First Abu Dhabi Bank PJSC - India Branch
(Incorporated in Abu Dhabi With Limited Liability)

BASEL III: PILLAR 3 DISCLOSURES AS AT 30 JUNE 2026
(CURRENCY: INDIAN RUPEES IN MILLIONS)

1. Capital Adequacy

Qualitative Disclosures:

The CRAR of the Bank 25.93 % as computed under Basel III norms, which is higher than the minimum regulatory CRAR requirement of 9% plus capital conservation buffer of 2.50% taking total to 11.50%.

The Bank's capital management approach is driven by the desire to maintain an appropriate capital base and to maintain an adequate buffer in support of its business development and to meet the regulatory capital requirements stipulated by the RBI at all times. Implications of major business decisions on the Bank's capital position are taken into account by the India Executive Committee (India EXCO) of the Bank and the FAB Group, prior to implementation, in order to preserve the Bank's overall capital requirements.

The Bank's capital requirements are drawn up annually in conjunction with the financial budgeting exercise and approved by the FAB Group for implementation at the beginning of each financial year. The capital requirements take into account, inter alia, the Bank's strategic objectives and business plans and regulatory capital requirements.

Quantitative Disclosures:

	Particulars	30 June 2026
(a	**Capital requirements for credit risk:**	**6,374**
	* Portfolios subject to standardized approach	6,374
	* Securitisation exposures	-
(c	**Capital requirements for market risk:**	
	* Standardised duration approach;	1,144
	- Interest rate risk	754
	- Foreign exchange risk (including gold)	390
	- Equity risk	-
(d	**Capital requirements for operational risk:**	
	* Basic Indicator Approach	418
(e	Common Equity Tier 1 (CET1), Tier 1 and Total Capital ratios :	
	* CET1 Capital ratio (%)	25.49%
	* Tier 1 Capital ratio (%)	25.49%
	* Total Capital ratio (%)	25.93%

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General Disclosures for Credit Risk

Qualitative Disclosures

FAB India follows the Group Credit Policy and has also developed an India Credit Policy Addendum which covers all stages of the credit life cycle, viz. origination, assessment and measurement, pricing, approval, commitment, administration, operations, monitoring, reporting, remedial management and portfolio management. It addresses all the businesses of the Bank where credit risk is presently being assumed, in any manner.

The Policy provides a set of policies to establish and maintain the following including, but not limited to:

- An appropriate credit risk environment,
- A sound credit granting process,
- An appropriate credit measurement, monitoring and reporting process, and
- Adequate controls over credit risk, in all business segments at, both, the individual credit and portfolio levels. It also seeks to establish a common quality standard for the management of credit risk.

Risk rating system

The Bank uses an internal risk rating system to assess the credit quality of borrowers and counterparties. Each counterparty is assigned a rating, including classified accounts that are either watch list or non-performing. The risk rating system has 11 grades, further segregated into 23 notches. Grades 1-6- are performing, Grade 7-8 is Watch-list and Grades 9 - 11 are non–performing, each with a rating description.

Approach to Obligor Risk Rating: Credit Risk rating measures the creditworthiness, that is, the ability to repay debt, of an individual, a corporation or a sovereign in a consistent manner.

Based on the current rating landscape, 13 rating models have been developed to rate the corporate clients in Credit Lens. These 13 models are further classified into Quantitative and Qualitative model.

Model performance and usage are monitored regularly by the Group and are reported to the Group senior management and risk committees. All models are subject to periodic in-depth reviews by the Group to ensure that they remain fit-for-use and appropriate to the underlying portfolio segment and geography.

The output of each model and scorecard is mapped to an internal rating scale. Each grade in the rating system is linked to a Probability of Default (PD) estimated using the Group default experience supplemented by data from external sources.

Sovereign and bank exposures are governed by the ratings from external credit rating agencies.

Classified : Public

Risk Monitoring

The Bank regularly monitors its credit risk in respect of all its portfolios at various levels. The Bank conducts full reviews and renewals of all performing credits at least annually. Obligors with lower risk profile are monitored at lower frequency by business units, unless otherwise required, to evaluate the potential changes in credit worthiness and related impact on risk rating based on latest available financial and other relevant information. More frequent and focused monitoring for lower rated borrowers ensures early identification of potential impairments, if any.

The classification and impairment policy currently implemented by the Group classifies delinquent borrowers as Substandard, Doubtful or Loss in line with the guidelines laid down in the Central Bank of United Arab Emirates' (CBUAE) circular 28/2010. The Bank in India will comply with the Group policy as well as the RBI's Master Circular - Prudential Norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated November 28, 2025. Currently there are no non-performing exposures.

