

# **SUPPORTING OUR CUSTOMERS, PEOPLE AND THE UAE COMMUNITY**

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Annual Report 2025



His Highness

**Sheikh Mohammed Bin Zayed  
Al Nahyan**

President of the United Arab  
Emirates and Ruler of Abu Dhabi



His Highness

**Sheikh Mohammed Bin Rashid  
Al Maktoum**

Vice President and Prime Minister  
of the United Arab Emirates and  
Ruler of Dubai



His Highness

**Sheikh Saud Bin Saqr  
Al Qasimi**

Supreme Council Member  
and Ruler of Ras Al Khaimah



His Highness

**Sheikh Mohammed Bin Saud  
Bin Saqr Al Qasimi**

Crown Prince of Ras Al Khaimah

# CONTENTS

At a glance	06
Financial highlights	08
Chairman message	10
CEO message	14
Board of Directors & Executive Management	18
Our strategy	20
Business review	24
Our people	30
Corporate governance	34
Sustainability report	84
Financial statements and notes	154



# AT A GLANCE

Gross loans and advances  
and lending to banks

**AED 14.9 billion**



Customer deposits  
(including Islamic deposits)

**AED 15.9 billion**



Total assets

**AED 22 billion**



Commercial Bank International (CBI) is a leading UAE bank committed to supporting both businesses and individuals through innovative, tailored, and growth-driven banking solutions. Founded in 1991 and based in Dubai, CBI delivers a wide portfolio of offerings spanning corporate and retail banking. By harnessing its innovative strengths, the Bank delivers customised services designed to help clients realise their goals.

CBI is publicly listed on the Abu Dhabi Securities Exchange (ADX) and operates under the regulation of the Central Bank of the UAE (CBUAE) and the Capital Market Authority (CMA).

CBI's strong client-first philosophy and its commitment to advancing innovation within the banking industry have earned the Bank multiple accolades in 2025, highlighting its ongoing impact – including Outstanding Contribution to Fintech Enablement and Digital Payments Infrastructure in the UAE from the World Union for Arab Bankers, Most Innovative Sustainable Partnership at the Middle East & North Africa Stevie Awards, and Most Innovative Corporate Bank 2025 as well as the MEA Markets Banking Innovations Excellence Award 2025 at the UAE Business Awards.

The Bank's majority ownership rests with UAE shareholders, and its Board of Directors includes significant representation from UAE nationals.

# FINANCIAL HIGHLIGHTS

In 2025, CBI delivered solid financial results, supported by continued profit growth and strengthened operational efficiency. This performance reflects the Bank's ongoing commitment to generating sustainable value for its stakeholders.

Fitch BBB+  
**Stable outlook**

Net operating income  
**AED 791 million**  
+13%

Net profit before tax  
**AED 311 million**  
+40%

Capital adequacy ratio  
**17.2%**

# CHAIRMAN MESSAGE

The validation of this transformation is seen in the record-breaking financial performance with a pre-tax net profit of AED 311 million, up 40% year-on-year, representing the Bank's strongest annual performance ever.

Saif Ali Al Shehhi  
Chairman



I am pleased to present CBI's 2025 Annual Report. This year, the Bank continued to deliver on its recently adopted strategy, achieving record financial results and successfully launching new initiatives while also expanding existing ones. As a result, CBI is solidifying its position as one of the most innovative and future-oriented banks in the country.

Our Retail Banking Group continued to sharpen its focus on affluent and priority customers, while our Wholesale Banking Group expanded offerings for its mid-market corporates. Additionally, our innovation banking team continued to deliver, exemplified by the launch of CBIX, our new unit dedicated to the future of banking and strategic venture capital.

The validation of this transformation is seen in the record-breaking financial performance with a pre-tax net profit of AED 311 million, up 40% year-on-year, representing the Bank's strongest annual performance ever. In 2025, revenue and net interest income each grew by 13%, alongside improvements in balance sheet efficiency and overall profitability. As we continued working through legacy issues, we closed 2025 with a much stronger balance sheet than even a few years ago. Our loan-to-deposit ratio improved to 81%, boosting the Bank's liquidity, while non-performing loans have decreased substantially.

Our progress sets us up for a bright future. However, to continue to pursue a prudent and sustainable growth strategy, the Board has decided that the Bank will not pay dividends this year. We have taken this step in line with our commitment to reinvesting in growth and innovation, to focus on building long-term value for shareholders, and to ensure the Bank is well positioned to capitalise on opportunities as they arise.

The success of our transformation is gratifying because it positions us to be an active participant in, and enabler of, the UAE's ambition to lead in the key technologies of the future. Across the country, including in Ras Al Khaimah, governments are encouraging rapid development in fields such as AI, virtual assets, and gaming.

That is why, in recent years, we have established agreements with governments and freezones, including RakDAO, RakEz, ADGM and DIFC Fintech Hive. We bring our status as a regulated financial institution together with deep and growing expertise in these new technologies, in the needs of companies innovating in these fields, and in the priorities of regulators, free zones and governments looking to drive economic growth and diversification across the country.

## Partnership as a priority

Building on momentum delivered in prior years, CBI signed more than a half-dozen agreements during 2025 that reflected our partnership-driven focus and embrace of new technologies. We are working to identify use cases and learn early on how these technologies will be shaping society and the economy.

We will continue to build the tools, infrastructure, and banking products and services that will support our customers and portfolio companies. Through this transformative agenda, we are creating new business opportunities for the Bank and new sources of revenue and profitability.

We are also pursuing this strategic vision as part of our commitment to the Nation and its broader agenda to become a global business and lifestyle hub that attracts future-looking technologies and industries, including fintech, tokenisation, AI, gaming, holographics, and virtual assets.

**CHAIRMAN MESSAGE CONTINUED**

**Nexus of innovation**

Our vision is to operate at the nexus of these sectors, investing in these companies, providing them with banking services, and also deploying their technologies or services ourselves.

The launch of CBIX marks the most significant step toward this vision. As an independent innovation subsidiary with the freedom to experiment, CBIX is the UAE's next-generation innovation lab and venture capital investment platform. Crucially for our vision, it operates at the intersection of banking, emerging technologies, and market execution.

CBIX stands out as one of the region's only hybrid innovation lab with this combination of resources and capabilities. We believe in its potential to drive significant innovation for the UAE, region and beyond.

**Acknowledgements**

The Board of Directors joins me in expressing our sincere appreciation for the visionary leadership and wise counsel provided by our nation's leadership, including His Highness Sheikh Mohammed bin Zayed Al Nahyan, President of the UAE; His Highness Sheikh Mohammed bin Rashid Al Maktoum, Vice President and Prime Minister of the UAE and Ruler of Dubai; His Highness Sheikh Saud bin Saqr Al Qasimi, Ruler of Ras Al Khaimah; and His Highness Sheikh Mohammed bin Saud bin Saqr Al Qasimi, Crown Prince of Ras Al Khaimah.

I also would like to extend our deep appreciation to CBI's exceptional executive management and talented workforce, who work diligently to deliver innovative products, outstanding customer service, and sustained value for our shareholders. We also would like to thank our partners and customers for placing your trust in our shared ambition for banking in the UAE.

**2025 awards**

<p><b>Outstanding Contribution to Fintech Enablement and Digital Payments Infrastructure in the UAE</b></p>	<p><b>Most Innovative Sustainable Partnership</b></p>	<p><b>Most Innovative Corporate Bank 2025</b></p>
<p>World Union for Arab Bankers</p>	<p>Middle East &amp; North Africa Stevie Awards</p>	<p>UAE Business Awards 2025</p>
<p><b>MEA Markets Banking Innovations Excellence Award 2025</b></p>	<p><b>AI-Powered Innovation in Banking</b></p>	
<p>UAE Business Awards 2025</p>	<p>Middle East Banking AI &amp; Analytics Summit and Awards</p>	



# CEO MESSAGE

While global uncertainties remain, CBI enters 2026 from a position of strength with a stronger balance sheet, enhanced asset quality, improved profitability, and a differentiated innovation platform.

Ali Sultan Rakkad Al Amri  
Chief Executive Officer



Delivering transformation with discipline and innovation, 2025 has been a defining year for CBI. Amid a challenging market environment and continued macroeconomic and geopolitical uncertainty, the Bank delivered strong financial results while accelerating its strategic transformation. Our performance reflects disciplined execution, prudent risk management, a robust compliance culture and a clear focus on building a more innovative, resilient, and future-ready franchise.

Pre-tax profit increased by 40% to AED 311 million, supported by 13% growth in net operating income to AED 791 million. This performance was achieved alongside disciplined cost management and ongoing investment in technology, people, and new capabilities demonstrating the strength of our operating model and the effectiveness of our strategy.

Total assets grew 5% to AED 22 billion, while customer deposits increased to AED 15.9 billion. Our funding profile improved, with a stronger CASA ratio supporting margin expansion and driving net interest margin to 2.32%. Asset quality strengthened during the year, with non-performing loans declining significantly and provision coverage improving. Our capital adequacy ratio remained robust at 17.2%, providing a solid platform for sustainable growth.

## Strengthening our core businesses

Our Wholesale Banking Group continued to deepen relationships with underserved mid-market corporates, delivering stable and resilient performance anchored in disciplined underwriting and strong asset quality. During the year, we further strengthened our market position by onboarding more than 150 new Wholesale Banking customers, reflecting sustained business momentum and growing client confidence in our proposition.

In Retail Banking, we sharpened our focus on priority and affluent customers, resulting in 77% increase in new home loan bookings and a 14% increase in credit card spend. We also continued to strengthen our franchise by onboarding new Retail Banking customers during the year, underscoring sustained growth and increasing customer confidence in our products and service experience. These outcomes reflect stronger engagement, improved proposition clarity, and the continued strengthening of our core franchise.

## Scaling innovation banking

In alignment with the UAE's ambition to foster high-growth sectors, we continued to build our Innovation Banking segment, serving fintech, AI, virtual assets, tokenisation, and gaming businesses. We are developing specialised products, including capital lock-up accounts, client money accounts, and tailored current accounts supported by relationship managers with deep sector expertise.

Our differentiated cards proposition was expanded through a cards-as-a-service (CaaS) model, enabling us to serve new customer segments through prepaid and programme-based solutions. Strategic partnerships with Mercury Payment Services, VOLT, Now Money, Instapay, Glyd, and Telda broadened access to payroll, expense, and embedded financial services, reinforcing our position as an agile and innovative card issuer.

### Advancing AI and digital capabilities

Technology remains central to our transformation. In 2025, we signed a partnership with Creatio, enabling the Bank's first enterprise-wide AI implementation to enhance operational efficiency and workflow automation. We also partnered with Zafin to leverage AI-driven transaction analytics, strengthening data-led customer engagement.

Beyond core banking, we expanded our ecosystem partnerships. Our collaboration with Greengage enables regulated banking infrastructure for fintech and digital businesses in the UAE. Through our partnership with Abhi, we introduced Earned Wage Access solutions, promoting financial inclusion for underserved workforce segments. We also announced an investment and partnership with Boomitra, supporting carbon credit development and reinforcing our sustainability-linked ambitions.

### Formalising our ESG framework

Sustainability is becoming integral to the financial sector's evolution. In line with the UAE's Net Zero 2050 ambition, our Board approved CBI's ESG Strategy and Sustainable Finance Framework.

We appointed a Head of ESG and designated ESG champions across the Bank, while beginning to build a portfolio of green products across Wholesale and Retail Banking. We remain fully compliant with the UAE regulations on ESG and are well positioned to meet evolving regulatory standards.

### Looking ahead

The UAE economy continues to demonstrate resilience, supported by diversification, population growth, and sustained investment in innovation-

driven sectors. While global uncertainties remain, CBI enters 2026 from a position of strength with a stronger balance sheet, enhanced asset quality, improved profitability, and a differentiated innovation platform.

Our strategic transformation is not just about financial performance; but also focused on redefining our role in a rapidly evolving financial ecosystem. By combining disciplined banking fundamentals with forward-looking innovation, we are building a bank that is more agile, more resilient, and more relevant to the markets we serve.

### Acknowledgements

I would like to extend my sincere gratitude to the Central Bank of the UAE and to our partners there for their continued collaboration and for the constructive relationship we share. The Chairman and Board of Directors merit our unreserved thanks for their wise counsel and guidance throughout this important period in CBI's transformation.

I also thank our customers, partners, shareholders and regulators for their continued trust and support.

I want to acknowledge our colleagues and partners in Ras al-Khaimah for the valuable insights they continue to share, helping us tailor our banking products and services to meet the needs and aspirations of the businesses, innovators and entrepreneurs contributing to the Emirate's growth.

Finally, I pay tribute to the dedication and professionalism of the entire CBI team. Their commitment continues to power our transformation and to shape CBI as a trusted bank for our customers and a place of pride and opportunity for our people. Together, we are shaping the next chapter of CBI.

WBG's net operating  
income in 2025 reached  
**AED 453 million**

RBG's net operating  
income in 2025 reached  
**AED 41 million**



# BOARD OF DIRECTORS & EXECUTIVE MANAGEMENT



## BOARD OF DIRECTORS (As of 31 December 2025)

**Saif Ali Al Shehhi**  
Chairman

**Ali Rashid Al Mohannadi**  
Vice Chairman

**Mohamed Ali Musabbeh Al Nuaimi**  
Board Member

**Mubarak Bin Fahad Al Mheiri**  
Board Member

**Maitha Saeed Al Falasi**  
Board Member

**Ghaith Hammel Al Ghaith Al Qubaisi**  
Board Member

**Salaheddin Almabruk Al Madani**  
Board Member

**Fatma Ibrahim Al Baker**  
Board Member

**Abdulaziz Khalid Jokhdar**  
Board Member

## EXECUTIVE MANAGEMENT

(As of 31 December 2025)

**Ali Sultan Rakkad Al Amri**  
Chief Executive Officer

**Rajesh Arora**  
Chief Financial Officer

**Randa Kreidieh**  
Chief Risk Officer

**Evren Altioek**  
Chief Operating Officer

**Hashem Mohammad Ali Abu-Hanak**  
Chief Credit Officer

**Giovanni Everduin**  
Chief Strategy and Innovation Officer

**Kumar Mahapatra**  
Executive Vice President,  
Wholesale Banking Group

**Hassanain Ali**  
Executive Vice President,  
Retail Banking Group

**Hala Al Safadi**  
Vice President, Corporate Secretariat  
and Investor Relations

**David Abraham Pije**  
Head of Compliance

**Ziad Abdelghani**  
Head of Internal Audit

# OUR STRATEGY



# OUR STRATEGY

## Building on our strategic foundations

Our former strategy centred on repositioning Retail Banking to target affluent clients and strengthen wealth management, while focusing Wholesale Banking on a select group of high-value corporates to ensure disciplined, risk-adjusted returns. It also aimed to rebalance risk by exiting lower-end segments to optimise capital and service quality, and to transform CBI's operating model through digitalisation, investment in people and brand, cost control, and a streamlined network and sales structure. An increasingly competitive market and new opportunities driven by innovation required a refresh of our strategy and value proposition, building on existing pillars. From this, we articulated a refined value proposition to seize new opportunities and position the Bank for success in the market.

