البنك العربي
ARAB BANK
Beginnings never end

Pillar III Disclosures

For The Period Ended 30 September 2026

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1. Overview, risk management, key prudential metrics and RWA:

OVERVIEW

Introduction

The aim of the capital adequacy regime is to promote safety and soundness in the financial system. It is structured around three 'pillars': Pillar 1 on minimum capital requirements; Pillar 2 on the supervisory review process; and Pillar 3 on market discipline. Pillar 3 requires firms to publish a set of disclosures which allow market participants to assess the organization's key prudential metrics, risk exposures and risk assessment process. The disclosures contained in this document cover the qualitative and quantitative disclosure requirements of Pillar 3, set out in the Notice No. CBUAE/BSD/N/2020/4980, and are mainly based on reviewed/audited financial statements as at 30 September 2026 with comparative figures for 30 June 2026, 31 March 2026 and 31 December 2025 where relevant. Some of the comparative figure disclosures have been represented to comply with the latest published standards.

Objective

The objective of this report is to provide information on risk management in the Bank to relevant stakeholders and supervisory bodies. In particular, it describes the Bank's capital adequacy and liquidity position.

Scope

Arab Bank plc, United Arab Emirates Branches (interchangeably referred to as "AB UAE" or the "Bank") was incorporated in the United Arab Emirates ("UAE") as a commercial bank in 1971. The Head Office of the Branches is Arab Bank plc (interchangeably referred to as "HO" or the "Group"), a public shareholding bank, listed on the Amman Stock Exchange.

The Bank operates within the UAE through the following branches:

Abu Dhabi	2 branches
Dubai	4 branches
Sharjah	1 branch
Ras al-Khaimah	1 branch

Arab Bank – UAE Branches follows the pillar 1 of Basel III Standard and guideline to measure and calculate the required capital charges and subsequent Pillar III disclosures. The scope of regulatory consolidation represents the data prepared in Banking Return Forms (BRF) as well as the capital adequacy computation according to the CBUAE regulations and explanatory notes, while the consolidated financial statements represent the figures in the audited financial statements prepared according to applicable International Accounting Standards and related IFRSs. There are differences between the scope of regulatory reporting and audited financial statements, which mainly comprise of netting of provisions and interest in suspense as well as different classifications of asset line items.

I. Key Metrics

The following table presents the breakdown of the Bank's key regulatory metrics, as measured and defined according to the CBUAE Basel & Liquidity Regulations.

Liquidity ratios (ELAR and ASRR) also remain well-buffered and trend comfortably against the binding requirements of 10% (floor) and 100% (cap) respectively.

		30-Sep-2026	30-Jun-2026	31-Mar-2026	31-Dec-2025
		AED'000	***AED'000***	*AED'000*	*AED'000*
	Available capital (amounts)				
1	Common Equity Tier 1 (CET1)	**3,837,483**	3,689,600	3,564,769	3,442,816
1a	Fully loaded ECL accounting model	**3,837,483**	3,689,600	3,564,769	3,442,816
2	Tier 1	**3,837,483**	3,689,600	3,564,769	3,442,816
2a	Fully loaded ECL accounting model Tier 1	**3,837,483**	3,689,600	3,564,769	3,442,816
3	Total capital	**3,837,483**	3,689,600	3,564,769	3,442,816
3a	Fully loaded ECL accounting model total capital	**3,837,483**	3,689,600	3,564,769	3,442,816
4	Total risk-weighted assets (RWA)	**23,984,938**	23,338,105	22,988,966	22,106,796
5	Common Equity Tier 1 ratio (%)	**16.00%**	15.81%	15.51%	15.57%
5a	Fully loaded ECL accounting model CET1 (%)	**16.00%**	15.81%	15.51%	15.57%
6	Tier 1 ratio (%)	**16.00%**	15.81%	15.51%	15.57%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	**16.00%**	15.81%	15.51%	15.57%
7	Total capital ratio (%)	**16.00%**	15.81%	15.51%	15.57%
7a	Fully loaded ECL accounting model total capital ratio (%)	**16.00%**	15.81%	15.51%	15.57%
8	Capital conservation buffer requirement (2.5% from 2019) (%)	**2.50%**	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	**0.5%**	0.5%	0.50%	0.50%
10	Bank D-SIB additional requirements (%)	**-**	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	**3.00%**	3.00%	3.00%	3.00%
12	CET1 available after meeting the bank's minimum capital requirements (%)	**5.50%**	5.31%	5.01%	5.07%
13	Total leverage ratio measure	**35,460,483**	35,464,247	34,817,416	34,376,409
14	Leverage ratio (%) (row 2/row 13)	**10.82%**	10.40%	10.24%	10.02%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	**10.82%**	10.40%	10.24%	10.02%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	**10.82%**	10.40%	10.24%	10.02%
15	Total HQLA	**-**	-	-	-
16	Total net cash outflow	**-**	-	-	-
17	LCR ratio (%)	**0%**	0%	0%	0%
18	Total available stable funding	**-**	-	-	-
19	Total required stable funding	**-**	-	-	-
20	NSFR ratio (%)	**0%**	0%	0%	0%
21	Total HQLA	**6,803,982**	7,915,390	8,147,509	8,135,365
22	Total liabilities	**22,360,728**	22,740,693	22,177,359	22,325,548
23	Eligible Liquid Assets Ratio (ELAR) (%)	**30.43%**	34.81%	36.74%	36.44%
24	Total available stable funding	**21,847,281**	22,162,351	21,895,755	22,227,001
25	Total Advances	**16,704,960**	16,100,128	15,889,107	15,596,615
26	Advances to Stable Resources Ratio (%)	**76.46%**	72.65%	72.57%	70.17%

