

EMIRATES NBD BANK (P.J.S.C.)

BASEL III – PILLAR 3 DISCLOSURES

FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025



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Introduction

The Central Bank of the UAE (CBUAE) supervises Emirates NBD (P.J.S.C.) (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 Basel III framework of the Basel Committee on Banking Supervision after applying the amendments advised by the CBUAE, within national discretion. The Basel framework is structured around three 'pillars', pillar 1 on minimum capital requirements and pillar 2 on supervisory review process complemented by disclosures under pillar 3 on market discipline.

Pillar 3 disclosures

Pillar 3 disclosures complement 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 Group. Disclosures consist of both qualitative and quantitative 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 (CCB) and Countercyclical Capital Buffer (CCyB) - 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 the 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 1 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.

Pillar 3 disclosures (continued)

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 consistent with the CBUAE Basel III standards which is approved by the Group Board Audit Committee.

Verification

The pillar 3 Disclosures for the half year ended 30 September 2025 have been reviewed by the Group's internal auditors.

Implementation of Basel III standards and guidelines

The Group is compliant with standardised approach for credit, market and operational risk (Pillar 1) as applicable as of 30 September 2025.

The Group also assigns capital on other than pillar 1 risk categories which are part of the pillar 2 framework.

Group structure

The Bank was incorporated in the United Arab Emirates on 16 July 2007 consequent to the merger between Emirates Bank International P.J.S.C. and National Bank of Dubai P.J.S.C., under the Commercial Companies Law (Federal Law Number 8 of 1984 as amended) as a Public Joint Stock Company (P.J.S.C.).

The Bank is listed on Dubai Financial Market (TICKER: "EMIRATESNBD"). The Group's principal business activities are corporate & institutional banking, retail banking & wealth management, global markets & treasury (GM&T) and Islamic banking. The Bank's website is www.emiratesnbd.com.

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

Key metrics for the Group (KM1)

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

AED in millions	30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2024
Available capital (amounts) ²					
1 Common equity tier 1 (CET1)	120,133	113,327	106,569	101,273	103,693
1a Fully loaded ECL accounting model ¹	120,133	113,327	106,569	100,352	102,920
2 Tier 1	129,262	122,456	115,698	110,402	112,822
2a Fully loaded ECL accounting model Tier 1	129,262	122,456	115,698	109,481	112,049
3 Total capital	138,171	130,863	123,575	117,934	120,103
3a Fully loaded ECL accounting model total capital	138,171	130,863	123,575	117,013	119,330
Risk-weighted assets (amounts)					
4 Total risk-weighted assets (RWA)	818,030	771,576	725,681	690,375	668,843
Risk-based capital ratios as a percentage of RWA					
5 Common equity tier 1 ratio (%)	14.69%	14.69%	14.69%	14.67%	15.50%
5a Fully loaded ECL accounting model CET1 (%)	14.69%	14.69%	14.69%	14.54%	15.39%
6 Tier 1 ratio (%)	15.80%	15.87%	15.94%	15.99%	16.87%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	15.80%	15.87%	15.94%	15.86%	16.75%
7 Total capital ratio (%)	16.89%	16.96%	17.03%	17.08%	17.96%
7a Fully loaded ECL accounting model total capital ratio (%)	16.89%	16.96%	17.03%	16.95%	17.84%
Additional CET1 buffer requirements as a percentage of RWA					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9 Countercyclical buffer requirement (%)	0.07%	0.08%	0.07%	0.07%	0.06%

Key metrics for the Group (KM1) (continued)