## Key pillars of our strategy

- Become a Leading Banking-as-a-Service provider**  
 Grow revenue through a market leading service offering around our banking license to help Fintechs and non-financial institutions provide banking services.
- Build Generational Wealth for Affluent Customers**  
 Grow and diversify Retail revenue by offering a focused Wealth Management proposition powered by select strategic partnerships and a superior CX.
- Expand into High Value Corporate Services**  
 Expand from loans towards more fee-based products, catering to emerging and unmet client needs through a focused new range of corporate services.
- Partner and Grow with Emerging Corporates**  
 Provide fit-for-purpose loan products and on-demand, evolving services for mid-size to emerging corporates to capture new revenue streams.
- Strengthen the Core**  
 Transform talent, tech & process capabilities and strengthen our capital base, to improve current operations and support sustainable future growth.

## Our value proposition

To achieve sustainable success, we will be known as:

		
<p><b>A customer-centric service provider</b></p> 	<p><b>A focused niche specialist</b></p> 	<p><b>A partnership-driven innovator</b></p> 
<p>Pivot to low-risk, high value services beyond the traditional loan and deposit business. Outperform the market in being customer centric and delivery of a consistently great experience and efficient use of resources and capital.</p>	<p>Establishing CBI as a highly reputable, sought-after specialist for specific market segments, with a clear and focused definition of priorities and a relentless focus on customer needs and execution.</p>	<p>Utilising partnerships, innovative technology and structured experimentation to establish CBI as a disruptive force that can quickly enter new markets and/or capitalise on emerging opportunities.</p>

## Evolving to achieve success

CBI's refreshed strategy is not just about adaptation – it is about transformation. By combining our proven strengths with forward-thinking initiatives, we aim to redefine our role in the financial ecosystem. Our focus on innovation, customer-centricity, and strategic partnerships ensures that we remain agile and well-positioned to seize opportunities, deliver value to stakeholders, and achieve sustainable success.

# BUSINESS REVIEW



# BUSINESS REVIEW

## WHOLESALE BANKING GROUP AND TREASURY & MARKETS

**The Wholesale Banking Group continued to deepen relationships with underserved mid-market corporates, delivering stable and resilient performance anchored in disciplined underwriting and strong asset quality.**

For 2025, WBG extended its track record of strong performance, with profits rising 72% during the year to AED 96 million, up from AED 56 million in 2024. Net operating income jumped to AED 453 million, an increase of 6% from AED 429 million in 2024. Net loans and advances to customers (including Islamic financing) totalled AED 11.9 billion.

WBG's performance and improved return on assets was achieved through a focus on loan portfolio diversification, cost of funds management, asset quality improvements, and refined pricing strategies. This included proactive diversification of its loan portfolio both geographically and numerically, writing new loans for customers in the UAE, GCC and wider region. At the same time, the average loan size reduced as part of the Bank's effort to address concentration risk.

During the year, we further strengthened our market position by onboarding more than 150 new Wholesale Banking customers, reflecting sustained business momentum and growing client confidence in our proposition.

The Bank continued to provide loans to sectors across the economy, with manufacturing, trading, investment/holding companies and real estate among the most significant. With Dubai and the wider UAE continuing to attract new businesses and residents, real estate lending remained particularly buoyant. Network-driven referrals from the Bank's partnerships with leading industry brands have resulted in a strong origination pipeline of higher value loans and higher credit-quality borrowers. This referral network aligns strongly with the Bank's personalised service approach.

WBG continued a process initiated in prior years to improve asset quality. The Bank's non-performing loan ratio continued to decline, ending 2025 at 12.6%, representing a 2.2% decline from the ratio a year earlier. Through intensive engagement with borrowers, WBG's recovery percentage was among the highest in the market.

WBG worked with customers to secure more attractive deposit rates that helped lower the Bank's cost of capital, while still meeting the financial needs of corporates.

### Deepening product offering

A key priority for the year was expanding the uptake of WBG's new working capital financing solution introduced in 2024 – factoring (with recourse). This receivables financing solution is an increasingly popular choice, as customers look to the Bank for a wider portfolio of financing solutions, momentum for the product continues to build.

Growth of existing products and services continued strongly in 2025. In particular, Trade Finance recorded growth in net loans, while off-balance sheet volumes, including Letters of Credit and Bank Guarantees, as well as revenues, increased year-on-year, reflecting a supportive business environment. The corporate advisory business also booked strong revenues.

### Treasury and Markets

With its mandate to manage Bank liquidity and minimise the cost of funds, the Treasury & Markets team outperformed the market in terms of asset-liability management. During 2025, the Bank's incremental cost of funds decreased by a larger margin than the market.

WBG's fixed-income team continued to steadily diversify by expanding beyond sovereign debt into higher-yielding local corporate and bank paper, which offered a higher yield while maintaining a

favourable risk-reward profile. Purchases were well timed over the course of the year, taking into account market conditions. By the end of 2025, fixed-income investments totalled AED 3.6 billion, up 28% from the AED 2.8 billion a year earlier.

### ESG

As part of the Bank's commitment to supporting the UAE's sustainability initiatives, including a commitment announced during COP28 in Dubai to increase domestic finance for environmental projects, WBG continued in 2025 to expand its green loan facilities and fulfil its fiduciary duty to lend to projects and companies that align with the UAE and the Bank's sustainability agenda.

Additionally, to support local small and medium-sized enterprises, WBG approved loans under the Emirates Development Bank's Credit Guarantee Scheme, offering crucial access to finance for companies in industrial, advanced technology, and other sectors deemed strategic to the UAE.

Overall, the Wholesale Banking Group delivered steady progress across its core activities, supported by disciplined balance sheet management and continued attention to asset quality. The year's outcomes reflect a consistent focus on prudent banking practices and effective execution, contributing to the Bank's stable performance during 2025.



# BUSINESS REVIEW

## RETAIL BANKING GROUP

**In Retail Banking, the focus was sharpened on priority and affluent customers, resulting in 77% increase in new home loan bookings and a 14% increase in credit card spend. These outcomes reflect stronger customer engagement and the continued strengthening of the core franchise.**

The Group delivered these solid results alongside its ongoing shift from mass market to premium market, by offering personalised service such as a dedicated relationship manager, rapid loan approvals, quick resolution of customer issues, and a range of exclusive, high-end credit card products.

RBG's net operating income in 2025 reached AED 41 million. Deposits grew 2% to AED 3.3 billion, from AED 3.2 billion in 2024, while net loans rose to AED 1.1 billion in 2025, an increase of 9% from the AED 1 billion a year earlier.

We continued to strengthen our franchise by onboarding 372 new Retail Banking customers during the year, underscoring sustained growth and increasing customer confidence in our products and service experience.

### **Mortgage growth driven by affluent and expat demand**

The growth in the mortgage business reflected the Group's success in capitalising on the ongoing population increase in Dubai and the UAE, especially among high-net-worth individuals and expatriates relocating to the country. This demographic in particular is fuelling the boom, particularly in the luxury villa segment.

Given its strategic pivot toward the affluent banking market, RBG was well positioned to meet this demand, delivering a solid improvement in new home loan issuance in 2025 compared to the prior year. These were new-to-bank customers, including many who are Wholesale Bank Group clients, seeking high-end retail banking solutions.

The significant increase was driven by a shift toward fewer but much larger mortgages for homes in the luxury and ultra-luxury segments, particularly in Dubai.

### **Exponential growth and innovation in premium card portfolio**

RBG's affluent card business was launched in 2022. By the end of 2025, annual card spend increased by 14% year-on-year, with peak monthly spending reaching its highest levels during the summer.



This surge is driven by the Bank's exclusive, benefit-rich card offerings, particularly the invitation-only Rewards World Mastercard and Rewards Platinum Mastercard, as well as the CBI First Mastercard for Priority Banking customers. In addition to providing exclusive travel privileges, global discounts, and hotel offers, they are the only Mastercard brand to offer the Emirates Skywards frequent flyer miles benefits.

Reflecting RBG's continuous innovation in card products, in 2025, it fully revamped the design and features package of the CBI First Mastercard. Additionally, across all its cards, it introduced digital cards and digital wallets with creative and eye-catching designs and pioneered the use of holiday and other themed designs on the digital cards in customers' digital wallets.

### **Customer experience**

In the years since the COVID pandemic, RBG has put significant organisational effort into building a strong customer engagement strategy. Results in 2025 reflected the continued success in getting closer to customers and delivering to their needs. Baseline customer turnaround times and issue resolution rates remained above 99%, while the Net Promoter Score (NPS), an industry benchmark for customer loyalty and satisfaction, skyrocketed to more than 29%, by the end of 2025, from -17 registered during the post-COVID period due to pandemic disruptions.

To elevate it even further, during the year, RBG implemented proactive improvement measures, including identifying levers to drive further satisfaction improvements and tracking and managing NPS and client satisfaction data to ensure steps taken are delivering consistent service improvements. In 2025, this work included balancing digital touchpoints and human engagement through a mix of apps, digital branches, website, brick-and-mortar branches, a 24/7 call centre, and relationship manager outreach.

### **New engagement channels**

Complementing these touchpoints were additional engagement channels introduced in 2025. The first was issuing exclusive invitations to ultra-high-net-worth and priority banking clients to attend events at the Dubai entertainment venue Coca-Cola Arena and at the Yas Marina Formula One Circuit in Abu Dhabi. RBG also held invite-only feedback sessions to learn how to better serve clients and gather insights on evolving customer expectations.

Taken together, the Retail Banking Group delivered solid growth across its principal portfolios while maintaining a sustained focus on service quality and customer engagement. The outcomes recorded in 2025 highlight the Group's steady delivery against its premium banking proposition and its ongoing commitment to building strong, service-led relationships with its customers.

# OUR PEOPLE





# OUR PEOPLE

**In 2025, CBI's Human Resources team reinforced its role as a strategic partner and catalyst for business growth by advancing leadership capabilities and employee skills; embedding a culture of inclusion, engagement and meritocracy; and accelerating workforce readiness for the future. Throughout the year, HR strengthened its role in ensuring workforce readiness by aligning people development initiatives with long-term organisational needs and succession priorities.**

During the year, we invested in building a high-performing leadership cadre through structured development pathways, global academic partnerships, and improved assessments. Talent development remained a central priority, reflected in the launch of the Talent Hub and numerous other skill-building initiatives. We reinforced a culture of accountability and collaboration through refreshed performance practices, enhanced recognition mechanisms, and values-driven behaviour frameworks.

As a result, we strengthened CBI's reputation for empowering talent, rewarding performance, and investing in long-term capability building, making us an employer of choice for Emiratis and people of all nationalities.

## Emiratisation

CBI's Emiratisation programme continued to achieve strong results, building on the momentum from the previous year. Across key business areas, the Bank made notable progress, with Emiratisation rising to 39.09% by year-end from 32% in 2024, just shy of the Central Bank's 45% target. This success reflected a multifaceted approach that included recruiting fresh graduates, deepening partnerships with top local universities, and participating in major national career fairs.

Our outreach efforts boosted the Bank's visibility as an attractive destination for Emiratis seeking careers in financial services and significantly increased our engagement with high-potential UAE nationals, making it easier to identify and hire top-quality talent.

Strong retention results also contributed to our higher Emiratisation number, as we continued to enhance UAE national career pathways, partly by outlining structured progression plans and launching targeted Emirati employee professional development initiatives. These efforts led to higher engagement and lower turnover.

## Learning and development

One of the most important elements of our employee value proposition is the expansive professional development opportunities we offer employees at all levels, including specialised leadership training and development that is crucial for our future growth.

In 2025, CBI employees logged a total of 21,802 learning hours, including 16,704 hours of core learning and 5,098 hours via LinkedIn Learning, averaging 41 hours per employee – a 41% increase from 2024.

As part of CBI's extensive learning ecosystem, the Bank continued to expand access to both local and international professional certifications that support role mastery and future skills. These included the Emirates Institute of Finance (EIF), a Central Bank initiative that helps train and certify fresh UAE graduates, as well as UK Chartered Banker certifications. Additionally, 68 employees earned certifications across fields such as compliance, procurement, risk, and sustainability.

The Bank supported other development opportunities, including the Dubai Financial Expert Programme (DFEP) for UAE nationals. Senior leaders of all backgrounds participated in Stanford University's "Driving Innovation and New Ventures" programme, while the Leadership Excellence Series and LinkedIn Learning expanded access to learning for middle-management and high-potential talent.

Other CBI initiatives also contributed to our culture of continuous learning. Most importantly, this included the launch of the CBI Talent Hub, a unified and transparent platform that integrates individual development plans (IDPs), succession planning and capability-building. The Talent Hub also strengthened governance and alignment through calibration sessions and periodic learning reviews, ensuring learning investments supported succession pipelines, high-potential development, and nationalisation objectives. Mandatory onboarding and managerial development pathways were reinforced across the Bank to ensure consistency in capability-building at all levels.

To drive engagement with these learning opportunities, we initiated the LinkedIn Learning Challenge to accelerate uptake of digital, self-driven learning. To encourage healthy competition around learning, we established the Top Learner Awards, which recognises those who are making the most of these opportunities. We also advanced digital and AI-enabled learning experiences to help employees build the future-ready capabilities required in a rapidly evolving financial services environment.