II. Overview of RWA

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

		RWA	RWA	**Minimum capital requirements**	Minimum capital requirements
	AED'000	**30-Sep-2026**	30-Jun-2026	**30-Sep-2026**	30-Jun-2026
1	Credit risk (excluding counterparty credit risk)	**21,988,557**	21,206,241	**2,308,798**	2,226,655
2	Of which: standardised approach (SA)	**21,988,557**	21,206,241	**2,308,798**	2,226,655
3					
4					
5					
6	Counterparty credit risk (CCR)	**40,020**	73,740	**4,202**	7,743
7	Of which: standardised approach for counterparty credit risk	**40,020**	73,740	**4,202**	7,743
8	Of which: Internal Model Method (IMM)	**-**	-	**-**	-
9	Of which: other CCR	**-**	-	**-**	-
10	Credit valuation adjustment (CVA)	**-**	-	**-**	-
11	Equity positions under the simple risk weight approach	**-**	-	**-**	-
12	Equity investments in funds - look-through approach	**-**	-	**-**	-
13	Equity investments in funds - mandate-based approach	**-**	-	**-**	-
14	Equity investments in funds - fall-back approach	**-**	-	**-**	-
15	Settlement risk	**-**	-	**-**	-
16	Securitisation exposures in the banking book	**-**	-	**-**	-
17					
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	**-**	-	**-**	-
19	Of which: securitisation standardised approach (SEC-SA)	**-**	-	**-**	-
20	Market risk	**124,865**	226,628	**13,111**	23,796
21	Of which: standardised approach (SA)	**124,865**	226,628	**13,111**	23,796
22					
23	Operational risk	**1,831,496**	1,831,496	**192,307**	192,307
24					
25					
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**23,984,938**	23,338,105	**2,518,418**	2,450,501

2.Leverage Ratio

2.1 Summary comparison of accounting assets vs leverage ratio exposure

		30-Sep-2026	30-Jun-2026	31-Mar-2026	31-Dec-2025
		AED'000	AED'000	AED'000	AED'000
1	Total consolidated assets as per interim/audited reviewed financial statements	**26,143,040**	26,352,779	25,803,096	25,777,415
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	**-**	-	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	**-**	-	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	**-**	-	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	**-**	-	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	**-**	-	-	-
7	Adjustments for eligible cash pooling transactions	**-**	-	-	-
8	Adjustments for derivative financial instruments	**42,613**	75,397	78,555	62,814
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)	**9,044,485**	8,781,249	8,835,547	8,383,779
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	**-**	-	-	-
12	Other adjustments	**230,345**	254,822	100,218	152,401
13	**Leverage ratio exposure measure**	**35,460,483**	35,464,247	34,817,416	34,376,409

Arab Bank UAE's leverage ratio remains comfortably above the 3% minimum requirement at 10.82% for Q3'26 (10.40% as of Q2 2026, 10.24% as of Q1 2026 and 10.02% as of Q4'25).

2.2 Leverage ratio common disclosure template

		30-Sep-2026	30-Jun-2026	31-Mar-2026	31-Dec-2025
On-balance sheet exposures		**AED'000**	AED'000	AED'000	AED'000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	**26,381,421**	26,615,153	25,910,158	25,935,974
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)	**(8,036)**	(7,552)	(6,844)	(6,158)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**26,373,385**	26,607,601	25,903,314	25,929,816
Derivative exposures					
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	**1,735**	22,963	26,426	19,054
9	Add-on amounts for PFE associated with *all* derivatives transactions	**40,879**	52,434	52,129	43,760
10	(Exempted CCP leg of client-cleared trade exposures)	**-**	-	-	-
11	Adjusted effective notional amount of written credit derivatives	**-**	-	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**-**	-	-	-
13	**Total derivative exposures (sum of rows 8 to 12)**	**42,614**	75,397	78,555	62,814
Securities financing transactions					
14	Gross SFT *assets* (with no recognition of netting), after adjusting for sale accounting transactions	**-**	-	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**-**	-	-	-
16	CCR exposure for SFT assets	**-**	-	-	-
17	Agent transaction exposures	**-**	-	-	-
18	**Total securities financing transaction exposures (sum of rows 14 to 17)**	**-**	-	-	-
Other off-balance sheet exposures					
19	Off-balance sheet exposure at gross notional amount	**17,332,998**	17,102,380	17,273,676	16,067,389
20	(Adjustments for conversion to credit equivalent amounts)	**(8,288,514)**	(8,321,131)	(8,438,129)	(7,683,610)
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)**	**9,044,484**	8,781,249	8,835,547	8,383,779
Capital and total exposures					
23	**Tier 1 capital**	**3,837,483**	3,689,600	3,564,769	3,442,816
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**35,460,483**	35,464,247	34,817,416	34,376,409
Leverage ratio					
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**10.82%**	10.40%	10.24%	10.02%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**10.82%**	10.40%	10.24%	10.02%
26	CBUAE minimum leverage ratio requirement	**3%**	3%	3%	3%
27	**Applicable leverage buffers**	**0%**	0%	0%	0%