AED in millions	30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2024
10 Bank D-SIB additional requirements (%)	1.50%	1.50%	1.50%	1.50%	1.50%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	4.07%	4.08%	4.07%	4.07%	4.06%
12 CET1 available after meeting the bank's minimum capital requirements (%)	6.39%	6.46%	6.53%	6.58%	7.46%
Leverage ratio					
13 Total leverage ratio measure	1,281,285	1,208,240	1,143,158	1,106,192	1,052,110
14 Leverage ratio (%) (row 2/row 13)	10.09%	10.14%	10.12%	9.98%	10.72%
14a Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.09%	10.14%	10.12%	9.90%	10.65%
14b Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.09%	10.14%	10.12%	9.90%	10.65%
Liquidity coverage ratio					
15 Total HQLA	251,383	267,068	250,034	241,257	222,819
16 Total net cash outflow	152,943	145,000	132,150	119,525	111,728
17 LCR ratio (%)	164.36%	184.19%	189.20%	201.85%	199.43%
Net stable funding ratio					
18 Total available stable funding	731,538	707,232	670,686	652,011	632,140
19 Total required stable funding	590,599	544,683	521,273	509,677	494,579
20 NSFR ratio (%)	123.86%	129.84%	128.66%	127.93%	127.81%

Key metrics for the Group (KM1) (continued)

Quarter on quarter CET1 capital increased by AED 6.9 billion driven by pre-hyperinflation profit for the quarter .

Refer overview (OV1) disclosure for further details on risk weighted assets (RWAs).

¹“Fully Loaded” means Group’s regulatory capital compared with a situation where the transitional arrangement (if any) had not been applied. There are no transitional arrangements applicable on 30 September 2025.

CBUAE had introduced transitional arrangements as per circular no. 04/2020 “Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements”.

Pursuant to the above circular, CBUAE issued a regulation for a ‘Prudential Filter’ that permitted 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 for the years 2020 to 2024, on a proportionate basis. The said prudential filter ended on 31 December 2024.

² Impacts of implementing IAS 29 on hyperinflation accounting in financial statements are excluded from regulatory ratios calculations.

Overview of risk weighted assets (RWAs) (OV1)

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

		30	30	31	Minimum
		September	June	December	capital
		2025	2025	2024	requirements
AED in millions					30
					September
					2025
1	Credit risk (excluding counterparty credit risk)	691,039	653,140	589,675	100,684
2	Of which: standardised approach (SA)	691,039	653,140	589,675	100,684
3	Counterparty credit risk (CCR)	12,217	11,484	7,751	1,780
4	Of which: standardised approach for counterparty credit risk	12,217	11,484	7,751	1,780
5	Credit valuation adjustment (CVA)	8,697	7,870	5,007	1,267
6	Equity investments in funds - look-through approach	-	-	-	-
7	Equity investments in funds - mandate-based approach	-	-	-	-
8	Equity investments in funds - fall-back approach	770	103	102	112
9	Settlement risk	-	-	-	-
10	Securitisation exposures in the banking book	-	-	-	-
11	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
12	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
13	Market risk	26,666	22,700	16,550	3,885
14	Of which: standardised approach (SA)	26,666	22,700	16,550	3,885
15	Operational risk	78,641	76,279	71,290	11,458
16	Total (1+3+5+8+13+15)	818,030	771,576	690,375	119,186

The regulatory minimum capital requirement is calculated at 14.57% of the RWA including CBUAE assigned capital buffers.

Credit risk weighted assets increased by AED 40 billion quarter on quarter due to growth in lending, interbank placements and other off balance sheet commitments.

Market risk weighted assets are mainly driven by increase in trading book investments.

Operational risk weighted assets increased due to higher average operating income of last 3 years, as Q3 2025 replaced the lower operating income of Q3 2022.

Leverage Ratio

Summary comparison of accounting assets versus leverage ratio exposure (LRI)

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

AED in millions		30 September 2025	30 June 2025	31 December 2024
1	Total consolidated assets as per published financial statements	1,139,083	1,085,641	996,582
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	1,995	2,528	3,889
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-	-
7	Adjustments for eligible cash pooling transactions	-	-	-
8	Adjustments for derivative financial instruments	8,932	6,762	5,130
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-	-
10	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	148,607	132,495	117,507
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12	Other adjustments ¹	(17,332)	(19,186)	(16,916)
13	Leverage ratio exposure measure	1,281,285	1,208,240	1,106,192

¹This includes Assets deducted from CET1 capital, customer acceptances (considered as off-balance sheet) and Impact of IAS 29 on hyperinflation accounting excluded.