A new event series, Brown Bag Sessions, has become popular with employees. More than 350 attendees this year have benefitted from peer learning and cross-functional collaboration during sessions on topics as diverse as ESG, AI, procurement, and customer experience.

While most professional development activities are voluntary, we continued to implement mandatory e-learning modules that build essential capabilities critical to Bank operations.

## Inclusion and meritocracy

To help foster an inclusive workplace, we provided opportunities to learn and practice the skills that reflect our culture. In 2025, we implemented several wellbeing programmes that emphasised empathy, psychological safety, and open dialogue. We also ensured our diverse leadership team was well represented across flagship programmes, including the Leadership Excellence Series and leadership development partnerships with IESE Business School in Spain.

Throughout the year, we took steps to foster our merit-based culture, including the launch of Inspire, a real-time recognition platform that reinforces the importance of performance excellence. We also updated our performance management processes to emphasise the assessment of measurable outcomes and value alignment, and to build in a continuous feedback mechanism. In line with our meritocratic principles, we continued to expand access to global professional certifications that support role mastery and future skills development.

## Employee engagement

In 2025, we are proud to have achieved an employee engagement score of 75%, surpassing the Middle East financial services benchmark of 70%. This was accompanied by the launch of the AI-enabled CBI Employee Engagement Survey, which generated deeper insights regarding employee engagement, trust in leadership, collaboration, and organisational culture. Survey highlights showed:

- Strong cross-department collaboration and team cohesion
- Confidence in leadership and alignment with strategic direction
- Positive perceptions of learning, development, and recognition programmes

We are using these insights to shape our people strategy, guide communication initiatives, set leadership development priorities, and improve continuous listening practices.

# CORPORATE GOVERNANCE



# CORPORATE GOVERNANCE

## 1. Chairman statement

On behalf of the Board of Directors, I am pleased to present Commercial Bank International PJSC's Corporate Governance Report for the year 2025. The Board remains firmly committed to maintaining a strong and effective governance framework that supports the Bank's strategic objectives, promotes accountability and transparency, and aligns with applicable regulatory requirements and recognised best practices.

The Board considers corporate governance to be a fundamental pillar of the Bank's long-term sustainability and institutional integrity. Sound governance enables effective oversight, supports balanced decision-making, and safeguards the interests of all shareholders and stakeholders. Throughout the year, the Board continued to place particular emphasis on governance effectiveness, ethical conduct, and clear delineation of roles and responsibilities between the Board, its committees, and Executive Management.

During 2025, the Board approved an enhanced Corporate Governance Code, reflecting developments in regulatory expectations and market practice. In parallel, all Board and Board Committee Charters were comprehensively reviewed and approved to ensure continued alignment with applicable regulations, clarity of mandates, and effective oversight across all areas under the Board's responsibility.

The Board also oversaw enhancements to the Bank's conduct and ethics framework. This included the revision of the Code of Ethics and Conduct and the establishment of a dedicated Code of Conduct and Ethics Committee at the management level. The Committee supports the consistent application of ethical standards, oversees conduct-related matters, and ensures appropriate escalation and reporting to the relevant Board Committees, reinforcing a strong culture of integrity and accountability across the organisation.

The Board of Directors remains responsible for overseeing the overall governance framework of the Bank and for promoting ethical behavior, transparency, and accountability at all levels. This includes oversight of governance policies, internal controls, and procedures applicable to the Board, Executive Management, and employees, as well as ensuring effective segregation of duties and sound governance practices.

CBI remains committed to continuous improvement. During the year, the Board and its committees regularly reviewed governance-related policies and frameworks to ensure they remain fit for purpose and aligned with evolving regulatory and supervisory expectations. These efforts reflect the Board's ongoing commitment to maintaining high standards of corporate governance and regulatory compliance.



Saif Alshehhi (Feb 18, 2026 12:59:21 GMT+4)

**Mr. Saif Ali Al Shehhi**  
Chairman of the Board



Mohamed Alnuaimi (Feb 18, 2026 10:05:34 GMT+4)

**Mr. Mohamed Ali Musabbeh Al Nuaimi**  
Chairman of the Board Audit Committee



Ali R (Feb 18, 2026 10:29:40 GMT+3)

**Mr. Ali Rashid Al Mohannadi**  
Vice Chairman and Chairman of the Board  
Nomination and Remuneration Committee and Board Executive



Mubarak Bin Fahad (Feb 17, 2026 13:02:32 GMT+4)

**Mr. Mubarak Bin Fahad Al Mheiri**  
Chairman of the Board Risk Committee

## 2. CBI's approach to corporate governance

CBI's approach to corporate governance is based on a shared commitment by the Board of Directors, Executive Management, and employees to uphold high standards of integrity, accountability, and transparency. This approach is embedded within the Bank's governance architecture, including the Board and Board Committee Charters, the Corporate Governance Code, the Code of Ethics and Conduct, the Management Committees' Terms of Reference, and other supporting governance policies.

The Bank's corporate governance framework is designed to ensure compliance with applicable UAE laws and regulations and to align with regulatory requirements issued by the Central Bank of the United Arab Emirates (CBUAE) and the Securities and Commodities Authority (SCA). Governance practices are applied proportionately and are subject to ongoing review to ensure they remain effective and responsive to regulatory developments and supervisory expectations.

CBI maintains a clear segregation of roles and responsibilities between the Board of Directors and Executive Management. The Board is responsible for providing strategic direction, approving key policies and frameworks, and exercising oversight over the Bank's performance, risk profile, and governance arrangements. Executive Management, led by the Chief Executive Officer, is responsible for the day-to-day management of the Bank and for implementing the strategies, policies, and decisions approved by the Board.

During 2025, the Bank further strengthened its corporate governance framework through targeted enhancements. These included the approval of an enhanced Corporate Governance Code and the comprehensive review and update of all Board and Board Committee Charters to ensure alignment with evolving regulatory requirements, clarity of mandates, and effective oversight. In addition, governance-related policies and frameworks continued to be reviewed and refined to support sound decision-making, ethical conduct, and sustainable business practices across the organisation.

## 3. Board oversight and governance practices

The Board of Directors adopts an active and structured approach to governance and meets regularly throughout the year, with at least six scheduled meetings. These meetings enable the Board to exercise effective oversight of the Bank's strategy, performance, governance arrangements, and key risk matters.

The Board reviews and approves the Bank's strategic and business plans and monitors their execution. It also reviews periodic financial statements and management reports to assess the Bank's financial position, performance trends, and emerging issues, and to ensure alignment with the approved risk appetite and strategic objectives.

Within its delegated authorities, the Board reviews and approves credit proposals that fall within its mandate and oversees the Bank's credit governance framework to ensure that material credit decisions are taken in a controlled and disciplined manner.

The Board approves new policies and material amendments to existing policies and ensures that governance, risk, and control frameworks remain aligned with regulatory requirements and prevailing best practices. It also oversees the implementation of key internal initiatives and strategic projects, including sustainability-related programmes, to ensure appropriate governance, progress, and accountability.

The Board is responsible for overseeing the effectiveness of the Bank's system of internal controls. This includes approving the risk appetite, overseeing regulatory compliance, and monitoring the independence and effectiveness of the Internal Audit function.

Through these activities, the Board promotes a culture of accountability, integrity, and transparency and ensures that the Bank operates in a sound, controlled, and well-governed manner.

**4. Board structure, fit and proper requirements, and suitability**

In accordance with CBI’s Articles of Association, the Board of Directors comprises nine members elected or nominated for a term of three years, renewable in line with the Board-approved Nomination Policy and applicable regulatory requirements. The Board is responsible for setting the Bank’s strategic direction, approving key policies, and overseeing management to ensure the Bank operates in the best interests of its stakeholders and in compliance with applicable laws and regulations.

The Board has approved a Fit and Proper Policy governing the appointment and ongoing suitability of Board members. Directors are required to meet established standards relating to integrity, competence, experience, financial soundness, and independence, and to commit sufficient time to the performance of their duties. Suitability is assessed at the time of appointment and on an ongoing basis throughout a director’s tenure.

In addition to individual assessments, the Board undertakes a collective suitability assessment to ensure that the Board as a whole maintains an appropriate balance of skills, experience, and expertise to effectively oversee the Bank’s activities and strategic objectives.

In line with the Bank’s governance cycle, the next election of Board members is expected to take place at the Annual General Assembly scheduled to be held during the first quarter of 2026. The nomination and election process will be conducted in accordance with the Articles of Association, the Nomination Policy, the Fit and Proper Policy, and applicable regulatory requirements.

**5. Board composition, independence, and diversity**

The composition of the Board reflects an appropriate balance between independent and non-independent directors, in line with applicable regulatory requirements and governance best practices.

Five directors are classified as independent, representing a majority of the Board. The remaining four directors are non-independent

and represent Qatar National Bank (QNB), the Bank’s major shareholder. This composition supports independent oversight while ensuring appropriate representation of shareholder interests.

The Board demonstrates diversity across gender, age, and professional background. Female representation accounts for 22.2% of the Board. Directors also represent a range of age groups, combining experience and continuity with diverse perspectives that contribute to effective governance and informed decision-making.

Board members collectively bring a broad range of skills and experience relevant to banking and financial services, including finance, risk management, strategy, and governance. This mix supports effective oversight of the Bank’s activities and the ability to address complex matters in a dynamic operating and regulatory environment.

Each Board member owes fiduciary duties of care, confidentiality, and loyalty to the Bank in accordance with applicable laws and regulations and is required to act on an informed basis, in good faith, and in the best interests of the Bank and all shareholders.

**6. Board evaluation and development**

Each year, CBI conducts a comprehensive evaluation of the Board’s performance either internally or through an independent external provider to assess its overall effectiveness, the individual contributions of directors, and the performance of Board committees. This process also examines Board cohesion and highlights areas for enhancement, ensuring the Board continues to operate effectively and remains aligned with the Bank’s strategic objectives.

In 2025, the Board underwent an internal evaluation to assess its overall effectiveness. The review confirmed strong performance and highlighted the Board’s ability to operate cohesively and fulfil its oversight responsibilities. As part of the process, the Board’s collective suitability was also evaluated to ensure the right balance of skills, experience, and diversity necessary for sound governance and effective decision-making.

CBI prioritises the ongoing development of its directors, providing them with access to external expertise and resources, and collaborates with leading institutions to ensure directors regularly improve their skills and stay updated on best practices. Throughout the year, CBI continued to invest in the Board’s professional development through structured training sessions tailored to regulatory priorities and governance needs. The sessions covered emerging regulatory trends, the updated CBUAE Fit and Proper framework, conflict-of-interest obligations, and evolving expectations under the Corporate Governance Regulations and Standards. These programmes ensure that the Board remains fully equipped to exercise effective oversight in a dynamic regulatory environment.

**6.1 Members of the Board of Directors**

Name	Position	Date of appointment	Brief profile
Mr. Saif Ali Al Shehhi (Independent, Non-Executive)	Chairperson	26 July 2020 as a member of Board and 2 November 2020 as Chairperson (re-appointed on 28 February 2023)	Mr. Al Shehhi has previously held board positions at Abu Dhabi Investment Company, ADIB International Washington DC, Etihad Credit Insurance, Mastercard, National Takaful Company, and Visa International, as well as executive management positions in Aafaq Islamic Finance and National Bank of Abu Dhabi. He has also served as the Head of Foreign and Local Banks at the CBUAE. Mr. Al Shehhi holds a BA in Management and Technology from the Central New England College in Worcester, Massachusetts (United States).
Mr. Ali Rashid Al Mohannadi (Non-Independent, Non-Executive)	Vice Chairperson	30 March 2020 (re-appointed on 28 February 2023)	Mr. Al Mohannadi is currently the Executive General Manager and Chief Operating Officer of Qatar National Bank. He is the Chairman of QNB Alahli (Egypt) and Board Member of QNB Capital. He previously served on the Boards of QNB Finansbank and QNB Tunisia.  Mr. Al Mohannadi holds a BSc in Computer Science from Qatar University (Qatar).
Mr. Mubarak Bin Fahad Al Mheiri (Independent, Non-Executive)	Member	30 March 2020 (re-appointed on 28 February 2023)	Mr. Al Mheiri is a highly accomplished entrepreneur, particularly renowned in the restaurant industry. He currently serves as a board member of Arqaam Capital and Seera Investment Bank. He has previously held executive management positions at Al Khaleej Investment, the Dubai Department of Tourism and the Dubai World Trade Centre. Mr. Al Mheiri holds an MBA in Strategic Management from Birmingham University (United Kingdom) and a BSc in Finance, Insurance and Management from Northeastern University in Boston (United States).

Name	Position	Date of appointment	Brief profile
Mr. Mohamed Ali Musabbeh Al Nuaimi (Independent, Non-Executive)	Member	24 March 2021 (re-appointed on 28 February 2023)	Mr. Al Nuaimi is currently the Chairman of RAK Chamber, Vice Chairman of RAK Properties and a board member of RAKEZ. He has previously held board positions and executive management roles at Mawarid Finance and the National Bank of Dubai. Mr. Al Nuaimi holds a BA in Business Management from Newbury College in Brookline, Massachusetts (United States).
Dr. Ghaith Hammel Al Ghaith Al Qubaisi (Independent, Non-Executive)	Member	30 March 2020 (re-appointed on 28 February 2023)	Dr. Al Qubaisi is a renowned businessman. He currently serves as a member of the National Consultative Council and as a board member of Al Ain Al Ahliya Insurance Company PJSC and Al Ghaith Holding PSC. Dr. Al Qubaisi holds a PhD in Business Management from Cambridge International College (United Kingdom).
Mrs. Maitha Saeed Al Falasi (Independent, Non-Executive)	Member	30 March 2020 (re-appointed on 28 February 2023)	Mrs. Al Falasi is an Investment Advisor with several international investment companies and a commodity hedge fund. She served for nine years as the Director of Asset Management at DIFC, overseeing 12 investment funds including Art Dubai and Smart Stream. She has also previously held executive management positions at DIFC Investments and a director position on eight multinational boards. Ms. Al Falasi holds an Executive MBA in Finance and Business Leadership from London Business School (United Kingdom) and is a certified Corporate Governance director from Hawkamah (UAE). In 2020, Ms Al Falasi was nominated as a member of the Order of the Party Guelfa in Italy; she is a Guelph Senator and has been coronated as "Lady".
Mr. Salaheddin Almabruk Al Madani (Non-Independent, Non-Executive)	Member	25 April 2022 (re-appointed on 28 February 2023)	Mr. Al Madani is currently the Senior Vice President / Regional Credit at QNB and a board member of QNB Tunisia. He has previously held management roles in Qatar National Bank. Mr. Al Madani holds a BSc in Accounting and Finance from the American University of Sharjah (UAE).

