

# Bank Alfalah Limited - UAE Branch

**BASEL – PILLAR 3 DISCLOSURES  
FOR THE PERIOD ENDED 31st March 2026**



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## 1. Introduction to Bank

Bank Alfalah Limited (the "Head Office") is a Pakistan registered bank with its principal office in Karachi, Pakistan. It commenced its operations in the United Arab Emirates (UAE) in 2017 as a wholesale bank and currently has one branch (the "Bank") in Dubai. The address of the registered office of the Bank is P.O. Box 8456, Dubai.

## 2. Introduction to Bank's Capital Adequacy Framework

Central Bank of UAE published final Capital Adequacy Standards and Guidance along with Notice 4980/2020 on 12th November 2020. This included revised Standards and Guidance with respect to Pillar 3 – Market Disclosures. Further to this, the Central Bank of UAE provided explanatory notes and disclosure templates for Pillar 3 on 30th November 2021 as part of Notice 5508/2021 and on 9th May 2022 as per the notice CBUAE/BSD/N/2022/1887.

This document presents the Pillar 3 disclosures of Alfalah Bank Limited – UAE Branch ("the Bank") as at 31st March, 2026. The purpose of Pillar 3 disclosures is to allow market participants to assess key pieces of information on the Bank's capital, risk exposures and risk assessment process.

### 2.1 Regulatory Framework

The framework is structured around the following three Pillars:

1. Pillar 1 on minimum capital requirements for credit, market and operational risk
2. Pillar 2 on the supervisory review process and the Internal Capital Adequacy Assessment Process (ICAAP)
3. Pillar 3 on market discipline

On top of this minimum capital requirement CBUAE has also mandated the Banks to keep additional buffers.

- In addition to the minimum CET1 capital of 7.0% of RWA, banks must maintain a capital conservation buffer (CCB) of 2.5% of RWAs in the form of CET1 capital
- To achieve the broader macro-prudential goal of protecting the banking sector from periods of excess aggregate credit growth and in addition to the CCB requirements, banks may be required to implement the countercyclical buffer (CCyB). Banks must meet the CCyB requirements by using CET1 capital. The level of the CCyB requirements will vary between 0% - 2.5% of RWA and be communicated by the Central Bank with an adequate notice period.

### These requirements are summarized in the table below:

Minimum Common Equity Tier 1 Ratio	7.0%
Minimum Tier 1 Capital Ratio	8.5%
Minimum Capital Adequacy Ratio	10.5%
Capital Conservation Buffer	2.5%
Domestic Systemically Important Banks Buffer	0.0%
Countercyclical buffer (0% - 2.5%)	0.003%

The capital ratios for Bank Alfalah Limited - UAE Branch as of 31st March, 2026 are given below. All of these are well above the CBUAE minimum.

Common Equity Tier 1 Ratio	31.1%
Capital Adequacy Ratio	31.5%

### 3 KM1: Key Metrics

AED in '000

	Mar-26	Dec-25	Sep-25	Jun-25	Mar-25
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1)	190,615	187,175	180,591	166,494	171,897
1a Fully loaded ECL accounting model	190,615	187,175	180,591	166,494	171,897
2 Tier 1	190,615	187,175	180,591	166,494	171,897
2a Fully loaded ECL accounting model Tier 1	190,615	187,175	180,591	166,494	171,897
3 Total capital	192,825	190,002	182,971	169,097	174,243
3a Fully loaded ECL accounting model total capital	192,825	190,002	182,971	169,097	174,243
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA)	612,652	838,353	627,865	620,218	590,239
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 ratio (%)	31.1%	22.3%	28.8%	26.8%	29.1%
5a Fully loaded ECL accounting model CET1 (%)	31.1%	22.3%	28.8%	26.8%	29.1%
6 Tier 1 ratio (%)	31.1%	22.3%	28.8%	26.8%	29.1%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	31.1%	22.3%	28.8%	26.8%	29.1%
7 Total capital ratio (%)	31.5%	22.7%	29.1%	27.3%	29.5%
7a Fully loaded ECL accounting model total capital ratio (%)	31.5%	22.7%	29.1%	27.3%	29.5%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10 Bank D-SIB additional requirements (%)	0.0%	0.0%	0.0%	0.0%	0.0%
11 Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	2.5%	2.5%	2.5%
12 CET1 available after meeting the bank's minimum capital requirements (%)	21.0%	12.2%	18.6%	16.8%	19.0%
<b>Leverage Ratio</b>					
13 Total leverage ratio measure	1,786,099	1,968,146	1,653,141	1,900,502	1,731,658
14 Leverage ratio (%) (row 2/row 13)	10.7%	9.5%	10.9%	8.8%	9.9%
14a Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.7%	9.5%	10.9%	8.8%	9.9%
14b Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.7%	9.5%	10.9%	8.8%	9.9%
<b>Liquidity Coverage Ratio</b>					
15 Total HQLA					
16 Total net cash outflow					
17 LCR ratio (%)					
<b>Net Stable Funding Ratio</b>					
18 Total available stable funding					
19 Total required stable funding					
20 NSFR ratio (%)					
<b>ELAR</b>					
21 Total HQLA	976,209	990,748	1,003,031	1,194,784	1,109,711
22 Total liabilities	1,416,594	1,617,964	1,356,994	1,569,965	1,562,513
23 Eligible Liquid Assets Ratio (ELAR) (%)	68.9%	61.2%	73.9%	76.1%	71.0%
<b>ASRR</b>					
24 Total available stable funding	1,265,920	1,285,657	1,126,413	1,382,940	1,345,970
25 Total Advances	341,360	343,426	265,417	214,459	116,824
26 Advances to Stable Resources Ratio (%)	27.0%	26.7%	23.6%	15.5%	8.7%

