مصرف عجمان
Ajman Bank

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BASEL III – PILLAR 3 DISCLOSURES
FOR THE QUARTER ENDED
31st MARCH 2026

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1 Overview and Introduction

This document contains Pillar 3 disclosure which supplements the Basel III minimum capital requirements and the supervisory review process of Ajman Bank PJSC (the Bank). This includes information on the Bank's reporting structure, regulatory capital structure, risk exposures, risk management objectives, policies and assessment processes. The disclosures consist of both quantitative and qualitative information and are provided at the Bank level.

The Bank is regulated by the Central Bank of the United Arab Emirates (CBUAE) and follows the Pillar 3 disclosure requirement guidelines issued by the CBUAE. Some of the Pillar 3 requirements have been disclosed in the interim financial information for quarter ended 31st March 2026, which covers the risk and capital management processes of the Bank and its compliance with the Basel Accords.

1.1 Basel Regulatory Framework

The Basel Accord framework consists of following three main pillars:

- Pillar 1 - outlines the regulatory minimum capital requirements by providing rules and regulations for measurement of credit risk, market risk and operational risk. The requirement of capital has to be covered by the Banks' own regulatory fund;
- Pillar 2 - addresses a Bank's Internal Capital Adequacy Assessment Process ("ICAAP") for assessing overall capital adequacy in relation to risks other than Pillar 1; and
- Pillar 3 - covers the other two pillars and focuses on enhanced transparency in information disclosure, covering risk and capital management, which encourages market discipline and allows market participants to assess specific information.

1.2 Future Regulatory Developments

The regulation and supervision of financial institutions has undergone a significant change since the global financial crisis. CBUAE Basel III capital regulations have been implemented and are compiled by the Bank.

All revised capital standards as per Basel III guidelines on capital standards for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Capital Conservation Buffer (CCB) have been implemented. There is close coordination between Ajman Bank and the CBUAE for the smooth implementation of any forthcoming new guidelines and disclosure requirements, with consultations facilitated by the UBF.

1.3 Implementation and Compliance of Basel Framework Guidelines

The Bank has been in compliance with Basel Accord guidelines since 2008, in accordance with CBUAE directives on Standardised Approach for Credit, Market and Operational Risk. In compliance with the CBUAE guidelines and Basel accords, these disclosures include information on the Bank's risk management objectives and policies, risk assessment processes and computation, capital management and capital adequacy.

1.4 Verification

The Pillar 3 disclosures for the interim financial information for the period ended 31st Mar 2026 have been appropriately verified internally.

2 Overview of risk management and RWA

2.1 KM1: Key metrics

AED 000's

		a	b	c	d	e
		Q1 2026	Q4 2025	Q4 2025	Q3 2025	Q2 2025
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	3,179,765	3,156,581	3,318,507	3,181,579	3,034,750
1a	Fully loaded ECL accounting model	3,179,765	3,156,581	3,318,507	3,181,579	3,034,750
2	Tier 1	3,179,765	3,156,581	3,318,507	3,181,579	3,034,750
2a	Fully loaded ECL accounting model Tier 1	3,179,765	3,156,581	3,318,507	3,181,579	3,034,750
3	Total capital	3,473,526	3,442,630	3,561,466	3,408,683	3,238,786
3a	Fully loaded ECL accounting model total capital	3,473,526	3,442,630	3,561,466	3,408,683	3,238,786
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	25,202,919	24,499,400	21,038,153	19,715,256	17,820,579
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	12.62%	12.88%	15.77%	16.14%	17.03%
5a	Fully loaded ECL accounting model CET1 (%)	12.62%	12.88%	15.77%	16.14%	17.03%
6	Tier 1 ratio (%)	12.62%	12.88%	15.77%	16.14%	17.03%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	12.62%	12.88%	15.77%	16.14%	17.03%
7	Total capital ratio (%)	13.78%	14.05%	16.93%	17.29%	18.17%
7a	Fully loaded ECL accounting model total capital ratio (%)	13.78%	14.05%	16.93%	17.29%	18.17%
	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 (%)	0.00%	0.00%	0.00%	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)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	5.62%	5.88%	8.77%	9.14%	10.03%
	Leverage Ratio					
13	Total leverage ratio measure	34,465,629	34,446,606	29,200,948	27,683,587	25,035,424
14	Leverage ratio (%) (row 2/row 13)	9.23%	9.16%	11.36%	11.49%	12.12%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	9.23%	9.16%	11.36%	11.49%	12.12%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	9.23%	9.16%	11.36%	11.49%	12.12%
	Liquidity Coverage Ratio					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	Net Stable Funding Ratio					
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-