Name	Position	Date of appointment	Brief profile
Mrs. Fatma Ibrahim Al Baker (Non-Independent, Non-Executive)	Member	28 February 2023	Mrs. Al Baker is currently the Executive Vice President – Infrastructure Services at QNB Group and serves as the general manager of QNByond Plus. Mrs. Al Baker holds a Programming Diploma from College of the North Atlantic in Doha (Qatar).
Mr. Abdulaziz Khalid Jokhdar (Non-Independent, Non-Executive)	Member	28 February 2023	Mr. Jokhdar is currently the Chief Executive Officer of QNB – KSA. He holds an MBA from Stetson University (United States) and a BA in Finance from the University of Central Florida (United States).

Note: There were no resignations or new appointments to the Board of Directors during 2025. The current Board's term will expire at the end of February 2026, and the Board will be re-appointed or newly appointed at the Annual General Meeting scheduled for 2 March 2026.

## 6.2 Board Appointment of the Company Secretary

The Board of Directors appointed Ms. Hala Al Safadi as the Company Secretary in April 2020. In this role, she serves as the primary interface between the Board of Directors and Executive Management, ensuring seamless communication and facilitating transparency across all governance activities. Ms. Al Safadi is also a key point of contact for corporate governance matters with the CBUAE and the SCA. She is responsible for overseeing Board-related corporate governance matters, ensuring alignment with regulatory requirements, and upholding the highest standards of governance at CBI.

Ms. Hala Al Safadi brings over 14 years of extensive experience in corporate secretarial and legal roles within the financial services

sector, showcasing her deep expertise in corporate governance. She began her career at Emirates NBD PJSC, where she held various key positions in corporate secretarial and legal functions. Her tenure there provided her with a strong foundation in governance practices and financial services, which she has further honed since joining CBI in 2019.

She holds a BA in English Language and Translation from Petra University in Amman, Jordan. She is a Certified Board Secretary from the Hawkamah Institute for Corporate Governance and holds an executive certification in Corporate Governance from INSEAD. Additionally, she has completed a leadership certification from IESE Business School, further enhancing her governance and leadership acumen.

[hala.alsafadi@cbi.ae](mailto:hala.alsafadi@cbi.ae)

**6.3 Board Meetings**

In 2025, the Board of Directors held six (6) meetings:

Board member	14 Jan	30 April	26 June	31 July	13 Nov	23 Dec
Mr. Saif Ali Al Shehhi	√	√	√	√	√	√
Mr. Ali Rashid Al Mohannadi	X	√	√	√	√	√
Mr. Mubarak Bin Fahad Al Mheiri	√	√	√	√	√	√
Mr. Mohamed Ali Musabbeh Al Nuaimi	√	√	√	√	√	√
Dr. Ghaith Hammel Al Ghaith Al Qubaisi	X	√	√	√	√	√
Ms. Maitha Saeed Al Falasi	√	√	√	√	√	√
Mr. Salaheddin Almabruk Al Madani	√	√	√	√	√	√
Ms. Fatma Ibrahim Al Baker	√	√	√	√	√	√
Mr. Abdulaziz Khalid Jokhdar	√	√	√	√	√	√

With regard to decisions made via circulation in 2025, the Board of Directors approved 33 business-related resolutions throughout the year, all of which were subsequently ratified at the following Board meetings.

All Board meetings held during 2025 were attended in person/conference call. No attendance by proxy took place during the year.

**7. The committees of the board**

CBI’s governance framework is supported by a set of specialised Board committees, each operating under Board-approved Terms of Reference that define clear mandates, delegated authorities, and reporting lines. These committees include the Board Audit Committee, Board Risk Committee, Board Credit Committee, Board Nomination and Remuneration Committee, and Board Executive Committee.

Each committee assists the Board in discharging its oversight responsibilities across key areas, including strategy, financial reporting, risk management, credit approvals, internal controls, succession planning, and ESG matters, within the scope of its respective mandate.

The effectiveness of the Board committees is evaluated annually as part of the Board performance assessment process. Committee performance is assessed against their respective Terms of Reference, with findings reported to the Board and used to identify areas for enhancement, ensuring the continued effectiveness and robustness of the Bank’s governance framework.

**7.1 Board Audit Committee (BAC)**

**Annual Report and Key Activities for the Year Ended 31 December 2025**

As Chairperson of the Board Audit Committee (“BAC” or “the Committee”), I am pleased to present this combined report on the Committee’s composition, mandate, and key activities during the financial year ended 31 December 2025. This report is issued in fulfilment of the Committee’s obligations under the Securities and Commodities Authority Corporate Governance Regulations, the applicable regulatory framework of the Central Bank of the UAE (“CBUAE”), and internationally recognised governance standards.

Throughout 2025, the BAC provided independent, objective, and effective oversight to the Board of Directors in relation to:

- the integrity and transparency of the Bank’s financial reporting;
- the effectiveness of internal controls and governance frameworks;
- the independence, performance, and effectiveness of Internal and External Audit;
- regulatory compliance and supervisory matters; and
- ethical conduct, fraud risk management, and whistleblowing arrangements.

The Committee discharged its responsibilities with due professional scepticism, constructive challenge, and a strong focus on sustainable control effectiveness.

**Mandate and Authority**

The Committee operates under a Board-approved Charter and is authorised to:

- obtain any information it requires from Management;
- access Internal and External Auditors without restriction; and
- engage independent professional advice when necessary.

The Committee’s mandate encompasses oversight of:

- financial reporting and disclosures;
- appointment, independence, scope, and fees of the External Auditor;
- independence, resourcing, and effectiveness of Internal Audit;
- the internal control framework and remediation of deficiencies;
- regulatory compliance and supervisory matters;
- fraud risk management and whistleblowing; and
- related party transactions.

**Financial Reporting and Significant Accounting Matters**

During 2025, the Committee reviewed the Bank’s quarterly and annual financial statements, with particular focus on:

- the accuracy and integrity of financial reporting;
- significant accounting judgements and estimates; and
- key areas of financial risk, including impairment, provisioning, valuation, and revenue recognition.

The Committee engaged in detailed discussions with Management and the External Auditor to ensure full compliance with International Financial Reporting Standards (IFRS), consistency and appropriateness of accounting policies, and the adequacy and transparency of disclosures. Following these reviews, and noting the unmodified audit opinion issued by the External Auditor, the Committee recommended the 2025 consolidated financial statements for approval by the Board and submission to shareholders.

**External Audit Oversight**

Oversight of the external audit process remained a key responsibility of the Committee. During the year, the BAC:

- evaluated the independence, qualifications, and performance of the External Auditor;
- reviewed written independence confirmations and ethical declarations in accordance with the IESBA Code of Ethics;
- confirmed that no prohibited non-audit services were provided; and
- reviewed and approved the audit scope, audit plan, and fees, ensuring alignment with the Bank’s size, complexity, and risk profile.

The Committee assessed the quality and effectiveness of the external audit, including professional judgement, scepticism, quality of reporting, and responsiveness to Committee queries, and concluded that the External Auditor remained independent in form and substance.

**Internal Audit Oversight**

The Committee maintained close engagement with the Internal Audit function throughout the year. In this regard, the BAC:

- approved the risk-based Internal Audit Plan, budget, and Charter;
- reviewed all high-risk and medium-high risk audit reports;
- assessed whether audit findings indicated systemic control weaknesses or isolated issues; and
- monitored management’s timely remediation of audit findings.

The Committee is satisfied that Internal Audit operated independently and objectively, had adequate authority and access, and delivered risk-focused, value-adding assurance.

**Internal Controls and Risk Management**

The Committee reviewed the effectiveness of the Bank’s internal control environment and, where weaknesses were identified, required clear root-cause analysis, approved remediation plans with defined ownership and timelines, and monitored the sustainability of corrective actions. The Committee noted improvements in control effectiveness during 2025, supported by strengthened governance, enhanced processes, and targeted system enhancements.

**Regulatory Compliance and Supervisory Matters**

In line with regulatory expectations, the Committee oversaw management’s response to CBUAE examinations, baseline and thematic reviews, and SCA regulatory requirements. This included reviewing remediation action plans, monitoring implementation progress, validating closure evidence, and escalating material matters to the Board where required. This oversight reinforced the Bank’s commitment to regulatory accountability and a strong control culture.

**Whistleblowing, Fraud Risk, and Ethical Conduct**

The Committee maintained oversight of the whistleblowing and fraud risk management framework, ensuring that reported concerns were investigated independently and confidentially, whistleblowers were protected from retaliation, and root causes and control implications were appropriately addressed. The Committee also encouraged ongoing awareness initiatives to reinforce ethical conduct and a strong risk culture across the Bank.

**Committee Effectiveness**

The Committee conducted its annual self-assessment during 2025, covering the effectiveness of oversight and challenge, quality of information received, interaction with Management and auditors, and compliance with regulatory expectations. The Committee concluded that it operated effectively throughout the year.

**Conclusion and Forward Look**

Looking ahead, the Committee will continue to strengthen its oversight role, with a particular focus on further enhancing the quality and transparency of financial reporting, increasing oversight of technology and cyber risks, deepening the integration of ESG considerations into audit and assurance activities, maintaining sustained regulatory compliance and supervisory readiness, and further strengthening oversight of fraud risk management and conduct-related matters.

The Board Audit Committee remains committed to upholding the highest standards of governance, transparency, and accountability, and to supporting the Board in safeguarding the interests of the Bank and its stakeholders in an increasingly complex regulatory environment.

**BAC Meetings held during 2025**

Name of member	Position	13 Jan	27 Feb	29 Apr	28 July	11 Nov
Mr. Mohamed Ali Musabbeh Al Nuaimi	Chairperson	√	√	√	√	X
Ms. Maitha Saeed Al Falasi	Vice Chairperson	√	√	√	√	√
Mr. Abdulaziz Khalid Jokhdar	Member	√	√	√	√	√

**Mohamed Ali Musabbeh Al Nuaimi**

Chairperson of the Board Audit Committee

**7.2 Board Risk Committee (BRC) – Key Activities in 2025**

**Overview and Meetings**

As Chairperson of the Board Risk Committee (BRC), I am pleased to report on the Committee’s key activities during 2025, undertaken in line with its mandate to oversee the Bank’s risk management, compliance, and overall risk governance framework. During the year, the BRC convened four meetings, providing effective oversight and constructive challenge to ensure that CBI maintains a sound risk and compliance culture and remains resilient in managing emerging risks while safeguarding stakeholders’ interests.

**Risk Governance Framework and Risk Appetite**

A key focus of the Committee’s work was the review and endorsement of the Bank’s risk management framework, including the risk management strategy, Risk Appetite Statement, and key compliance frameworks, ensuring continued alignment with the Bank’s strategic objectives and applicable regulatory requirements.

**Capital Adequacy, Stress Testing, and Recovery Planning**

The Committee reviewed and endorsed critical regulatory submissions, including the Internal Capital Adequacy Assessment Process (ICAAP), stress testing results, and recovery planning, to assess the adequacy of the Bank’s capital and liquidity position under both normal and stressed conditions.

**Compliance and Financial Crime Oversight**

The BRC exercised comprehensive oversight of the Bank’s compliance and financial crime framework. The Committee reviewed periodic compliance submissions presented by Management, including updates from the Head of Compliance and the Money Laundering Reporting Officer (MLRO), covering anti-money laundering, counter-terrorist financing, sanctions compliance, customer due diligence, transaction monitoring, and regulatory remediation activities. The Committee also reviewed revisions to MLRO reports and noted enhancements made to align with evolving regulatory expectations.

**Regulatory Supervision and Remediation**

In relation to regulatory supervision, the BRC monitored progress against action plans arising from CBUAE baseline, thematic, and follow-up reviews, including validation of remediation actions and timelines, reinforcing the Bank’s commitment to regulatory compliance and supervisory transparency.

**Compliance Risk Assessment and Risk Acceptance**

The Committee reviewed and approved the Enterprise-Wide Compliance Risk Assessment, providing oversight of the Bank’s regulatory risk profile and associated mitigation strategies. In addition, the BRC reviewed and ratified risk acceptance requests and specific compliance matters to ensure alignment with the Bank’s approved risk appetite.

**Oversight of Management Committees and the Three Lines of Defense**

To ensure effective governance across the three lines of defense, the BRC reviewed the work and key outcomes of Management-level committees, including the Management Risk Committee, Compliance Committee, and Model Risk Committee.

**Market Conduct and Consumer Protection**

The BRC exercised oversight of market conduct and consumer protection risks in line with the CBUAE Consumer Protection Regulation and related supervisory expectations. During the year, the Committee reviewed updates on conduct-related risks, customer complaints trends, and remediation actions arising from internal reviews and regulatory examinations, and monitored management’s actions to strengthen conduct controls and ensure fair customer outcomes.

**Insider Trading Oversight**

CBI has not established a standalone Insider Trading Monitoring Committee. Oversight of insider trading matters is conducted through the Compliance function in accordance with the Insider Trading Policy and under the supervision of the Board Risk Committee. No insider trading incidents were reported during 2025.

**Policy Review and Continuous Improvement**

Recognising the importance of continuous improvement, the BRC reviewed and recommended updates to key risk, compliance, and model risk management policies, ensuring alignment with emerging regulatory requirements and industry best practices.

**Conclusion and Forward Look**

Through its ongoing oversight, challenge, and guidance, the BRC contributed to strengthening CBI’s risk governance and compliance framework during 2025. Looking ahead, the Committee remains focused on anticipating emerging risks, enhancing compliance effectiveness, and supporting the Board in navigating an increasingly complex regulatory environment.

