances and in line with regulatory requirements. Guaranteed bonuses awarded to MRTs will also be subject to deferral.

EI may grant a buy-out award to new hires to compensate for the loss of unvested deferred compensation awards from a prior employer that will be forfeited solely because of the new hire ceasing employment with their prior employer to join EI, or paid compensation awards that are clawed back from the prior employer as a result of the new hire ceasing employment with the prior employer to join EI. Any applicable buy-outs would also be taken into account at the time the new hire is selected.

Retention awards are awarded in very limited circumstances and are granted to select talent; typically, existing employees based on business requirements with the aim of retaining top talent and/or critical resources for the business and taking into account the scarcity of talent both within EI and in the marketplace.

Severance payments are considered to be both fixed and variable pay, where fixed payments are contractual such as Gratuity in line with UAE Labor Law, and variable payments are those payments which are discretionary in nature such as ex-gratia.

Another form of fixed remuneration captured is Employer Pension Contributions.

#### Special Payments (REM2)

The following table includes quantitative information on special payments for the financial year.

31 December 2025 AED 000	Guaranteed Bonuses		Sign on Awards		Severance Payments	
	Number of employees	Total amount	Number of employees	Total amount	Number of employees	Total amount
<b>Special Payments</b>						
Senior Management	-	-	-	-	1	433
Other Material Risk-takers	-	-	-	-	-	-

#### Deferred remuneration (REM3)

In line with UAE regulatory requirements, variable remuneration awarded to MRTs in Q1 of each year (with effect from the 2022 performance year) includes a deferral element in the form of deferred cash.

The proportion of bonuses deferred is based on a set percentage of the bonus and increases significantly along with the level of seniority and/or responsibility of the MRT. For EI Senior Management and the most highly paid employees, the percentage of variable compensation that is deferred is substantially higher.

#### Policy and criteria for adjusting variable remuneration:

Variable compensation is subject to ex-post risk adjustment under certain events and conditions via operation of malus and/or clawback adjustments. Ex-post risk adjustment may be applied on an individual or a collective basis, depending on the circumstances of the event and in a range of circumstances, including but not limited to, material restatement or downturn of financial results for the relevant period, fraud or gross negligence by an individual or group of employees, material error or failures of risk management controls. The applicable claw back period is three years after the date of payment of the relevant award.

The circumstances for ex-post risk adjustment are reviewed by the EI BNRESGC annually and applied in each case as determined by the Committee at its sole discretion. EI will consider all relevant factors (including the proximity of the employee to the failure of risk management in question and the employee's level of responsibility) in deciding whether, and to what extent, it is reasonable to seek recovery of any or all of their variable remuneration.

#### Engagement of external professional consultants

External professional consultants are engaged by Human Resources and local compliance teams on a regular basis to ensure the Group's remuneration policies, practices and processes are in alignment with the market and compliant with regulatory requirements in each relevant jurisdiction. During the year 2025, Aon PLC (a leading global professional services firm specializing in risk, retirement, and health solutions) provided the Group with market and industry insights and trends and remuneration benchmarking data.

The following table includes quantitative information on Senior Management and MRT deferred remuneration subject to ex-post risk adjustment:

31 December 2025 AED 000	Total amount of outstanding deferred remuneration	Of which: Total amount of outstanding deferred and retained remuneration exposed to ex post explicit and/or implicit adjustment	Total amount of amendment during the year due to ex post explicit adjustments	Total amount of amendment during the year due to ex post implicit adjustments	Total amount of deferred remuneration paid out in the financial year
<b>Deferred and retained remuneration</b>					
<b>Senior management</b>	<b>6,925</b>	<b>6,925</b>	-	-	<b>1,852</b>
Cash	6,925	6,925	-	-	1,852
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
<b>Other material risk-takers</b>	<b>2,230</b>	<b>2,230</b>	-	-	<b>275</b>
Cash	2,230	2,230	-	-	275
Shares	-	-	-	-	-
Cash-linked instruments	-	-	-	-	-
Other	-	-	-	-	-
<b>Total</b>	<b>9,155</b>	<b>9,155</b>	-	-	<b>2,127</b>