In assessing the collective loss allowance, the Bank uses the charge of 0.4% (and other specified rates) of standard assets and credit equivalent of FX and derivative exposure as stipulated in the above RBI circular.

Watch-listed accounts are also monitored and reported to senior management. This category comprises accounts where either contractual principal or interest is past due or when the accounts show weakness in the borrower's financial position and creditworthiness and requires more than normal attention. Such weakness is specifically monitored to ensure that the quality of the asset does not further deteriorate. Currently there are no Watch-listed accounts.

The Bank monitors the existing portfolio based on country, industry and ratings. These portfolio reports are prepared periodically and tabled for review by senior management. FAB India's exposure to a particular industry/sector would be limited to the individual sector caps as per the Group Industry Limits.

Monitoring Methodology with exceptions if any to be suitably ratified by Branch Risk & Compliance Committee (BRCC).

Quantitative Disclosures

a. Credit Exposures

Particulars	30 June 2026
Fund Based	34,537.79
Non Fund Based	78,035.14

The Fund based exposures represents Nostro Balances, Deposits with QCCP and sanctioned limits for corporate advances. Non fund based exposures represents Guarantees and credit equivalent of Foreign exchange contracts & derivatives contracts.

b. Geographic distribution of exposures

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The Bank does not have overseas operations and hence exposures are restricted to the domestic segment

c. Industry type distribution of exposures (INR Millon)

Industry type	Fund based	NFB	Total
Bank	863.95	3,139.46	4,003.42
QCCP	1,023.91	25,679.42	26,703.33
Real Estate Activities	4,990.00	-	4,990.00
Mfg of Refined Petroleum Products	-	3,566.42	3,566.42
Mfg of Basic Chemicals except Fertilizers	3,990.00	-	3,990.00
Construction/Erection of Power Lines etc	7,124.24	15,190.73	22,314.97
Other Wholesale Trades	2,000.00	-	2,000.00
Mfg of Other Chemical Products	380.00	379.00	759.00
Mfg of Sugar Products	-	-	-
Inland Water Transport	-	-	-
Mfg of Engines and Turbines	3,745.68	2,254.32	6,000.00
Mfg of Other Electric Equipment's	-	4,037.15	4,037.15
General Constructions	50.00	5,157.35	5,207.35
Mfg of Basic Non-ferrous Metals	4,000.00	381.38	4,381.38
Mfg of Cement, Lime and Plaster	-	92.61	92.61
Other Retail Trade	1,600.00	-	1,600.00
NBFCs - vehicle financing	-	539.50	539.50
NBFCs- general purpose loans	-	664.41	664.41
Mfg of Basic Iron and Steel	1,200.00	2,474.22	3,674.22
Generation & Distribution of Solar Energy etc	2,500.00	6,012.65	8,512.65
Computer related activities other	-	-	-
Semiconductor Mfg	-	15.85	15.85
Mfg of Ceramic Ware	670.00	-	670.00
NBFCs- in the housing sector	-	469.20	469.20
Mfg of Structural Metal Products	-	2,363.00	2,363.00
Supporting Services to Air Transport	-	700.13	700.13
Collection and Distn of Electricity	-	1,618.34	1,618.34
Collection, Purification & Distn of Water	400.00	3,300.00	3,700.00
Total Funded and Non funded exposure	**34,537.79**	**78,035.14**	**112,572.93**

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d. Residual contractual maturity breakdown of total assets

Buckets	30 June 2026
1 day	23,017
2 to 7 days	3
8 to 14 days	166
15 to 28 days	2,200
29 days and upto 3 months	9,108
Over 3 months and upto 6 months	8,564
Over 6 months and upto 1 year	2,531
Over 1 year and upto 3 years	1,459
Over 3 year and upto 5 years	-
Over 5 years	23,793
Total	**70,841**

e. Amount of NPA

The Bank did not have any NPA during the year and hence this disclosure is not applicable.

f. Net NPAs

The Bank did not have any NPA during the year and hence this disclosure is not applicable.

g. NPA ratios

The Bank did not have any NPA during the year and hence this disclosure is not applicable.

h. Movement of NPAs (Gross)

The Bank did not have any NPA during the year and hence this disclosure is not applicable.

i. Movement of provisions

The Bank did not have any NPA during the year and hence disclosure is not applicable for specific provisions. The movement for general provisions (Standard Assets, Large borrower, Country Risk and UFCE) during the year is as under (INR Mio):

Opening Balance FY 27	404.96
Provisions made during the year	(108.14)
(Write-offs) / (write back) of excess provisions	
Closing Balance	296.82

j. Amount of Non-Performing Investments (NPI)

The Bank did not have any NPI during the year and hence this disclosure is not applicable.