**BRC Meetings held during 2025**

Name of member	Position	27 Mar	30 Jun	29 Sept	27 Nov
Mr. Mubarak Bin Fahad Al Mheiri	Chairperson	✓	✓	✓	✓
Dr. Ghaith Hammel Al Ghaith Al Qubaisi	Vice Chairperson	✓	X	X	✓
Mrs. Fatma Ibrahim Al Baker	Member	✓	✓	✓	✓

**Mubarak Bin Fahad Al Mheiri**

Chairperson of the Board Risk Committee

**7.3 Board Nomination and Remuneration Committee – Key Activities in 2025**

**Overview and Meetings**

As Chairperson of the Board Nomination and Remuneration Committee (BNRC), I am pleased to report on the Committee’s key activities during 2025, undertaken in line with its mandate to oversee nominations, remuneration, succession planning, and the Bank’s people and talent framework. During the year, the BNRC convened two meetings, with a primary focus on governance and performance matters, particularly in response to the Fitness and Propriety Regulation and Standards issued by the Central Bank of the UAE (CBUAE).

The Committee Chair confirms responsibility for the adequacy of the Committee’s operating framework, the review of its procedures during the year, and affirms that the Committee operated effectively in discharging its mandate throughout 2025.

**Fitness and Propriety Oversight**

A key milestone during the year was the review and approval of the Bank’s Fit and Proper Policy, ensuring full alignment with the CBUAE’s regulatory requirements. In this context, the Committee reviewed the profiles, suitability, independence, and ongoing fitness and propriety of Board members and Senior Management, ensuring continued compliance with regulatory expectations.

**Board and Senior Management Performance**

The Committee oversaw the annual evaluation of Board performance, noting areas of strength and opportunities for enhancement. Based on performance outcomes, market benchmarks, and regulatory requirements, the BNRC reviewed and recommended Board remuneration. In addition, the Committee reviewed Senior Management performance and key achievements, assessing alignment with the Bank’s strategic objectives and overall performance outcomes.

**Succession Planning and Leadership Continuity**

As part of its oversight responsibilities, the BNRC reviewed Senior Management succession planning, including succession readiness for critical roles, to support leadership continuity and long-term organisational resilience.

**Remuneration and People Governance**

From a remuneration and people governance perspective, the Committee reviewed and endorsed key human resources policies, including those relating to performance management and incentive programmes, ensuring alignment with regulatory requirements, prudent risk-taking, and prevailing market practices.

**Emiratisation and National Talent Development**

The BNRC monitored progress on Emiratisation, reviewing management updates on UAE national representation, development initiatives, and targeted programmes aimed at building sustainable national talent pipelines in line with regulatory expectations.

**Conclusion and Forward Look**

Through its oversight of fitness and propriety, performance, succession, and remuneration matters, the BNRC contributed to strengthening CBI’s leadership and governance framework during 2025. Looking ahead, the Committee remains focused on maintaining full compliance with Fit and Proper requirements, supporting leadership development, and reinforcing a performance-driven and well-governed organisation.

**BNRC Meetings held during 2025**

Name of member	Position	26 June	21 Dec
Mr. Ali Rashid Al Mohannadi	Chairperson	✓	✓
Mr. Mohamed Ali Musabbeh Al Nuaimi	Vice Chairperson	✓	✓
Mr. Mubarak Bin Fahad Al Mheiri	Member	✓	✓

**Ali Rashid Al Mohannadi**

Chairperson of the Board Nomination and Remuneration Committee

**7.4 Board Credit Committee (BCC) – Key Activities in 2025**

**Overview and Meetings**

As Chairperson of the Board Credit Committee (BCC), I am pleased to report on the Committee’s key activities during 2025, undertaken in line with its mandate to oversee credit risk management and maintain the quality and resilience of CBI’s credit portfolio. During the year, the BCC convened four meetings, exercising oversight within the delegated authority approved by the Board of Directors and supporting sound credit decision-making across the Bank.

**Regulatory Framework and Credit Risk Governance**

A key area of focus during the year was the implementation of the Credit Risk Management Regulation and Standards issued by the Central Bank of the UAE. The Committee reviewed updates on regulatory requirements and assessed management action plans to ensure ongoing alignment with the revised credit risk framework and evolving supervisory expectations.

**Credit Portfolio Oversight and Asset Quality**

The Committee conducted quarterly reviews of the Bank’s credit portfolio, including detailed assessments of non-performing loans (NPLs), watch-list accounts, and concentration levels. This enabled early identification of emerging credit risks and effective oversight of remedial actions to protect asset quality and portfolio resilience.

**Credit Approvals and Delegated Authority**

In executing its delegated responsibilities, the BCC approved credit proposals within its authority and recommended material credit requests to the Board where required. The Committee also reviewed and recommended settlement proposals, restructurings, charge-offs, and impairment-related actions, ensuring the prudent management of stressed and impaired exposures.

**Oversight of Credit Committees and Exposures**

The BCC reviewed and ratified credit approvals made by the Internal Credit Committee (ICC), monitored interbank and sovereign exposures, and reviewed secondary market and syndicated transactions to ensure consistency with the Bank’s approved risk appetite and credit strategy.

**Limits, Valuations, and Portfolio Developments**

In addition, the Committee reviewed and approved interbank limits, oversaw the appointment and renewal of valuers and auditors, monitored inter-group and investment-related credit exposures, and reviewed portfolio developments across key sectors and geographies.

**Conclusion and Forward Look**

Through its disciplined oversight and constructive challenge, the Board Credit Committee contributed to strengthening the Bank’s credit governance framework and maintaining portfolio quality during 2025. Looking ahead, the Committee remains focused on prudent growth, sustained regulatory compliance, and the proactive management of credit risks in a dynamic economic environment.

**BBC Meetings held during 2025**

Name of member	Position	26 Feb	28 May	16 Sept	26 Nov
Mr. Salaheddin Almabruk Al Madani	Chairperson	✓	✓	✓	✓
Mr. Mohamed Ali Musabbeh Al Nuaimi	Vice Chairperson	✓	✓	✓	✓
Mr. Mubarak Bin Fahad Al Mheiri	Member	✓	✓	✓	✓

**Salaheddin Almabruk Al Madani**

Chairperson of the Board Credit Committee

**7.5 Board Executive Committee (BExCO) – Key Activities in 2025**

**Overview and Meetings**

As Chairperson of the Board Executive Committee (BExCo), I am pleased to report on the Committee’s key activities during 2025, undertaken within the delegated authority approved by the Board of Directors to support the execution of the Bank’s strategy and oversee key management initiatives. During the year, the Committee convened two meetings, focusing on matters requiring Board-level oversight between Board meetings, while ensuring alignment with the Bank’s strategic objectives and governance framework.

**Strategic and Operational Initiatives**

A key area of focus during the year was the monitoring of major strategic and operational initiatives. In this context, the Committee reviewed periodic updates on the core banking transformation programme, including progress against key milestones, to ensure that implementation remained aligned with the Bank’s strategic priorities, operational requirements, and agreed delivery timelines.

**Real Estate Portfolio Oversight**

The Committee reviewed updates on the Bank’s real estate portfolio, including the status of sales, disposals, and other real estate-related transactions. This oversight ensured alignment with approved policies and strategic objectives, while providing appropriate challenge and guidance on management actions in this area.

**Financial Planning and Budget Oversight**

In addition, the BExCo reviewed and recommended the Bank’s 2026 budget to the Board, providing oversight and challenge to ensure alignment with the Bank’s strategic direction, financial discipline, and growth objectives.

**Sustainability and ESG Oversight**

The Committee also received updates on the Bank’s sustainability and ESG roadmap, monitoring progress against planned initiatives and supporting alignment with applicable regulatory expectations and the Bank’s broader sustainability objectives.

**Conclusion and Forward Look**

Through its focused oversight of strategic initiatives, financial planning, and key transformation programmes, the Board Executive Committee supported the effective execution of the Bank’s strategy during 2025. Looking ahead, the Committee remains committed to supporting the Board and Management in advancing CBI’s strategic priorities and ensuring disciplined execution in a dynamic operating environment.

**BExCO Meetings held during 2025**

Name of member	Position	17 Apr	16 Oct
Mr. Ali Rashid Al Mohannadi	Chairperson	✓	✓
Mr. Mohamed Ali Musabbeh Al Nuaimi	Vice Chairperson	✓	✓
Dr. Ghaith Hammel Al Ghaith Al Qubaisi	Member	✓	✓
Mr. Maitha Saeed Al Falasi	Member	✓	✓

**Ali Rashid Al Mohannadi**

Chairperson of the Board Executive Committee

## 8. Board effectiveness and evaluation

CBI conducts a comprehensive annual evaluation of the performance of the Board of Directors and its Board committees. The evaluation assesses the collective effectiveness of the Board, the contribution of individual directors, and the performance of Board committees, with a focus on governance effectiveness, oversight quality, and alignment with the Bank's strategic objectives. The process also considers Board dynamics and identifies areas for continuous improvement.

During 2025, CBI conducted an internal annual evaluation of the Board and Board committees, using structured questionnaires and defined assessment criteria. The outcomes of the evaluation were reviewed by the Board Nomination and Remuneration Committee (BNRC), with key observations and improvement actions noted to support the ongoing enhancement of governance practices.

For newly appointed Board members, CBI provides a structured Board Induction programme tailored to the individual's role, experience, and skill set. The induction programme includes briefings with Board members and executive management, as well as comprehensive guidance on directors' duties and responsibilities, the Bank's policies and procedures, and applicable legal and regulatory requirements.

Through these processes, CBI ensures that the Board and its committees remain effective, well-informed, and equipped to discharge their responsibilities in line with regulatory expectations and the Bank's strategic direction.

## 9. Board's remuneration

The Board Nomination and Remuneration Committee (BNRC) reviewed the performance of the Board of Directors for the year ended 31 December 2025 and submitted its recommendation in relation to annual Board remuneration to the Board of Directors.

Following approval by the Board, the recommended aggregate Board remuneration of AED 10,000,000 was submitted for approval to the General Assembly held on 13 February 2025, which approved the remuneration as proposed.

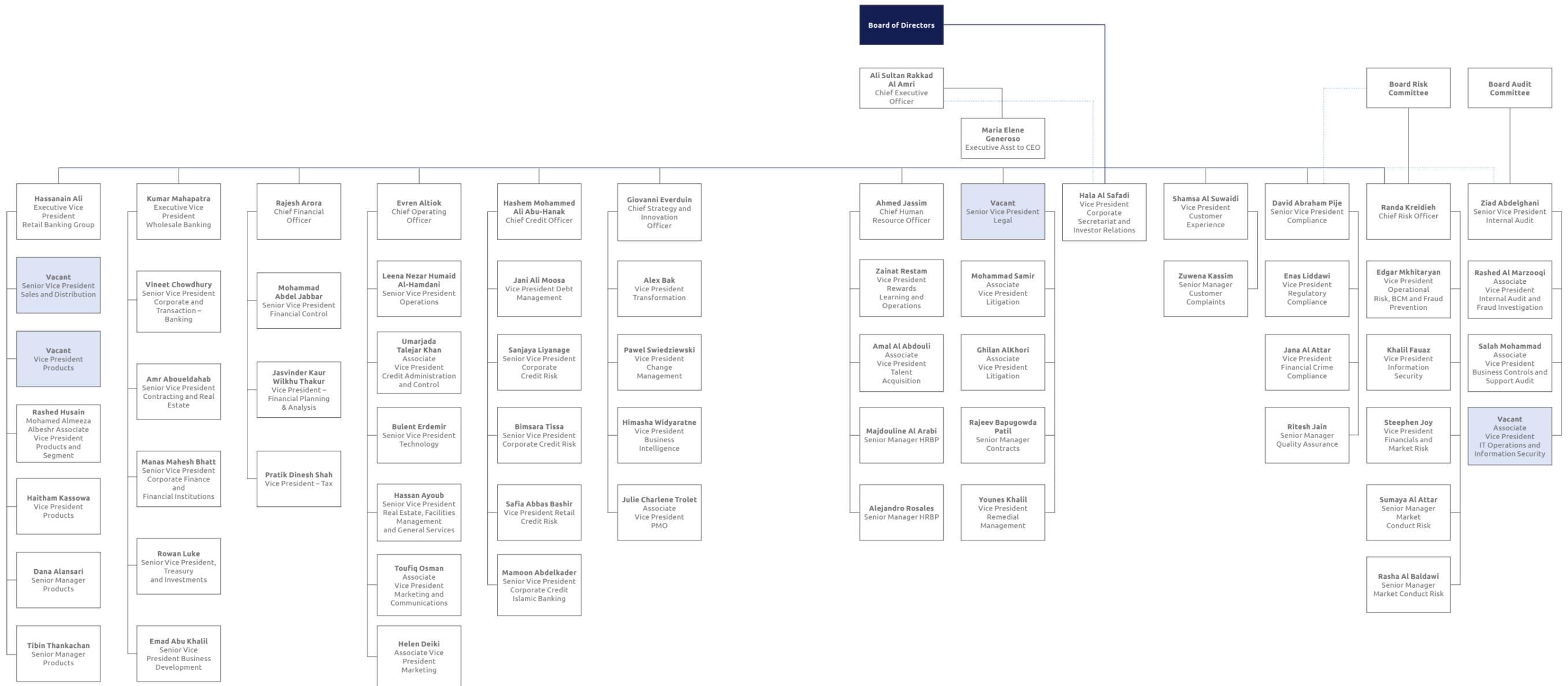
CBI Board of Directors	Payout (AED)
1 Mr. Saif Ali Al Shehhi – Chairman	2,000,000
2 Mr. Ali Rashid Al Mohannadi – Vice Chairman	1,000,000
3 Mr. Mubarak Bin Fahad Al Mheiri – Member	1,000,000
4 Mr. Mohamed Ali Musabbeh Al Nuaimi – Member	1,000,000
5 Mr. Salaheddin Almabruk Al Madani – Member	1,000,000
6 Ms. Maitha Saeed Al Falasi – Member	1,000,000
7 Dr. Ghaith Hammel Al Ghaith Al Qubaisi – Member	1,000,000
8 Ms. Fatma Ibrahim Al Baker – Member	1,000,000
9 Mr. Abdulaziz Khalid Jokhdar – Member	1,000,000
<b>Total</b>	<b>10,000,000</b>

The Board members of CBI were not recommended any additional allowances, salaries or fees, bonuses, long-term or any other incentive schemes. No attendance allowances were paid to Board members for attending Board or Board Committee meetings during 2025.