	ELAR					
21	Total HQLA	4,978,647	5,133,016	4,005,481	4,143,505	3,342,573
22	Total liabilities	29,560,374	27,721,989	24,061,550	23,507,833	20,487,713
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.84%	18.52%	16.65%	17.63%	16.32%
	ASRR					
24	Total available stable funding	26,312,848	26,488,797	24,074,734	16,895,851	19,555,042
25	Total Advances	21,910,660	20,405,698	17,150,687	22,949,981	16,174,081
26	Advances to Stable Resources Ratio (%)	83.27%	77.04%	71.24%	73.62%	82.71%

**LCR and NSFR are not applicable*

2.2 OV1: Overview of RWA

AED 000's

		RWA		Minimum capital requirements	
		Q1 2026	Q4 2025	Q1 2026	Q4 2025
1	Credit risk (excluding counterparty credit risk)	23,355,777	22,769,288	2,452,357	2,390,775
2	Of which: standardised approach (SA)	23,355,777	22,769,288	2,452,357	2,390,775
-	-	-			
-	-	-			
-	-	-			
6	Counterparty credit risk (CCR)	37,182	258	3,904	27
7	Of which: standardised approach for counterparty credit risk	37,182	258	3,904	27
-	-	-			
-	-	-			
-	-	-			
-	-	-			
12	Equity investments in funds - look-through approach	107,906	114,375	11,330	12,009
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	223,648	126,879	23,483	13,322
21	Of which: standardised approach (SA)	223,648	126,879	23,483	13,322
22	-	-			
23	Operational risk	1,478,407	1,488,600	155,233	156,303
-	-	-			
-	-	-			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**25,202,919**	**24,499,400**	**2,646,307**	**2,572,437**

Note: The numbers presented in all the tables are in AED '000s unless otherwise specified

3 Leverage Ratio

3.1 LR1: Summary comparison of accounting assets vs leverage ratio exposure measure (LR1)

Sr Nos.	Description	Q1'2026 AED 000's
1	Total consolidated assets as per published financial statements	32,828,651
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(4,930)
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	80,582
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,584,913
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(23,586)
13	**Leverage ratio exposure measure**	**34,465,629**

3.2 LR2: Leverage ratio common disclosure template

AED 000's

Sr Nos.	Description	Q1 2026	Q4 2025
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	32,823,721	32,863,324
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)	(23,586)	(65,177)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	32,800,135	32,798,147
	Derivative exposures		
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	10,161	-
9	Add-on amounts for PFE associated with *all* derivatives transactions	47,398	923
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 (1.4 times of sum of rows 8 to 12)**	80,582	1,292
	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	4,802,494	4,092,613
20	(Adjustments for conversion to credit equivalent amounts)	(3,217,582)	(2,445,445)
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)**	1,584,913	1,647,167
	Capital and total exposures		
23	**Tier 1 capital**	3,179,765	3,156,581
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	34,465,629	34,446,606
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	9.23%	9.16%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.23%	9.16%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	6.23%	6.16%

4 Liquidity Risk

4.1 LIQ1: Liquidity Coverage Ratio

Not applicable

4.2 ELAR: Eligible Liquid Assets Ratio*

AED 000's

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,481,102	
1.2	UAE Federal Government Bonds and Sukuks	269,557	
	Sub Total (1.1 to 1.2)	3,750,658	3,750,658
1.3	UAE local governments publicly traded debt securities	717,823	
1.4	UAE Public sector publicly traded debt securities	161,389	
	Sub total (1.3 to 1.4)	879,212	879,212
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	348,777	348,777
1.6	**Total**	**4,978,647**	**4,978,647**
2	Total liabilities		29,560,374
3	**Eligible Liquid Assets Ratio (ELAR)**		**16.84%**

**The calculations are based on an average of last three months.*

4.3 ASRR: Advances to Stable Resource Ratio

AED 000's

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	19,645,388
	1.2	Lending to non-banking financial institutions	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	243,495
	1.4	Interbank Placements	2,021,777
	1.5	**Total Advances**	21,910,660
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	3,547,433
		Deduct:	
	2.1.1	Goodwill and other intangible assets	23,586
	2.1.2	Fixed Assets	641,600
	2.1.3	Funds allocated to branches abroad	0
	2.1.5	Unquoted Investments	65,164
	2.1.6	Investment in subsidiaries, associates and affiliates	2,000
	2.1.7	**Total deduction**	732,350
	2.2	**Net Free Capital Funds**	2,815,083
	2.3	**Other stable resources:**	
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	366,625
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	41,081
	2.3.5	Customer Deposits	21,253,809
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	1,836,250
	2.3.7	**Total other stable resources**	23,497,765
	2.4	**Total Stable Resources (2.2+2.3.7)**	26,312,848
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	83.27