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k. Amount of provisions held for NPI

The Bank did not have any NPI during the year and hence this disclosure is not applicable.

2. Disclosures for Portfolios Subject to the Standardized Approach

Qualitative Disclosures

The Bank uses the External Credit Assessment Institutions (ECAI) approved by the RBI to calculate its capital adequacy for sovereigns, banks, and corporate counterparties. For all exposures to domestic corporates, ratings by the following ECAIs are to be considered in line with Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025 Credit Analysis and Research Ltd; CRISIL Ratings Ltd; India Ratings and Research Pvt. Ltd; ICRA Ltd; Acuite Ratings & Research Ltd. and Infomerics Valuation & Ratings Pvt. Ltd and Brickwork Ratings India Private Limited. Claims on Indian banks and Indian branches of foreign banks will be risk weighted in line with the RBI's Master Circular on Reserve Bank of India (Commercial Banks- Prudential Norms on Capital Adequacy) Directions, 2025.

Ratings from Fitch, Moody's Standard & Poor's and CareEdge Global IFSC Limited (for non-resident corporate exposures originating at International Financial Services Centre (IFSC)); are considered for risk weights for claims on foreign sovereigns, foreign public sector entities and foreign banks as set out in the RBI Master Circular.

The use of the ratings and mapping process will be in line with the RBI Master Circular.

Quantitative Disclosures

Bank's outstanding (rated and unrated) in the three major risk buckets as well as those that are deducted are as under:

Particulars	30 June 2026
Below 100% risk weight	15,421
100% risk weight	3,965
More than 100% risk weight	42,343
Deduction	224

* Deduction represents DTA which has deducted from CET 1 Capital

3. Credit Risk Mitigation: Disclosures for Standardized Approaches

Qualitative Disclosures

While the Bank has some of its credit portfolio secured by stock & book debts, fixed assets, corporate guarantee from overseas parent, we have not considered them for the purpose of Capital Adequacy Ratio.

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Quantitative Disclosures

For credit risk portfolio under the standardized approach, the Bank had extended guarantee to Indian corporate obligor on the basis of counter guarantee (SBLC) from Bank's parent totaling to INR 100.4 million (o/s) and accordingly Risk has been shifted to Head Office.

4. Securitisation Exposures: Disclosure for Standardised Approach

The Bank has not undertaken any securitisation and hence this disclosure is not applicable.

5. Leverage Ratio Disclosures

Table DF 17 - Summary comparison of accounting assets vs. leverage ratio exposure measure		
	Item	**(Rs. in Million**
1	Total consolidated assets as per published financial statements	70,841
2	Adjustment 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 fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded fro the leverage ratio exposure measure	
4	Adjustments for derivative financial instruments	21,243
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	21,718
7	Other adjustments	-223.60
8	Leverage ratio exposure	1,13,578

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Common disclosure template and explanatory table, reconciliation and other requirements

Table DF-18: Leverage ratio common disclosure template		
	Item	Leverage ratio (Rs. in million)
On-balance sheet exposures		
1	On-balance sheet items (excluding derivatives and SFTs, but includir collateral)	52,078
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	-224
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	51,854
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. n of eligible cash variation margin)	18,763
5	Add-on amounts for PFE associated with all derivatives transaction	21,243
6	Gross-up for derivatives collateral provided where deducted from th balance sheet assets pursuant to the operative accounting framewo	-
7	(Deductions of receivables assets for cash variation margin provide in derivatives transactions)	-
8	(Exempted CCP leg of client-cleared trade exposures)	-
9	Adjusted effective notional amount of written credit derivatives	-
10	(Adjusted effective notional offsets and add-on deductions for writte credit derivatives)	-
11	Total derivative exposures (sum of lines 4 to 10)	40,006
Securities financing transaction exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	-
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-
14	CCR exposure for SFT assets	-
15	Agent transaction exposures	-
16	Total securities financing transaction exposures (sum of lines 12 to 1	-
Other off-balance sheet exposures		
17	Off-balance sheet exposure at gross notional amount	26,408
18	(Adjustments for conversion to credit equivalent amounts)	-4,690

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19	Off-balance sheet items (sum of lines 17 and 18)	21,718
	Capital and total exposures	
20	Tier 1 capital	22,478
21	Total exposures (sum of lines 3, 11, 16 and 19)	1,13,578
22	Basel III leverage ratio	19.79%

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