The Board's proposed total remuneration for the year ending 31 December 2025, to be paid in 2026, is AED 15 million subject to the shareholders' final approval at the General Assembly meeting.



10. Organisation structure



11. Executive management

11.1 Chief Executive Officer

Mr. Ali Sultan Rakkad Al Amri is the Chief Executive Officer (CEO) of CBI. He is a versatile banker with over 25 years of financial services experience, having held various senior management roles at leading local and international financial institutions. He started his career at CBI as a Senior Corporate Officer in 2000, then spent the next eight years working with prominent banks such as Emirates NBD as a Manager in Corporate Banking, Barclays as a Senior Relationship Manager, and Noor Islamic Bank as the Head of Business Development. In 2010, he returned to CBI as the Chief Wholesale Banking Officer, was appointed Acting CEO in 2019, and confirmed as CEO in 2020. He completed Executive Education in Management at IESE Business School in Spain, holds an MBA from the University of Jordan, and earned a Bachelor's degree in Marketing from Ajman University's School of Business. Mr. Ali currently serves as the Chairman of the CBI's Subsidiary CBIX.

11.2 Executive Management

The Chief Executive Officer leads a team of 13 executives who collectively support the strategic direction and operational management of the Bank. Mr. Tawfeeq Al Zuwayyed, SVP Head of Legal, resigned from CBI in March 2025, and the position remained vacant as at 31 December 2025. Any new appointment will be announced in due course.

CBI's Executive Management is keenly attuned to its corporate governance responsibilities, demonstrating a steadfast commitment to executing legislative requirements and adhering to the Board's directives. This commitment is instrumental in fortifying the control environment across various processes and banking activities. It encompasses identifying deviations from objectives, aligning operations to meet desired goals, and implementing corrective actions when necessary.

The Executive Management is comprised of the personnel listed below:

Name	Position	Date of nomination to the role	Brief profile
Evren Altioek	Chief Operating Officer	21 January 2020	Mr. Evren Altioek serves as Chief Operating Officer of Commercial Bank International (CBI), bringing 27 years of distinguished international banking experience across Corporate, Commercial, Retail, and Investment Banking in Europe, the Middle East, and Turkey. He oversees Operations, IT, Procurement, Credit Administration, Real Estate, Administrative Services, Marketing, and Corporate Communications divisions. Prior to joining CBI, Mr. Altioek held senior leadership positions at leading international banks including HSBC and Merrill Lynch. Mr. Altioek holds a Master of Science in International Relations from the London School of Economics (LSE). He does not hold any external directorships.
Randa Kreidieh	Chief Risk Officer	21 November 2021	Ms. Kreidieh has over 23 years of experience in financial services, specialising in implementing robust risk and control frameworks and establishing strong governance cultures. She has previously held key senior positions at Emirates NBD Bank PJSC and its subsidiaries, including Chief Operating Officer and the Head of Risk and Governance. She joined the Company in 2017 as Head of Centralised Governance and Acting Chief Risk Officer. Ms. Kreidieh is a member of the Institute of Canadian Bankers and a certified financial specialist from the American Academy of Financial Management. She has completed the IESE Business School's Programme for Management Development and holds a Higher Diploma in Bank Management and Financial Studies from the Emirates Institute for Banking and Financial Services.  Ms. Kreidieh does not hold any external directorships.



Name	Position	Date of nomination to the role	Brief profile
Hashem Mohammed Ali Abu-Hanak	Chief Credit Officer	21 January 2020	Mr. Abu-Hanak has over 28 years of banking experience and has held various positions in the Company since joining in 2000, including Head of Corporate Credit Risk and Head of Large Corporates for the Wholesale Banking Group. Before joining the Company, he worked as a Credit Analyst at Jordan Kuwait Bank. Mr. Abu-Hanak holds a degree in Business Administration with a concentration in Accounting from the University of Al Yarmouk (Jordan). He does not hold any external directorships.
Rajesh Arora	Chief Financial Officer	4 March 2024	Mr. Arora brings over 28 years of extensive experience in the local and international banking and financial services sector. He has held tenure at Standard Chartered Bank in numerous positions including Regional CFO for Northern Gulf and Levant in Bahrain, CFO for SCB UAE and Global Head of Finance Transformation in Singapore. In his most recent role prior to joining CBI, Rajesh was the Head of Finance and CFO at Al Hilal Bank in the UAE.  Rajesh is a certified Cost and Management Accountant and holds a Master's Degree in Finance from Symbiosis Institute in India.  Mr. Arora does not hold any external directorships.
Giovanni Everduin	Chief Strategy and Innovation Officer	4 March 2024	Giovanni has over 25 years of experience driving innovation and delivering strategic impact to organisations across the globe. Throughout his career, Giovanni has worked for several notable organisations in senior industry and consulting roles, including Accenture in London where he led several global change and transformation programmes and advised leadership teams and boards of Fortune 500 organisations.  Prior to joining CBI, Giovanni was Chief People Officer for Tanfeeth; a subsidiary of Emirates NBD whose rapid growth story was documented in a Harvard Business School case study. Giovanni is a Harvard Business School alumnus and holds a Bachelor's degree in Psychology from the University of Groningen, The Netherlands. He serves as a Board Director for CBlx, Zypl, Tekle Holographics MENA and as Advisory Board Member for Luna PR.

Name	Position	Date of nomination to the role	Brief profile
Ahmed Jassim	Chief Human Resources Officer	11 June 2024	Mr. Jassim serves as the Chief Human Resources Officer at CBI, bringing extensive expertise in strategic human resource management, organisational transformation, and leadership development. With a proven track record of driving people-centric initiatives, Ahmed is instrumental in aligning the Bank's talent strategy with its corporate objectives. Previously, Mr. Jassim held senior HR roles in top-tier organisations, driving key initiatives in HR strategy and talent development.  Mr. Jassim is a Senior Certified Professional by the Society of Human Resource Management (SHRM) and holds a bachelor's degree in business administration (Human Resources Management). He does not hold any external directorships.
Kumar Mahapatra	Executive Vice President – Wholesale Banking Group	23 March 2020	Mr. Mahapatra has over 28 years of banking and financial sector experience. Prior to joining the Bank, he worked in the corporate and investment banking divisions of various financial institutions across the UAE and India, including Calyon (Credit Agricole), Emirates NBD, HDFC and ICICI. Mr. Mahapatra holds a BA in Economics from Delhi University, India, and an MBA in Finance. Mr. Mahapatra is the Vice Chairman of Arzaq PSC.
Hassanain Ali	Executive Vice President – Retail Banking Group	1 December 2019	Mr. Ali has over 25 years of experience in the banking and finance sector. He has been with the Company for over six years and, before being appointed as the Executive Vice President – Retail Banking Group, served as the Company's Head of Corporate Banking. Prior to joining the Company, Mr. Ali worked for a number of global and local banks, including Emirates NBD Bank PJSC, First Gulf Bank PJSC (where he served as the Vice President of the Large Corporates Division) and Standard Chartered Bank. Mr. Ali graduated with distinction from the Higher Colleges of Technology (UAE) and holds a Higher Diploma in Banking and Finance and a BA in Applied Science. He is the Chairman of Arzaq PSC and Board Member of Al Sagr Insurance PJSC.

**CORPORATE GOVERNANCE CONTINUED**

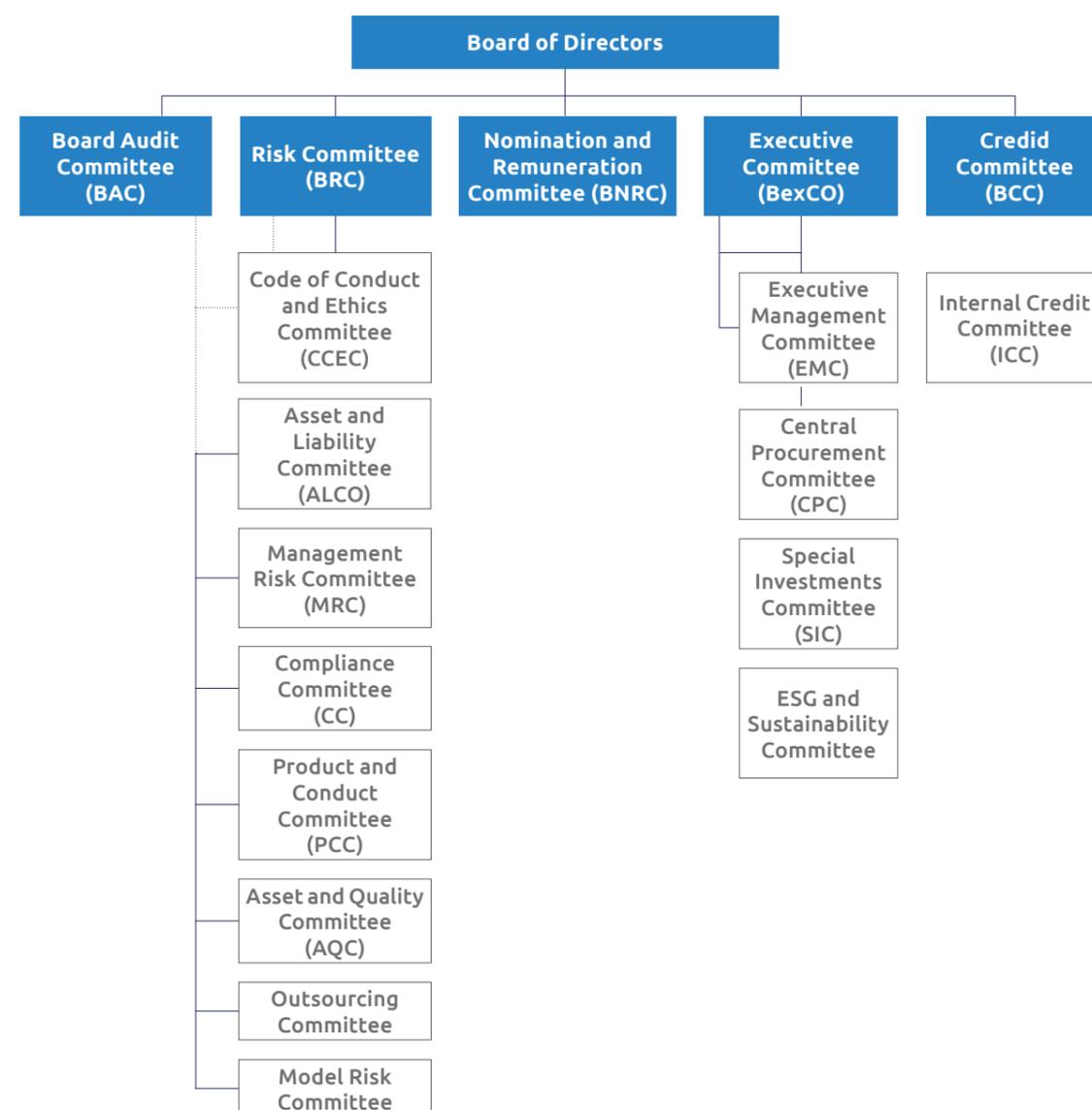
Name	Position	Date of nomination to the role	Brief profile
David Abraham Pije	Senior Vice President – Compliance	22 March 2020	Mr. Pije has over 23 years of experience in compliance, having worked with leading international financial institutions in Europe, the Americas, and the MENA region through his career. Prior to joining the Bank, he was the Head of Compliance for a leading UAE bank. Mr. Pije holds a LLM in Business Law from Radboud Universiteit Nijmegen, an MA in European Studies from Universiteit van Amsterdam and an Executive Master’s degree in Compliance and Integrity Management from Vrije Universiteit Amsterdam. He is also a Certified Anti-Money Laundering Specialist (CAMS). Mr. Pije does not hold any external directorships.
Ziad Abdelghani	Senior Vice President – Internal Audit	8 November 2020	Mr. Abdelghani has over 27 years of experience in auditing, primarily within the banking sector, across a multitude of internal audit disciplines, including operational audits and corporate and retail audits. Prior to joining the Bank, he was the Senior Operations Auditor at the Housing Bank for Trade and Finance in Jordan and the Senior Credit Auditor at the National Bank of Abu Dhabi PJSC. He joined the Bank in 2011 as a Senior Audit Manager and was promoted to become the Head of Fraud Prevention and Investigation before assuming his current position as the Senior Vice President – Internal Audit. Mr. Abdelghani holds an MBA from the University of Leicester (United Kingdom). He is a Certified Management Accountant from the Institute of Management Accountants and a Certified Internal Auditor from the International Institute of Internal Auditors. He is also a recipient of the William S. Smith CIA – Certificate of Honor Award by the International Institute of Internal Auditors. Mr. Abdelghani does not hold any external directorships.

Name	Position	Date of nomination to the role	Brief profile
Shamsa Al Suwaidi	Vice President – Customer Experience	11 June 2024	Ms. Al Suwaidi is a seasoned banking professional with over 18 years of expertise in customer experience, consumer protection, and product management. She began her career at Emirates NBD, advancing to Branch Manager, where she consistently exceeded business and service targets. At Emirates Islamic, she managed the Emirati credit card portfolio as Product Manager and was later promoted to Head of Customer Complaints, where she successfully drove improvements in customer satisfaction and service standards. She joined the Bank in 2022 as Head of Consumer Protection Regulations and was appointed Head of Customer Experience in 2024. Ms. Al Suwaidi graduated with distinction and holds a Master’s degree in Digital Marketing and Analysis. She also completed leadership certifications from IESE, INSEAD and Said Business School. Ms. Al Suwaidi does not hold any external directorships.
Hala Al Safadi	Vice President – Corporate Secretariat and Investor Relations	7 April 2020	Ms. Al Safadi has over 14 years of experience in secretarial and legal roles within the financial services sector. She started her career with Emirates NBD Bank PJSC, where she held various corporate secretarial and legal positions, before joining the Bank in 2019. Ms. Al Safadi holds a BA in English Language and Translation from Petra University (Amman, Jordan). She is a Certified Board Secretary from the Hawkamah Institute for Corporate Governance, has completed an executive certification in Corporate Governance from INSEAD, and holds a leadership certification from IESE Business School. Ms. Al Safadi does not hold any external directorships.