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.

On-balance sheet exposures AED in million		30 September 2025	30 June 2025	31 December 2024
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,090,366	1,030,374	948,926
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-	-
3	Deductions of receivable assets for cash variation margin provided in derivatives transactions	-	-	-
4	Adjustment for securities received under securities financing transactions that are recognised as an asset	-	-	-
5	Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital	-	-	-
6	Asset amounts deducted in determining Tier 1 capital	(7,662)	(7,586)	(7,408)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	1,082,704	1,022,788	941,518
Derivative exposures				
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,870	4,326	4,722
9	Add-on amounts for PFE associated with all derivatives transactions	10,123	8,371	7,848
10	Exempted CCP leg of client-cleared trade exposures	-	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-	-

Leverage Ratio (continued)

Leverage ratio common disclosure template (LR2) (continued)

AED in millions

	30 September 2025	30 June 2025	31 December 2024
12 Adjusted effective notional offsets and add-on deductions for written credit derivatives	-	-	-
13 Total derivative exposures (Calculated as rows 8 to 12)*1.4	19,590	17,776	17,598
Securities financing transactions			
14 Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	30,383	35,180	29,569
15 Netted amounts of cash payables and cash receivables of gross SFT assets	-	-	-
16 CCR exposure for SFT assets	-	-	-
17 Agent transaction exposures	-	-	-
18 Total securities financing transaction exposures (sum of rows 14 to 17)	30,383	35,180	29,569
Other off-balance sheet exposures			
19 Off-balance sheet exposure at gross notional amount	422,199	389,334	374,511
20 Adjustments for conversion to credit equivalent amounts	(273,591)	(256,838)	(257,004)
21 Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital	-	-	-
22 Off-balance sheet items (sum of rows 19 to 21)	148,608	132,496	117,507
Capital and total exposures			
23 Tier 1 capital	129,262	122,456	110,402
24 Total exposures (sum of rows 7, 13, 18 and 22)	1,281,285	1,208,240	1,106,192
Leverage ratio			
25 Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.09%	10.14%	9.98%
25a Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.09%	10.14%	9.98%
26 CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27 Applicable leverage buffers	0.5%	0.5%	0.5%

Liquidity coverage ratio (LCR) (LIQ1)

The LCR calculated based on CBUAE regulations is included in the following table. The LCR disclosure below is a simple average of the month end Group LCR observations over the last quarter of the year.

AED in millions	30 September 2025 Total unweighted value (average)	30 September 2025 Total weighted value (average)	31 December 2024 Total unweighted value (average)	31 December 2024 Total weighted value (average)
1 Total HQLA	-	251,383	-	241,257
2 Retail deposits and deposits from small business customers, of which:				
3 Stable deposits	12,521	626	9,057	453
4 Less stable deposits	361,945	29,804	334,325	27,328
5 Unsecured wholesale funding, of which:				
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	106,325	26,581	89,494	22,373
7 Non-operational deposits (all counterparties)	184,359	93,750	160,505	79,632
8 Unsecured debt	-	-	-	-
9 Secured wholesale funding	-	1,967	-	495
10 Additional requirements, of which:				
11 Outflows related to derivative exposures and other collateral requirements	13,228	8,009	11,984	6,404
12 Outflows related to loss of funding of debt products	-	-	-	-
13 Credit and liquidity facilities	340,789	43,047	269,851	30,802
14 Other contractual funding obligations	10,318	10,318	8,328	8,328
15 Other contingent funding obligations	24,741	1,237	22,893	1,145
16 Total cash outflows		215,339		176,960

Liquidity coverage ratio (LCR) (LIQ1) (continued)

AED in millions		30 September 2025	30 September 2025	31 December 2024	31 December 2024
		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
17	Secured lending (e.g., reverse repo)	5,983	4,094	7,611	3,896
18	Inflows from fully performing exposures	64,794	46,418	60,935	46,125
19	Other cash inflows	11,884	11,884	7,413	7,413
20	Total cash inflows	82,661	62,396	75,959	57,435
		Total adjusted value		Total adjusted value	
21	Total HQLA	251,383		241,257	
22	Total net cash outflows	152,943		119,525	
23	Liquidity coverage ratio (%)	164.36%		201.85%	