3.Liquidity

3.1 Eligible Liquid Assets Ratio

The following table presents the breakdown of the Bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

The ratio remains comfortably above the minimum requirement of 10%

30th Sep 2026

AED'000

1	**High Quality Liquid Assets**	**Nominal amount**	**Eligible Liquid Asset**
1.1	Physical cash in hand at the bank + balances with the CBUAE	**6,828,148**	
1.2	UAE Federal Government Bonds and Sukuks	**541,463**	
	Sub Total (1.1 to 1.2)	**7,369,612**	**7,369,612**
1.3	UAE local governments publicly traded debt securities	**75,000**	
1.4	UAE Public sector publicly traded debt securities	**0**	
	Sub total (1.3 to 1.4)	**75,000**	**75,000**
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	**0**	**0**
1.6	**Total**	**7,444,612**	**7,444,612**
2	Total liabilities		**22,539,003**
3	**Eligible Liquid Assets Ratio (ELAR)**		**33.03%**

The above represents simple average of 3 monthly ELAR returns as submitted to CBUAE in Q3'26.

31st Dec 2025

AED'000

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	7,478,929	
1.2	UAE Federal Government Bonds and Sukuks	629,224	
	Sub Total (1.1 to 1.2)	8,108,153	8,108,153
1.3	UAE local governments publicly traded debt securities	25,000	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	25,000	25,000
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	8,133,153	8,133,153
2	Total liabilities		22,075,837
3	Eligible Liquid Assets Ratio (ELAR)		36.84%

The above represents simple average of 3 monthly ELAR returns as submitted to CBUAE in Q4'25.

3.2 Advances to Stable Resources Ratio

The following table presents the breakdown of the Bank's Advances to Stable Resources Ratio (ASRR), as per the CBUAE Liquidity Regulations. The ratio remains comfortably below the maximum limit of 100%

		Items	30-Sep-2026	30-Jun-2026	31-Mar-2026	31-Dec-2025
1		**Computation of Advances**	**AED'000**	AED'000	AED'000	AED'000
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	**15,783,706**	15,196,236	15,126,124	14,866,664
	1.2	Lending to non-banking financial institutions	**-**	-	-	-
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	**756,254**	738,892	762,983	729,951
	1.4	Interbank Placements	**165,000**	165,000	-	-
	1.5	**Total Advances**	**16,704,960**	16,100,128	15,889,107	15,596,615
2		**Calculation of Net Stable Resources**				
	2.1	Total capital + general provisions	**4,093,539**	3,936,948	3,788,548	3,669,211
		Deduct:				
	2.1.1	Goodwill and other intangible assets	**8,036**	7,552	6,844	6,158
	2.1.2	Fixed Assets	**17,712**	17,736	17,062	17,857
	2.1.3	Funds allocated to branches abroad	**-**	-	-	-
	2.1.5	Unquoted Investments	**3,140**	3,140	3,140	3,140
	2.1.6	Investment in subsidiaries, associates and affiliates	**-**	-	-	-
	2.1.7	**Total deduction**	**28,888**	28,428	27,046	27,155
	2.2	**Net Free Capital Funds**	**4,064,651**	3,908,520	3,761,502	3,642,056
	2.3	**Other stable resources:**				
	2.3.1	Funds from the head office	**-**	-	-	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	**-**	-	-	-
	2.3.3	Refinancing of Housing Loans	**-**	-	-	-
	2.3.4	Borrowing from non-Banking Financial Institutions	**-**	-	-	-
	2.3.5	Customer Deposits	**17,782,630**	18,253,831	18,134,253	18,584,944
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	**-**	-	-	-
	2.3.7	**Total other stable resources**	**17,782,630**	18,253,831	18,134,253	18,584,944
	2.4	**Total Stable Resources (2.2+2.3.7)**	**21,847,281**	22,162,351	21,895,755	22,227,000
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	**76.46**	72.65	72.57	70.17