## 12. Management committees

Executive Management has established a comprehensive governance framework comprising 13 management committees, each operating under Board approved Terms of Reference and within clearly defined delegated authorities. These committees support effective executive oversight across key functional areas, including strategy execution, risk management, compliance, financial performance, operational efficiency, and conduct.

This management committee structure enhances accountability, supports informed decision-making, and ensures alignment with the Bank’s strategic objectives, regulatory requirements, and leading governance practices.



### 12.1 Executive Management Committee (EMC)

#### Mandate and Authority

The Executive Management Committee (EMC) is responsible for the overall management of the Bank, including day-to-day operations and administration of the Company and its subsidiaries. The EMC operates within the framework of Board-approved policies, its Terms of Reference, and any directives issued by the Board from time to time. It serves as the primary executive forum for strategic alignment, operational oversight, and coordination across business and control functions.

#### Membership

The EMC is composed of the following members:

Chief Executive Officer (Chairperson), Chief Financial Officer, Chief Risk Officer, Chief Operating Officer, Chief Credit Officer, Chief Strategy and Innovation Officer, Chief Human Resources Officer, Executive Vice President – Wholesale Banking Group, Executive Vice President – Retail Banking Group, Senior Vice President – Legal, Senior Vice President – Compliance, and Vice President – Customer Experience, with Senior Vice President – Internal Audit and Vice President – Corporate Secretariat and Investor Relations attending as non-voting members. The CEO’s Executive Secretary acts as the secretary of the committee.

### 12.2 Management Risk Committee (MRC)

#### Mandate and Authority

The MRC supports the Board Risk Committee by providing management-level oversight of the Bank’s enterprise-wide risk management framework. The Committee reviews key risk-related frameworks, regulatory submissions, and material risk matters to ensure alignment with the Bank’s risk appetite, strategic objectives, and applicable regulatory requirements.

#### Membership

The MRC is composed of the following members:

Chief Executive Officer (Chairperson), Chief Risk Officer, Chief Financial Officer, Chief Operating Officer, Senior Vice President – Legal, and Senior Vice President – Compliance, with Chief Credit Officer, Senior Vice President – Internal Audit, VP Information Security as permanent invitees. Executive Vice President – Wholesale Banking Group, Executive Vice President – Retail Banking Group, and Senior Vice President – Treasury attend by invitation, and VP Financial and Market Risk acts as Secretary.

### 12.3 Assets and Liabilities Committee (ALCO)

#### Mandate and Authority

The ALCO oversees the Bank’s asset and liability management framework and treasury activities, including the management of liquidity, interest rate, and foreign exchange risks. The Committee reviews and recommends asset-liability management strategies, policies, and procedures, and monitors balance sheet structure, funding, and profitability to ensure alignment with the Bank’s strategic objectives and risk appetite.

ALCO monitors the performance of treasury activities across both the banking and trading books, reviews interest rate gap and net interest income projections, oversees liquidity risk management and contingency planning, and ensures compliance with treasury limits and ratios approved by the Board Risk Committee and mandated by the CBUAE. The Committee reports to the Board Risk Committee and to the Board, as required.

#### Membership

The ALCO is composed of the following members:

Chief Executive Officer (Chairperson), Chief Financial Officer (Vice Chairperson), Chief Risk Officer, Chief Operating Officer, Chief Credit Officer, Head of Treasury and Investments, Head of Market Risk, Head of Wholesale Banking Group, and Head of Retail Banking Group, with the Head of Treasury Sales acting as Secretary.

**12.4 Central Procurement Committee (CPC)**

**Mandate and Authority**

The CPC oversees procurement and disposal activities within the authorities approved by the Board and in accordance with the Bank’s procurement and tender policies. The Committee reviews and approves procurement requests and supplier engagements for products and services, oversees tendering and bidding processes, approves vendor lists, and reviews proposals for the disposal of movable and real estate assets within the applicable authorised limits. It also monitors compliance with procurement policies and resolves procurement-related matters, as required.

**Membership**

The CPC is composed of the following members:

Chief Executive Officer (Chairperson), Chief Financial Officer (Vice Chairperson), Chief Operating Officer, Senior Vice President – Legal, and Executive Vice President – Retail Banking Group, with a representative from the Procurement Department acting as Secretary and the Senior Vice President – Internal Audit attending as an Observer.

**12.5 Internal Credit Committee (ICC)**

**Mandate and Authority**

The ICC oversees the Bank’s credit and lending activities within the authority delegated by the Board of Directors and in line with approved credit policies and risk appetite. It reviews credit strategies and objectives and provides oversight of credit risk management, including internal credit policies, portfolio limits, analytics, and reporting.

The ICC monitors the quality and performance of the credit portfolio and supports effective supervision of the Wholesale Banking Group by assessing customer and group credit risk at onboarding and through interim and annual reviews. Within its delegated authority, the Committee approves credit facilities and amendments, while proposals exceeding its limits are reviewed and recommended to the Board Credit Committee.

The Committee regularly reports to the Board Credit Committee on facilities approved under its authority, overall portfolio quality, key trends, and emerging credit risks.

**Membership**

The ICC is composed of the following members:

Chief Executive Officer (Chairperson), the Chief Credit Officer, and the Executive Vice President – Wholesale Banking Group, with the Chief Risk Officer attending as a permanent invitee.

**12.6 Products and Conduct Committee (PCC)**

**Mandate and Authority**

The PCC is responsible for reviewing and approving the Company’s current and proposed banking products and services. The Committee establishes the requirements and considerations for launching or decommissioning any product or service, ensuring a thorough evaluation of its feasibility from operational, human resources, marketing, capital, funding, pricing, tax, accounting, and regulatory perspectives, including consumer protection and ethical standards.

The Committee also identifies and assesses reputational and legal risks associated with the Company’s products and services. It ensures that all offerings align with the Company’s strategic objectives and comply with applicable regulations.

**Membership**

The PCC is composed of the following members:

Chief Risk Officer (Chairperson), Chief Credit Officer (Vice Chairperson), Chief Financial Officer, Chief Operating Officer, Senior Vice President – Compliance, Senior Vice President – Legal (as Legal Advisor), Senior Vice President – Internal Audit (as Observer), Executive Vice President – Wholesale Banking Group (by invitation), and Executive Vice President – Retail Banking Group (by invitation). An attendee from Risk Management department (as Secretary).

**12.7 Asset Quality Committee (AQC)**

**Mandate and Authority**

The AQC oversees the quality of the Bank’s credit exposures and the management of non-performing assets in accordance with the authorities approved by the Board and applicable CBUAE regulations and International Financial Reporting Standards (IFRS). The Committee reviews and approves the end-to-end expected credit loss (ECL) and provisioning process, including staging, ECL calculations, overrides, and related credit justifications. It reviews non-performing assets across the Wholesale Banking Group, and significant retail exposures, assesses the adequacy of collateral held against such assets, and ensures that classifications and provisioning of non-performing accounts are applied consistently, both internally and externally, in line with regulatory requirements.

The Committee also oversees overall asset quality trends and jointly with the Chief Risk Officer ensures compliance with CBUAE standards relating to provisioning and write-off transactions.

**Membership**

The AQC is composed of the following members:

Chief Risk Officer (Chairperson), the Chief Financial Officer (Vice Chairperson), and the Senior Vice President – Legal, with the Chief Credit Officer, the Executive Vice President – Wholesale Banking Group, and the Head of Remedial attending as permanent invitees and VP Financial and Market Risk acts as Secretary.

**12.8 Compliance Committee (CC)**

**Mandate and Authority**

The Compliance Committee oversees compliance matters with potential bank-wide impact and ensures adherence to CBUAE regulations, AML/CFT requirements, and other applicable regulatory frameworks. The Committee reviews key compliance risks, regulatory developments, and significant compliance reports, serves as an escalation forum for onboarding, relationship continuation, and transaction-related matters, and monitors progress on compliance initiatives. Material compliance issues are escalated to the Board Risk Committee, as required.

**Membership**

The Compliance Committee is composed of the following members:

Chief Executive Officer (Chairperson), Senior Vice President – Compliance (Vice Chairperson), Chief Risk Officer, Executive Vice President – Wholesale Banking Group, Executive Vice President – Retail Banking Group, Chief Operating Officer and the Chief Credit Officer as Members; the Head of FCC – Money Laundering Reporting Officer (MLRO) and the Head of Regulatory Compliance as Non-Voting Members; and the Head of Internal Audit in an advisory, non-voting capacity. In the absence of the MLRO, a Deputy Money Laundering Reporting Officer (DMLRO) shall act as the designated Secretary of the Committee.

**12.9 Special Investment Committee (SIC)**

**Mandate and Authority**

The SIC oversees investments held by the Bank and its subsidiaries that are not core to banking activities, including joint ventures, equity investments, real estate, and strategic or innovation-related assets. The Committee reviews and manages such investments to ensure alignment with the Bank’s strategy, risk appetite, and governance framework, excluding wholesale banking investments, loan assets, customer investments, and matters falling within the mandate of the Assets and Liabilities Committee.

**Membership**

The SIC is composed of the following members:

Chief Executive Officer (Chairperson), Chief Strategy and Innovation Officer (Vice Chairperson), Chief Financial Officer, Chief Risk Officer, Chief Credit Officer, Chief Operating Officer, Executive Vice President – Wholesale Banking Group, and Executive Vice President – Retail Banking Group, with the Senior Vice President – Legal attending as an invitee and the Senior Vice President – Internal Audit attending as an observer. VP – Transformation acts as Secretary.

**12.10 Outsourcing Committee (OC)**

**Mandate and Authority**

The Outsourcing Committee oversees the assessment of outsourcing arrangements and determines the materiality of proposed outsourced activities. The Committee evaluates governance, operational, concentration, and third-party risks arising from existing and proposed outsourcing arrangements and assesses aggregate and incremental outsourcing risk based on comprehensive risk assessments.

**Membership**

The Outsourcing Committee is composed of the following members:

Chief Risk Officer (Chairperson), Senior Vice President – Compliance (Vice Chairperson), Chief Operating Officer, and Senior Vice President – Legal, with the Senior Vice President – Internal Audit attending in an advisory capacity. Secretary – Head of Operational Risk, BCM and Fraud Prevention

**12.11 Model Oversight Committee (MOC)**

**Mandate and Authority**

The MOC oversees the Bank’s model risk governance framework and the effective management of the model lifecycle. This includes approving model strategies and development, reviewing validation results, endorsing key lifecycle decisions, and assessing proposed model changes supported by impact assessments to ensure ongoing effectiveness and alignment with strategic objectives.

**Membership**

The Model Oversight Committee is composed of the following members:

Chief Risk Officer (Chairperson), Chief Credit Officer (Vice Chairperson), Chief Financial Officer, Senior Vice President – Compliance, Vice President – Financial and Market Risk, and Senior Manager – Model Risk, with an Internal Audit representative attending as a permanent invitee. A representative from Risk Management shall act as secretary.

**12.12 ESG and Sustainability Committee (ESGC)**

**Mandate and Authority**

The ESG and Sustainability Committee oversees all ESG and sustainability matters at CBI, ensuring alignment with the approved

ESG strategy. The Committee guides the development and execution of the ESG roadmap, oversees ESG-related policies, monitors progress against ESG metrics, and oversees sustainability-related disclosures. It also monitors emerging ESG developments and regulatory changes and advises the Board on resourcing and funding required to support the Bank’s long-term sustainability objectives.

**Membership**

The ESG and Sustainability Committee is composed of the following members:

Chief Executive Officer (Chairperson), Chief Strategy and Innovation Officer (Vice Chairperson), Chief Credit Officer, Chief Risk Officer, Chief Financial Officer, Chief Operating Officer, Chief Human Resources Officer, Executive Vice President – Wholesale Banking Group, Executive Vice President – Retail Banking Group, Senior Vice President – Compliance, Senior Vice President – Legal, Vice President – Corporate Secretariat and Investor Relations, and Vice President – Customer Experience, with the Senior Vice President – Internal Audit attending as a consultative, non-voting member.

**12.13 Code of Conduct and Ethics Committee (CCEC) (Established in late 2025)**

**Mandate and Authority**

The Code of Conduct and Ethics Committee was established in late 2025 to strengthen the Bank’s ethical governance framework. The Committee oversees matters relating to employee conduct, whistleblowing, fraud, conflicts of interest, and ethical or regulatory breaches, ensuring fair and consistent outcomes in line with the Bank’s Code of Conduct and applicable regulatory expectations. The Committee operates under the executive authority of the Chief Executive Officer and reports to the Board Risk Committee and Board Audit Committee.

**Membership**

The Code of Conduct and Ethics Committee is composed of the following members:

Chief Executive Officer (Chairperson), Chief Risk Officer, Head of Compliance, and Chief Human Resources Officer, with the Head of Internal Audit attending in a non-voting advisory capacity. Advises on legality of a certain act or behavior and the Fraud Prevention Unit acting as Secretary.

**13. Internal control framework**

The Board of Directors of CBI has ultimate responsibility for the Bank’s internal control framework and its alignment with the regulatory requirements of the Central Bank of the UAE (CBUAE) and the Securities and Commodities Authority (SCA). The Board oversees the establishment and maintenance of comprehensive policies, procedures, and control mechanisms governing all organisational activities, with particular emphasis on segregation of duties, dual controls, delegated authority limits, and effective monitoring. The Board also approves the Bank’s Risk Appetite Statement and key risk management policies to support sound governance and prudent risk-taking.

The Board Audit Committee provides independent oversight of the effectiveness of the Bank’s internal control and operational systems. It evaluates the performance of the Internal Audit function, and external auditors, and ensures that material issues identified by internal and external assurance providers, as well as regulators, are addressed in a timely and satisfactory manner. This oversight contributes to the continued robustness of CBI’s internal control environment.

Executive Management, supported by relevant department heads, is responsible for the day-to-day implementation and operation of the internal control framework. This includes designing and maintaining efficient processes across all functions to ensure controls operate effectively and consistently with the Bank’s risk appetite and strategic objectives.

CBI’s internal control framework is designed to provide the Board with reasonable assurance regarding the integrity, accuracy, and timeliness of internal and external reporting; compliance with applicable laws, regulations, and internal policies; and the safeguarding of the Bank’s assets, including human resources, systems, data, and customer information.