## Basel III – Pillar 3 Disclosures continued 31 December 2025

### Acronyms

ALCO	Asset and Liability Committee	HQLA	High Quality Liquid Asset
ALM	Asset and Liability Management	IFRS	International Financial Reporting Standards
ASF	Available stable funding	ICAAP	Internal Capital Adequacy Assessment Process
ASRR	Advances to Stable Resources Ratio	ISDA	International Swaps and Derivatives Agreement
ATI	Additional Tier 1	IIFM	International Islamic Financial Market
BCBS	Basel Committee on Banking Supervision	LGD	Loss Given Default
BIS	Bank of International Settlements	MCC	Management Credit Committee
BRC	Board Risk Committee	MDB	Multilateral Development Banks
BCIC	Board Credit and Investment Committee	MR	Market Risk
BNRESGC	Board Nomination, Remuneration and ESG Committee	MTM	Mark-To-Market
CBUAE	Central Bank UAE	MTCR	Market & Treasury Credit Risk
CCF	Credit Conversion Factor	NFI	Net Funded Income
CCP	Central Counterparty	OTC	Over the counter
CCR	Counterparty Credit Risk	PD	Probability of Default
CCyB	Countercyclical capital buffer	PFE	Potential Future Exposure
CET1	Common Equity Tier 1	PIT	Point in Time
CRM	Credit Risk Mitigation	PM	Portfolio Management
CRO	Chief Risk Officer	PRR	Profit Rate Risk
CVA	Credit Valuation Adjustment	PVA	Prudent Valuation Adjustment
CCL	Commercial Company Law	QCCP	Qualifying Central Counterparty
CEO	Chief Executive Officer	RSF	Required stable funding
D-SIB	Domestic Systemically Important Bank	RWAs	Risk-Weighted Assets
DVA	Debit Valuation Adjustment	SA	Standardized Approach
EAD	Exposure at default	SCA	Securities and Commodities Authority
ECAI	External Credit Assessment Institutions	SFT	Securities Financing Transactions
ECL	Expected Credit Loss	SME	Small and Medium – sized Enterprise
ELAR	Eligible Liquid Asset Ratio	SPE	Special Purpose Entity
ExCo	Executive Committee	T1	Tier 1 capital
FSB	Financial Stability Board	T2	Tier 2 capital
GCC	Gulf Cooperative Council	TC	Total capital
GCRO	Group Chief Risk Officer	TESS	Target Economic Support Scheme
G-SIB	Global Systemically Important Bank	TM	Treasury Markets
GRC	Group Risk Committee	VaR	Value at Risk
		XVA	Credit and Funding Valuation Adjustment

### Glossary

#### Capital Conservation Buffer

A capital buffer prescribed by BCBS and CBUAE under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should the bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.

#### Countercyclical Capital Buffer (CCyB)

The countercyclical capital buffer is part of a set of macroprudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets.

#### Counterparty Credit Risk (CCR)

The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

#### Credit Conversion Factor (CCF)

As prescribed by CBUAE, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.

#### Credit Risk Adjustment (CRA)

This includes impairment allowances or provisions balances, and changes in ECL.

#### Credit risk mitigation (CRM)

Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

#### Internal Capital Adequacy Assessment Process (ICAAP)

A requirement under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.

#### Leverage Ratio

A ratio introduced under Basel III/CRD that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk-based backstop measure.

#### Eligible Liquid Assets Ratio (ELAR)

The ratio of the stock of high-quality liquid assets to expected net cash outflows. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

#### Advances to Stables Resource Ratio (ASRR)

The ratio of available stable funding to required stable funding. It is a longer-term liquidity measure designed to restrain the amount of wholesale deposit and encourage stable funding over a one-year time horizon.

#### RWA density

The risk-weighted asset as a percentage of exposure at default (EAD).

#### Securities Financing Transactions (SFT)

Securities Financing Transactions are secured (i.e., collateralized) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g., stock financing or stock deposits or the financing or deposits of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

#### Standardized Approach (SA)

In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.

**Basel III – Pillar 3 Disclosures** continued  
**31 December 2025**

**Appendix A : Main features of regulatory capital instruments (CCA)**

Sr no	Particulars	Equity Shares
1	Issuer	Emirates Islamic Bank PJSC
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	CBUAE, SCA, CCL
<b>Regulatory treatment</b>		
4	Transitional arrangement rules (i.e., grandfathering)	Common Equity Tier I
5	Post-transitional arrangement rules (i.e., grandfathering)	Common Equity Tier I
6	Eligible at solo/group/group and solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Common Shares
8	Amount recognized in regulatory capital <b>(AED in Millions, as of 31 December 2025)</b>	5,430
9	Nominal amount of instrument	NA
9a	Issue price	
9b	Redemption price	NA
10	Accounting classification	Equity Attributable to Equity Holders
11	Original date of issuance	
12	Perpetual or dated	Perpetual
13	Original maturity date	No Maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	NA
16	Subsequent call dates, if applicable 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)	Fully discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-Cumulative
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-own, description of writeup 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).	Perpetual Debt Instruments
30	Non-compliant transitioned features	NA
31	If yes, specify non-compliant features	NA

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