

# Innovation with Integrity

Basel III – Pillar 3 Disclosures  
For the three months period ended 31 March 2025



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## 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

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 new version to the Standards also includes additional 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 three months period ended 31 March 2025 have been reviewed by the Group’s Internal 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 as of 31 March 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. The Bank is listed in the Dubai Financial Market (TICKER: "EIB"). 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").

For details of Group's subsidiaries refer to Pillar 3 disclosures for year ended 31 December 2024 available on the Bank's website.

EMIRATES ISLAMIC BANK PJSC

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**Key metrics for the Group (KM1)**

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

	31 March 2025 AED 000	31 December 2024 AED 000	30 September 2024 AED 000	30 June 2024 AED 000	31 March 2024 AED 000	
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	15,261,265	14,358,016	14,221,431	13,248,378	12,373,993
1a	Fully loaded ECL accounting model <sup>1</sup>	15,261,265	14,191,302	14,019,463	13,025,341	12,167,944
2	Tier 1	15,261,265	14,358,016	14,221,431	13,248,378	12,373,993
2a	Fully loaded ECL accounting model Tier 1	15,261,265	14,191,302	14,019,463	13,025,341	12,167,944
3	Total capital	16,229,513	15,261,588	15,086,766	14,061,748	13,116,467
3a	Fully loaded ECL accounting model total capital	16,229,513	15,094,874	14,884,798	13,838,711	12,910,418
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	85,748,547	79,978,461	76,515,078	71,891,487	65,781,946
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	17.80%	17.95%	18.59%	18.43%	18.81%
5a	Fully loaded ECL accounting model CET1 (%)	17.80%	17.74%	18.32%	18.12%	18.50%
6	Tier 1 ratio (%)	17.80%	17.95%	18.59%	18.43%	18.81%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	17.80%	17.74%	18.32%	18.12%	18.50%
7	Total capital ratio (%)	18.93%	19.08%	19.72%	19.56%	19.94%
7a	Fully loaded ECL accounting model total capital ratio (%)	18.93%	18.87%	19.45%	19.25%	19.63%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.01%	0.01%	0.01%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.51%	2.51%	2.51%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	8.43%	8.58%	9.22%	9.06%	9.44%
<b>Leverage Ratio</b>						
13	Total leverage ratio measure	132,833,774	119,443,488	112,283,341	107,629,408	100,621,992
14	Leverage ratio (%) (row 2/row 13)	11.49%	12.02%	12.67%	12.31%	12.30%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	11.49%	11.88%	12.49%	12.10%	12.09%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.49%	11.88%	12.49%	12.10%	12.09%
<b>Liquidity Coverage Ratio</b>						
<b>ELAR</b>						
15	Total HQLA	19,093,054	17,679,062	17,764,061	18,540,907	18,102,674
16	Total Liabilities	103,862,658	95,522,740	90,502,883	86,883,724	80,491,544
17	Eligible Liquid Assets Ratio (ELAR) (%)	18.38%	18.51%	19.63%	21.34%	22.49%
<b>ASRR</b>						
18	Total available stable funding	99,923,672	92,030,381	89,312,855	84,163,118	78,189,322
19	Total Advances	87,295,060	80,600,069	72,653,691	68,354,485	61,563,170
20	Advances to Stable Resources Ratio (%)	87.36%	87.58%	81.35%	81.22%	78.74%

**Key metrics for the Group (KM1) (Continued)**

Significant change in each metrics compared with prior quarter has been explained below:

CET1 capital increase by AED 903 million as compared to the prior quarter, mainly driven by increase in profit for the quarter by AED 1,009 million, eligible reserves by AED 68 million which is offset by prudential filter by AED 167 million and regulatory deductions by AED 8 million.

Total Risk weighted assets (RWA) increased by AED 5.77 billion during the quarter. Refer OV1 disclosure for further details on RWAs.

<sup>1</sup>“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).

**Overview of Risk Management and Risk Weighted Assets (“RWAs”) (OV1)**

The following table provides an overview of total RWA forming the denominator of the risk-based capital requirements.