The Group maintained a LCR of 164.36% (2024: 201.85%) on an average during last quarter of the reporting year and 149.43% (2024: 197.28%) as of 30 September 2025 reporting period, which is in excess of the regulatory minimum of 100%. The LCR is influenced by the amount, profile of the funding base and the deployment of funding into customer lending or HQLA investments. The deployment alternatives are assessed on an ongoing basis and adjusted as per the market opportunities, while maintaining a prudent LCR surplus.

The HQLA over the reporting period was AED 251 billion (2024: 241 billion) and 90% (2024: 91%) of this comprised of HQLA level 1 assets, which represents balances held with Central Banks and other high quality sovereign securities. HQLA Level 2A and 2B assets comprised the remaining 10% (2024: 9%) of the total HQLA. The HQLA presented excludes excess liquidity held at subsidiaries that is deemed not transferable within the Group.

The retail deposits are prescribed a lower run-off factor and comprise 14% (2024: 16%) of the total cash outflow, whereas wholesale funding is prescribed a higher run-off and comprise 57% (2024: 58%) of the total cash outflows.

The Group manages liquidity at currency level and cross currency funding is utilized appropriately to manage the currency gaps. The Group measures LCR for major currencies and meets the local currency LCR as per the applicable local prudential requirement.

Acronyms

ALCO	Asset and Liability Committee	LGD	Loss Given Default
ALM	Asset and Liability Management	MDB	Multilateral Development Banks
ASF	Available stable funding	MR	Market Risk
AT1	Additional Tier 1	MTM	Mark-To-Market
BCBS	Basel Committee on Banking Supervision	NII	Net Interest Income
BIS	Bank for International Settlements	NSFR	Net Stable Funding Ratio
BRC	Board Risk Committee	OTC	Over the counter
CBUAE	Central Bank of the 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	PVA	Prudent Valuation Adjustment Qualifying Central Counterparty
CET1	Common Equity Tier 1	QCCP	Required stable funding
CRM	Credit Risk Mitigation	RSF	Risk-Weighted Assets
CVA	Credit Valuation Adjustment	RWAs	Standardised Approach Securities Financing Transactions
D-SIB	Domestic Systemically Important Bank	SA	Small and Medium - sized Enterprise
DVA	Debit Valuation Adjustment	SFT	Special Purpose Entity
EAD	Exposure at default	SME	Tier 1 capital
ECAI	External Credit Assessment Institutions	SPE	Tier 2 capital
ECL	Expected Credit loss	T1	Total capital
FSB	Financial Stability Board	T2	Target Economic Support Scheme
GCC	Gulf Cooperative Council	TC	Value at Risk
G-SIB	Global Systemically Important Bank	TESS	Credit and Funding Valuation Adjustment
HQLA	High Quality Liquid Asset	VaR	
IFRS	International Financial Reporting Standards	XVA	
ICAAP	Internal Capital Adequacy Assessment Process	TM	Treasury Markets Securities and Commodities Authority
IRR	Interest Rate Risk	SCA	Commercial Companies Law
LCR	Liquidity Coverage Ratio	CCL	
BN&RC	Board Nomination & Remuneration Committee		

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)

Factors used to convert off-balance-sheet items into credit exposure equivalents.

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.

Domestic systemically important banks (D-SIBs)

Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The CBUAE and the BCBS have developed a framework for identifying and dealing with D-SIBs. The Central Bank of the UAE annually assesses national banks at their consolidated group level and foreign banks at their UAE branch level; to designate banks whose failure could escalate to systemic risk for the UAE banking sector and eventually impact the economy.

Glossary (continued)

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 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.

Liquidity coverage ratio (LCR)

The ratio of the stock of high quality liquid assets to expected net cash outflows over the following 30 days. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

Net stable funding ratio (NSFR)

The ratio of available stable funding to required stable funding over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing 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. collateralised) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

Standardised 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.