مصرف عجمان
Ajman Bank

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Inspiring Shari'ah Values | قيمنا مستمدة من الشريعة السمحاء

BASEL III – PILLAR 3 DISCLOSURES FOR THE QUARTER ENDED 30 SEPTEMBER 2025

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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 30th September 2025, 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 for 2022 as per Basel III guidelines on capital standards for Common Equity Tier 1 (CET1), Additional Tier 1 (AT1) and Capital Conservation Buffer (CCB) are implemented. There is close coordination between UAE Banks and CBUAE for the smooth implementation of any forthcoming new guidelines and disclosure requirements.

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 Quarter ended 30th Sep 2025 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
	Available capital (amounts)	**Q3 2025**	**Q2 2025**	**Q1 2025**	**Q4 2024**	**Q3 2024**
1	Common Equity Tier 1 (CET1)	3,318,507	3,181,579	3,034,750	2,937,305	2,947,335
1a	Fully loaded ECL accounting model	3,318,507	3,181,579	3,034,750	2,873,135	2,934,148
2	Tier 1	3,318,507	3,181,579	3,034,750	2,937,305	2,947,335
2a	Fully loaded ECL accounting model Tier 1	3,318,507	3,181,579	3,034,750	2,873,135	2,934,148
3	Total capital	3,561,466	3,408,683	3,238,786	3,123,121	3,130,121
3a	Fully loaded ECL accounting model total capital	3,561,466	3,408,683	3,238,786	3,058,950	3,116,934
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	21,038,153	19,715,256	17,820,579	16,351,910	16,043,485
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	15.77%	16.14%	17.03%	17.96%	18.37%
5a	Fully loaded ECL accounting model CET1 (%)	15.77%	16.14%	17.03%	17.57%	18.29%
6	Tier 1 ratio (%)	15.77%	16.14%	17.03%	17.96%	18.37%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.77%	16.14%	17.03%	17.57%	18.29%
7	Total capital ratio (%)	16.93%	17.29%	18.17%	19.10%	19.51%
7a	Fully loaded ECL accounting model total capital ratio (%)	16.93%	17.29%	18.17%	18.71%	19.43%
	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 (%)	8.77%	9.14%	10.03%	10.96%	11.37%
	Leverage Ratio					
13	Total leverage ratio measure	29,200,948	27,683,587	25,035,424	23,218,423	25,079,382
14	Leverage ratio (%) (row 2/row 13)	11.36%	11.49%	12.12%	12.65%	11.75%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	11.36%	11.49%	12.12%	12.37%	11.70%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.36%	11.49%	12.12%	12.65%	11.75%
	Liquidity Coverage Ratio					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	Net Stable Funding Ratio					

		a	b	c	d	e
	Available capital (amounts)	**Q3 2025**	**Q2 2025**	**Q1 2025**	**Q4 2024**	**Q3 2024**
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
	ELAR					
21	Total HQLA	4,005,481	4,143,505	3,342,573	3,739,627	4,436,171
22	Total liabilities	24,038,616	23,507,833	20,487,713	20,266,460	21,073,855
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.66%	17.63%	16.32%	18.45%	21.05%
	ASRR					
24	Total available stable funding	24,074,734	16,895,851	19,555,042	19,515,359	19,347,452
25	Total Advances	17,066,895	22,949,981	16,174,081	14,792,042	14,634,231
26	Advances to Stable Resources Ratio (%)	70.89%	73.62%	82.71%	75.80%	75.64%

**LCR and NSFR are not applicable*

2.2 OV1: Overview of RWA

AED 000's

		RWA		Minimum capital requirements	
		Q3 2025	Q2 2025	Q3 2025	Q2 2025
1	Credit risk (excluding counterparty credit risk)	19,249,354	18,006,996	2,021,182	1,890,735
2	Of which: standardised approach (SA)	19,249,354	18,006,996	2,021,182	1,890,735
-	-	-			
-	-	-			
-	-	-			
6	Counterparty credit risk (CCR)	142	2,083	15	219
7	Of which: standardised approach for counterparty credit risk	142	2,083	15	219
-	-	-			
-	-	-			
-	-	-			
-	-	-			
12	Equity investments in funds - look-through approach	187,153	159,195	19,651	16,716
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	122,493	143,360	12,862	15,053
21	Of which: standardised approach (SA)	122,493	143,360	12,862	15,053
22	-	-			
23	Operational risk	1,479,011	1,403,622	155,296	147,380
-	-	-			
-	-	-			
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**21,038,153**	**19,715,256**	**2,209,006**	**2,070,102**

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	Q3'2025 AED 000's
1	Total consolidated assets as per published financial statements	28,033,211
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(6,082)
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	710
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)	1,224,476
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(51,368)
13	**Leverage ratio exposure measure**	**29,200,948**

3.2 LR2: Leverage ratio common disclosure template

AED 000's

Sr Nos.	Description	Q3 2025	Q2 2025
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	28,027,129	26,632,082
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)	(51,368)	(42,817)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	27,975,761	26,589,265
	Derivative exposures		
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	14
9	Add-on amounts for PFE associated with *all* derivatives transactions	507	387
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)**	710	561
	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	3,341,567	2,716,299
20	(Adjustments for conversion to credit equivalent amounts)	(2,117,092)	(1,666,242)
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)**	1,224,476	1,050,057
	Capital and total exposures		
23	**Tier 1 capital**	3,318,507	3,181,579
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	29,200,948	27,639,884
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	11.36%	11.51%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.36%	11.51%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	8.36%	8.51%

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	2,780,556	
1.2	UAE Federal Government Bonds and Sukuks	202,563	
	Sub Total (1.1 to 1.2)	2,983,120	2,983,120
1.3	UAE local governments publicly traded debt securities	678,115	
1.4	UAE Public sector publicly traded debt securities	-	
	Sub total (1.3 to 1.4)	678,115	678,115
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	344,246	344,246
1.6	**Total**	**4,005,481**	**4,005,481**
2	Total liabilities		24,038,616
3	**Eligible Liquid Assets Ratio (ELAR)**		**16.66%**

**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)	15,351,136
	1.2	Lending to non-banking financial institutions	-
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	176,817
	1.4	Interbank Placements	1,538,942
	1.5	**Total Advances**	17,066,895
2		**Calculation of Net Stable Resources**	
	2.1	Total capital + general provisions	3,714,570
		Deduct:	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	600,016
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	128,208
	2.1.6	Investment in subsidiaries, associates and affiliates	2,000
	2.1.7	**Total deduction**	730,224
	2.2	**Net Free Capital Funds**	2,984,346
	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	683,625
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	47,379
	2.3.5	Customer Deposits	18,523,134
	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**	21,090,388
	2.4	**Total Stable Resources (2.2+2.3.7)**	24,074,734
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	70.89%