#### 4 OV1: Overview of RWA

	AED in '000		
	<b>RWA</b>		<b>Minimum capital requirements</b>
	<b>Mar-26</b>	<b>Dec-25</b>	<b>Mar-26</b>
1 Credit risk (excluding counterparty credit risk)	472,117	725,869	49,572
2 Of which: standardised approach (SA)	472,117	725,869	49,572
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)	9,460	1,288	993
7 Of which: standardised approach for counterparty credit risk	9,460	1,288	993
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 Of which: securitisation internal ratings-based approach (SEC-IRBA)			
18 Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19 Of which: securitisation standardised approach (SEC-SA)	-	-	-
20 Market risk	19,920	40	2,092
21 Of which: standardised approach (SA)	19,920	40	2,092
22 Of which: internal models approach (IMA)			
23 Operational risk	111,156	111,156	11,671
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>612,652</b>	<b>838,353</b>	<b>64,328</b>

## 5 LR2: Leverage Ratio Common Disclosure Template

		AED in '000	
		Mar-26	Dec-25
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,603,972	1,801,061
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)	(240)	(252)
<b>7</b>	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>1,603,732</b>	<b>1,800,809</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)	5,578	5,596
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	18,775	843
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</b>	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>24,353</b>	<b>6,439</b>
<b>Securities financing transactions</b>			
14	Gross SFT <i>assets</i> (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</b>	<b>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	547,107	589,905
20	(Adjustments for conversion to credit equivalent amounts)	(389,093)	(429,006)
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)	158,014	160,899
<b>Capital and total exposures</b>			
23	Tier 1 capital	190,615	187,175
24	Total exposures (sum of rows 7, 13, 18 and 22)	1,786,099	1,968,146
<b>Leverage ratio</b>			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.7%	9.5%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.7%	9.5%
26	CBUAE minimum leverage ratio requirement	3.0%	3.0%

## 6 ELAR: Eligible Liquid Assets Ratio

AED in '000

1	High Quality Liquid Assets	Nominal Amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	913,751	
1.2	UAE Federal Government Bonds and Sukuks	0	
	<b>Sub Total (1.1 to 1.2)</b>	<b>913,751</b>	<b>913,751</b>
1.3	UAE local governments publicly traded debt securities	42,913	
1.4	UAE Public sector publicly traded debt securities	3,478	
	<b>Sub total (1.3 to 1.4)</b>	<b>46,391</b>	<b>46,391</b>
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	16,067	16,067
<b>1.6</b>	<b>Total</b>	<b>976,209</b>	<b>976,209</b>
<b>2</b>	Total liabilities		1,416,594
<b>3</b>	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>68.9%</b>

## 7 ASRR: Advances to Stables Resource Ratio

AED in '000

	Items	Amount
<b>1</b>	<b>Computation of Advances</b>	
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	235,273
1.2	Lending to non-banking financial institutions	-
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	106,087
1.4	Interbank Placements	-
<b>1.5</b>	<b>Total Advances</b>	<b>341,360</b>
<b>2</b>	<b>Calculation of Net Stable Resources</b>	
2.1	Total capital + general provisions	202,581
	<b>Deduct:</b>	
2.1.1	Goodwill and other intangible assets	206
2.1.2	Fixed Assets	7,053
2.1.3	Funds allocated to branches abroad	-
2.1.5	Unquoted Investments	7,346
2.1.6	Investment in subsidiaries, associates and affiliates	-
2.1.7	Total deduction	14,605
<b>2.2</b>	<b>Net Free Capital Funds</b>	<b>187,976</b>
	<b>2.3 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	-
2.3.3	Refinancing of Housing Loans	-
2.3.4	Borrowing from non-Banking Financial Institutions	-
2.3.5	Customer Deposits	1,077,944
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
<b>2.3.7</b>	<b>Total other stable resources</b>	<b>1,077,944</b>
<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>1,265,920</b>
<b>3</b>	<b>ADVANCES TO STABLE RESOURCES RATIO (1.5/ 2.4*100)</b>	<b>26.97</b>