	31 March	31 December	Minimum
	2025	2024	capital
	AED 000	AED 000	requirements
			31 March
			2025
			AED 000
1 Credit risk (excluding counterparty credit risk)	75,945,916	71,150,545	9,879,804
2 Of which: standardized approach (SA)	75,945,916	71,150,545	9,879,804
3 Of which: foundation internal ratings-based (F-IRB) approach	-	-	-
4 Of which: supervisory slotting approach	-	-	-
5 Of which: advanced internal ratings-based (A-IRB) approach	-	-	-
6 Counterparty credit risk (CCR)	607,434	485,284	79,021
7 Of which: standardized approach for counterparty credit risk	607,434	485,284	79,021
8 Of which: Internal Model Method (IMM)	-	-	-
9 Of which: other CCR	-	-	-
10 Credit valuation adjustment (CVA)	906,503	649,939	117,927
11 Equity positions under the simple risk weight approach	-	-	-
12 Equity investments in funds - look-through approach	-	-	-
13 Equity investments in funds - mandate-based approach	-	-	-
14 Equity investments in funds - fallback approach	-	-	-
15 Settlement risk	-	-	-
16 Securitization exposures in the banking book	-	-	-
17 Of which: securitization internal ratings-based approach (SEC-IRBA)	-	-	-
18 Of which: securitization external ratings-based approach (SEC-ERBA)	-	-	-
19 Of which: securitization standardized approach (SEC-SA)	-	-	-
20 Market risk	155,899	61,033	20,281
21 Of which: standardized approach (SA)	155,899	61,033	20,281
22 Of which: internal models approach (IMA)	-	-	-
23 Operational risk	8,132,795	7,631,660	1,057,995
24 Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
25 Floor adjustment	-	-	-
<b>26 Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>85,748,547</b>	<b>79,978,461</b>	<b>11,155,028</b>

The regulatory minimum capital requirement is calculated at 13.0% of the RWA including CBUAE assigned capital buffers.

Total credit risk weighted assets (CRWAs) increased by AED 5.77 billion due to overall volume growth in due from banks, investment and financing receivables.

Increase in market risk weighted assets (MRWA) pertains to overall movement in GBP and SAR net long position as compared to previous quarter

## **Leverage Ratio**

### **Summary comparison of accounting assets versus leverage ratio exposure (LR1)**

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

	<b>31 March 2025</b>	<b>31 December 2024</b>
	<b>AED 000</b>	<b>AED 000</b>
1 Total consolidated assets as per published financial statements	123,354,046	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	681,728	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)	9,969,499	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>	(1,171,499)	(856,804)
<b>13 Leverage ratio exposure measure</b>	<b>132,833,774</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 (Continued)**
**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 as of period end.

	31 March 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)	122,039,126	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)	(116,539)	(109,009)
<b>7 Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>121,922,587</b>	<b>110,081,934</b>
<b>Derivative exposures</b>		
8 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	259,960	189,935
9 Add-on amounts for PFE associated with <i>all</i> derivatives transactions	412,674	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)	-	-
<b>13 Total derivative exposures (sum of rows 8 to 12) *1.4</b>	<b>941,688</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	-	-
<b>18 Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>		
19 Off-balance sheet exposure at gross notional amount	31,639,581	28,491,055
20 (Adjustments for conversion to credit equivalent amounts)	21,670,082	19,895,973

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

	31 March 2025 AED 000	31 December 2024 AED 000
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>9,969,499</b>	<b>8,595,082</b>
<b>Capital and total exposures</b>		
23		
<b>Tier 1 capital</b>	<b>15,261,265</b>	<b>14,358,016</b>
24		
<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>132,833,774</b>	<b>119,443,488</b>
25		
<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>11.49%</b>	<b>12.02%</b>
25a		
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.49%	12.02%
26		
CBUAE minimum leverage ratio requirement	3.00%	3.00%
27		
<b>Applicable leverage buffers</b>	<b>8.49%</b>	<b>9.02%</b>

**BASEL III – PILLAR 3 DISCLOSURES**  
**31 MARCH 2025**
**Liquidity**
**Eligible Liquid Assets Ratio (ELAR)**

The ELAR is calculated based on Central Bank of UAE regulations which is included in the following table.

1 High Quality Liquid Assets	Nominal Amount	Eligible Liquid Asset	Nominal Amount	Eligible Liquid Asset
	31 March 2025 AED 000	31 March 2025 AED 000	31 December 2024 AED 000	31 December 2024 AED 000
1.1 Physical cash in hand at the bank + balances with the CBUAE	16,677,958	-	15,404,880	-
1.2 UAE Federal Government Bonds and Sukuks	1,980,658	-	1,882,464	-
<b>Sub Total (1.1 to 1.2)</b>	<b>18,658,616</b>	<b>18,658,616</b>	<b>17,287,344</b>	<b>17,287,344</b>
1.3 UAE local governments publicly traded sukuk securities	434,438	-	391,718	-
1.4 UAE Public sector publicly traded sukuk securities	-	-	-	-
<b>Sub Total (1.3 to 1.4)</b>	<b>434,438</b>	<b>434,438</b>	<b>391,718</b>	<b>391,718</b>
1.5 Foreign Sovereign sukuk instruments or instruments issued by their respective central banks	-	-	-	-
<b>1.6 Total</b>	<b>19,093,054</b>	<b>19,093,054</b>	<b>17,679,062</b>	<b>17,679,062</b>
2 Total liabilities		103,862,658		95,522,740
<b>3 Eligible Liquid Assets Ratio (ELAR)</b>		<b>18.38%</b>		<b>18.51%</b>

The Group maintained ELAR of 18.38 % (calculated on the basis of 90 days simple average). ELAR as of 31 March 2025 was 19.38%, 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 over the reporting period was AED 19.09 billion which mainly comprised of cash and reserves with Central Bank of UAE.

The average Total Liabilities over the reporting period was AED 103.86 billion.

**BASEL III – PILLAR 3 DISCLOSURES**  
**31 MARCH 2025**
**Advance to Stable Resources Ratio (ASRR)**

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

<b>Items</b>		<b>31 March 2025</b>	<b>31 December 2024</b>
<b>Computation of Advances</b>		<b>AED 000</b>	<b>AED 000</b>
<b>1</b>			
1.1	Net Financing (gross financing - specific and collective provisions + profit in suspense)	74,574,495	70,418,832
1.2	Financing to non-banking financial institutions	2,103,147	1,645,267
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	677,096	623,391
1.4	Interbank Placements	9,940,322	7,912,579
<b>1.5</b>	<b>Total Advances</b>	<b>87,295,060</b>	<b>80,600,069</b>
<b>2</b>	<b>Calculation of Net Stable Resources</b>		
2.1	Total capital + general provisions	16,915,764	15,744,707
	<b>Deduct:</b>		
2.1.1	Goodwill and other intangible assets	-	-
2.1.2	Fixed Assets	322,575	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</b>	<b>Total deduction</b>	<b>415,349</b>	<b>412,987</b>
<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>16,500,415</b>	<b>15,331,720</b>
<b>2.3</b>	<b>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	458,317	863,477
2.3.3	Refinancing of Home financing	-	-
2.3.4	Deposits from non-Banking Financial Institutions	1,097,621	1,044,789
2.3.5	Customer Deposits	70,584,319	65,527,270
2.3.6	Sukuk payable maturing after 6 months from reporting date	11,283,000	9,263,125
<b>2.3.7</b>	<b>Total other stable resources</b>	<b>83,423,257</b>	<b>76,698,661</b>
<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>99,923,672</b>	<b>92,030,381</b>
<b>3</b>	<b>Advances to Stable Resources Ratio (1.5/ 2.4*100)</b>	<b>87.36%</b>	<b>87.58%</b>

The Group maintained ASRR of 87.36% over the reporting period, which is below the regulatory limit of 100%.

**Acronyms**

ALCO	Asset and Liability Committee	IFRS	International Financial Reporting Standards
ALM	Asset and Liability Management	ICAAP	Internal Capital Adequacy Assessment Process
ASF	Available stable funding	LGD	Loss Given Default
ASRR	Advances to Stable Resources Ratio	MDB	Multilateral Development Banks
AT1	Additional Tier 1	MR	Market Risk
BCBS	Basel Committee on Banking Supervision	MTM	Mark-To-Market
BIS	Bank of International Settlements	NFI	Net Funded Income
BRC	Board Risk Committee	OTC	Over the counter
CBUAE	Central Bank UAE	PD	Probability of Default
CCF	Credit Conversion Factor	PFE	Potential Future Exposure
CCP	Central Counterparty	PIT	Point in Time
CCR	Counterparty Credit Risk	PM	Portfolio Management
CCyB	Countercyclical capital buffer	PRR	Profit Rate Risk
CET1	Common Equity Tier 1	PVA	Prudent Valuation Adjustment
CRM	Credit Risk Mitigation	QCCP	Qualifying Central Counterparty
CRO	Chief Risk Officer	RSF	Required stable funding
CVA	Credit Valuation Adjustment	RWAs	Risk-Weighted Assets
CCL	Commercial Company Law	SA	Standardized Approach
D-SIB	Domestic Systemically Important Bank	SCA	Securities and Commodities Authority
DVA	Debit Valuation Adjustment	SFT	Securities Financing Transactions
EAD	Exposure at default	SME	Small and Medium - sized Enterprise
ECAI	External Credit Assessment Institutions	SPE	Special Purpose Entity
ECL	Expected Credit Loss	T1	Tier 1 capital
ELAR	Eligible Liquid Asset Ratio	T2	Tier 2 capital
FSB	Financial Stability Board	TC	Total capital
GCC	Gulf Cooperative Council	TESS	Target Economic Support Scheme
GCRO	Group Chief Risk Officer	TM	Treasury Markets
G-SIB	Global Systemically Important Bank	VaR	Value at Risk
HQLA	High Quality Liquid Asset	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).

**Glossary (Continued)****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.

**Appendix A**
**Template CCA: Main features of regulatory capital instruments**

<b>Sr no</b>	<b>Particulars</b>	<b>Equity Shares</b>
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 March 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





**Emirates Islamic Bank P.J.S.C.**

3rd Floor, Building 16,  
Dubai Healthcare City, Dubai  
PO Box: 6564, Dubai,  
United Arab Emirates

[emiratesislamic.ae](http://emiratesislamic.ae)

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