The framework also supports the efficient and effective use of resources and the achievement of the Bank’s strategic objectives. Continuous improvement, quality assurance, and the establishment of clear and realistic objectives form an integral part of CBI’s internal control practices.

CBI applies the three lines of defense model to support effective risk management and internal control:

- **First Line of Defense:** Business and operational units are responsible for identifying, assessing, and managing risks within their delegated authorities and approved limits.
- **Second Line of Defense:** Independent control functions, including Risk Management and Compliance, provide oversight, guidance, and monitoring to ensure risks are appropriately identified, assessed, and mitigated. The Chief Risk Officer and Head of Compliance report to the Chief Executive Officer and have unrestricted access to the Board Risk Committee.
- **Third Line of Defense:** The Internal Audit function provides independent and objective assurance on the effectiveness of the governance, risk management, and internal control processes. The Head of Internal Audit reports directly to the Board Audit Committee, providing assurance and recommendations to support continuous improvement and best practices.

**Regulatory Matters and Supervisory Actions**

During the reporting period, the Bank was subject to a regulatory fine imposed by the Central Bank of the UAE, in relation to certain governance requirements associated with the Islamic window. Subsequently, and following the approval of the Central Bank of the UAE – Higher Shariah Authority regarding the methodology for the closure of the Islamic Window, the Bank resolved to proceed with the orderly closure of its Islamic Window function. The Higher Shariah Authority confirmed that it has no objection to the proposed methodology, which is aligned with applicable Shariah standards and regulatory requirements. The closure is being implemented in a controlled manner to ensure service continuity for customers and is not expected to have a material impact on the Bank’s financial position, capital adequacy, or ongoing operations. The Bank will provide further updates to the market, as required, in accordance with applicable disclosure obligations.

### 13.1 Compliance Department

#### Compliance Monitoring and Oversight

The Compliance department, headed by Mr. David Abraham Pije, continued in 2025 to enhance its monitoring activities, assurance role, and advisory role to its stakeholders. CBI has mechanisms in place to monitor and ensure proper implementation of regulatory requirements in a timely manner. The focus of 2025 was to address a number of remaining audit outcomes on financial crime compliance. Additionally, efforts were made to create more bespoke training and raise awareness on a range of compliance topics, as well as to enhance the assurance role and broaden the scope of their quality assurance exercises. Progress of compliance-driven actions is tracked via the relevant committees that meet periodically, predominantly the Compliance Committee and Board Risk Committee.

CBI maintains an efficient follow-up process to ensure completeness of actions required to be taken by relevant stakeholders across the organisation. The follow-up is managed by the Compliance department, which directly reports to the CEO and has unrestricted access to the Board Risk Committee. The strategic importance of the Compliance department continues to grow due to an observed increase in CBUAE regulations, heightened regulatory expectations in terms of the technology CBI avails for screening and monitoring of its transactions, and for more assurance be performed by Compliance. Furthermore, CBI has observed enhanced expectations by CBUAE as regards conduct compliance – comprising, non-exhaustively, conflicts of interest management, market abuse, related party transaction management and continuous assurance over consumer protection regulation and standards.

During 2025, the Executive Management continued to assist in ensuring that compliance obligations associated with a number of newly issued regulations were met. This included, next to the roll-out of CBI's new core banking system, compliance-driven projects to enhance existing processes and support for CBI's business and operations departments in providing regulatory updates and seeking approvals, where required.

#### Regulatory Compliance

CBI continued to enhance its communication channels with regulators to ensure that it provides the regulatory authorities with accurate, clear, and transparent information, assisting them in their supervisory duties. Regulatory Compliance is the key team responsible for ensuring that regulatory requests are actioned accurately and in a timely manner. Additionally, any new regulation shared by CBUAE with supervised banks undergoes a thorough analysis by the Regulatory Compliance team with a view to ensure that any potential gaps are well understood. Subsequent allocation of responsibility to the 'owners' of the respective regulation is carried out and monitored to conclusion, particularly where such regulations have deadlines. By the end of 2025 a fully automated tool was embedded by Regulatory Compliance which streamlines the gap analysis process end-to-end.

Regulatory Compliance continued to ensure that all Bank staff were enrolled in the annual FATCA and CRS training prepared by the Regulatory Compliance team, with the aim of enhancing staff's understanding of the regulatory requirements. Moreover, Regulatory Compliance wrote a new training about management of market abuse (insider lists), and related party transactions – which was rolled out to a selected group of staff. Regulatory Compliance also continues to assist in managing requests for "non-objection" from the CBUAE in cases where third-party arrangements either constituted material outsourcing or were regarded as the launch of new financial products.

#### International Sanctions Programmes and Tools

The Compliance department continues to have a Sanctions Policy and monitoring system to support CBI's commitment to comply with the relevant sanctions programmes and different laws and regulations in all related jurisdictions. The Sanctions Policy forbids the Bank to facilitate business with a number of countries/regions irrespective of currency, general or specific license (which may render a transaction legally permissible) or regardless of whether such business is direct or indirect. Challenges have been observed in this area due to the changed geo-political landscape, which in

turn impacted to the risk appetite of the Bank to some extent in terms of onboarding and transacting of categories of customers.

In line with our commitment to maintaining the highest standards of compliance, we have enhanced our Sanctions Compliance Programme which contains more elevated screening measures/logic and threshold changes, enabling us to perform continuous monitoring, and rigorous reporting. This is supported by an updated, robust Sanctions Risk Appetite Statement (RAS) which contains measurable quantitative and qualitative criteria. In 2025, we continued to adopt a more stringent approach whereby we upgraded our screening protocols to include additional cities and nearby high-risk jurisdictions, adding nationals of such high risk jurisdictions to the FCY-internal list, and providing staff in compliance and business with regular guidance to ensure adherence to evolving regulatory expectations.

The Compliance department created multiple e-learnings and bespoke trainings during 2025, on topics such as Financial Crime including Anti-Money Laundering (AML), Trade-Based Money Laundering (TBML), and Sanctions, covering financial sanctions and proliferation financing, FATCA and CRS compliance, Conflict of Interest, and other specialised areas such as AML/CTF regarding correspondent banking relationships, and trade-based money laundering. These trainings are periodic in nature for general staff or targeted groups of staff, and complement CBI's Compliance (FinCrime and Regulatory) Induction training which must be done by all new joiners using a specialised application.

#### Compliance in 2025

Monitoring compliance with laws, provisions and standards is considered the shared prominent responsibility of the Compliance department, Executive Management and the Board. Compliance department is an independent function, which undertakes the identification, evaluation, monitoring and reporting of compliance risks. These risks include the risk of financial sanctions, legislative and financial losses, or damage to CBI's reputation due to failure to abide by laws and regulations, policies owned by Compliance, and the standards of good practices. In order to enable the Compliance department to efficiently perform its functions and responsibilities, it has been

granted the authority to deal with compliance matters within CBI's activities and has been given unrestricted access to all information, employee records and CBI's operations in the UAE.

The Compliance department is also empowered to conduct investigations into any potential irregularities. Its responsibilities are carried out through the implementation of an annual compliance programme. The annual compliance programme constitutes the blueprint of Compliance's activities for the year and is approved by the Board Risk Committee at the beginning of each year. The Board Risk Committee approves the Compliance policies, while Compliance procedures are approved at the appropriate management committee level. The Compliance department submits periodic reports to the Board Risk Committee, Management Risk Committee and Compliance Committee concerning relevant regulatory updates, compliance issues, irregularities, and the corrective actions implemented as a result. In 2025 Compliance consists of Regulatory Compliance, Financial Crime Compliance, Assurance and CBIX launched in October 2025.

Next to reviewing all policies ordinarily in scope of Compliance (e.g., Sanctions Policy, AML/CTF/KYC Policy, FATCA/CRS Policy, Conflicts of Interest Policy, Conduct and Ethics Policy, Insider Trading Policy, Related Party Transaction Policy) Compliance department continued to review and improve some of its processes. KPIs continue to drive accountability for compliance across the Bank and are linked to year-end deliverables.

#### Major Highlights/Accomplishments for 2025

By the end of 2025 Compliance have addressed most observations from CBUAE, ensuring full alignment with regulatory expectations. This includes enhancing our policies and procedures, strengthening our Transaction Monitoring (TM) systems with advanced capabilities, and reinforcing our overall Risk Appetite Statement (RAS) to effectively manage financial crime risks. Additionally, we have refined our Enterprise-Wide Risk Assessment (EWRA) to ensure a more comprehensive identification and mitigation of financial crime risks across all business lines, including proliferation finance and sanctions evasion risks. These actions reaffirm our dedication to maintaining the integrity of the financial system and upholding the highest standards of compliance.

The Head of Compliance participates in various Management Committees, including the Compliance Committee (as Deputy Chairman), the Management Risk Committee (as a voting member), and routinely in other Management Committees, including the Model Management Committee (as a member) and the ad hoc Outsourcing Committee. Additionally, the Money Laundering Reporting Officer (MLRO) participates in the Compliance Committee as a voting member and attends the Board Risk Committee meetings (generally twice a year) to provide the Board updates on FinCrime-related aspects, with focus on those mentioned in the MLRO Report filed to the Financial Intelligence Unit of CBUAE. Ms. Jana Al Attar assumed the role of the Head of FinCrime Compliance and MLRO in April 2024.

**13.2 Risk Management**

During 2025, the Risk Management Department, under the leadership of the Chief Risk Officer, Randa Kreidieh, continued to strengthen the Bank’s risk governance arrangements to support sustainable performance, regulatory compliance, and sound decision-making. Enhancements during the year were aligned with the Corporate Governance Standards issued by the Central Bank of the UAE (CBUAE) and focused on reinforcing effective oversight, accountability, and integration of risk considerations across the Bank.

Risk management activities during the year were directed toward maintaining a holistic view of the Bank’s risk profile, with particular emphasis on emerging and non-financial risks. The Risk Management function continued to play an independent role in supporting strategic initiatives, major change programmes, and business activities, while overseeing key risk categories, including Market Conduct, credit, market, liquidity, operational, strategic, legal, reputational, conduct, climate, and external risks.

**Conduct Risk and Customer-Centric Oversight**

A key area of advancement in 2025 was the continued embedding of Conduct Risk and customer-centric oversight across the Bank. Building on earlier regulatory-driven initiatives, the Risk Management function further enhanced

its monitoring and governance of customer outcomes to ensure alignment with the CBUAE Consumer Protection Regulations and Market Conduct standards.

Oversight during the year focused on end-to-end customer journeys, including product governance, sales and marketing practices, servicing standards, and complaints management. The Conduct Risk function within Risk Management continued to evolve, strengthening independent challenges, promoting ethical behaviour, and reinforcing transparency and accountability across customer-facing activities.

**Sustainability, Climate, and Physical Risk**

In response to increasing regulatory and supervisory focus, 2025 saw further integration of sustainability and climate-related financial risks into the Bank’s risk management practices. This included enhanced consideration of physical and transition risks within risk assessments, governance discussions, and forward-looking risk analysis, supporting the Bank’s long-term resilience and sustainability objectives.

**Automation and Risk Enablement**

To support more effective and timely oversight, the Bank continued to enhance automation and data-enabled risk management capabilities. Improvements to risk monitoring, reporting, and control assessment processes contributed to greater efficiency, consistency, and transparency, enabling more informed management and Board-level decision-making.

**Risk Appetite and Outlook**

During 2025, the Risk Appetite Framework continued to evolve to reflect the Bank’s strategic priorities, risk profile, and operating environment. Both quantitative and qualitative measures were refined to support risk-based performance monitoring and clearer escalation of emerging risks.

Looking forward, the Bank remains focused on strengthening its ability to anticipate and respond to changes in the economic environment, regulatory landscape, technological developments, climate considerations, and customer expectations, ensuring a resilient and well-governed risk management framework.

**13.3 Internal Audit**

The Internal Audit Department, led by Mr. Ziad Abdelghani, Head of Internal Audit, continues to operate as an independent assurance and advisory function, providing the Board of Directors and senior management with objective assessments on the adequacy and effectiveness of the Bank’s governance, risk management, and internal control frameworks.

During 2025, the Internal Audit function played a critical role in supporting the Bank through an increasingly complex regulatory, operational, and transformation environment, with a strong emphasis on regulatory compliance, control sustainability, and risk-based assurance.

**Objectives of the Internal Audit Function for 2025**

The key objectives of Internal Audit during the year were to:

- Assess governance structures, Board and management oversight arrangements, and accountability frameworks.
- Evaluate the design and operating effectiveness of risk management practices and internal controls across all material activities.
- Provide independent assurance over compliance with applicable laws, regulations, and supervisory expectations.
- Support major transformation initiatives and system changes through timely risk identification and control advisory, without compromising independence.
- Assess whether operational processes are efficient, well-controlled, and capable of sustaining performance over time.
- Evaluate the accuracy, completeness, and reliability of financial, regulatory, and management reporting.

**Mandate, Reporting Lines, and Independence**

The Internal Audit function reports functionally to the Board Audit Committee (BAC) and administratively to the Chief Executive Officer, in full compliance with regulatory independence requirements. In exercising its oversight responsibilities, the BAC is responsible for the appointment, performance evaluation, and removal of the Head of Internal Audit;

the approval of the Internal Audit Charter, annual risk-based audit plan, and budget; and the ongoing oversight of the Internal Audit function’s independence, resourcing, and effectiveness.

This governance structure ensures that Internal Audit operates with full independence, unrestricted access, and appropriate authority to discharge its responsibilities objectively.

To preserve independence and objectivity, Internal Audit does not assume operational responsibilities or implement controls. Where appropriate, the function provides advisory input, such as reviewing systems under development or advising on control design, without taking ownership of management decisions.

**Enhancements and Developments During 2025**

During 2025, the Internal Audit function continued to strengthen its effectiveness through:

- Deeper risk-based auditing, with increased focus on judgment-intensive areas, regulatory remediation, and forward-looking risks.
- Enhanced coverage of regulatory and thematic risks, aligned with evolving supervisory expectations and enforcement trends.
- Strengthened audit quality and reporting, with clearer articulation of root causes, risk implications, and management accountability.
- Improved coordination with second-line functions, supporting a more holistic and efficient assurance model.
- Targeted use of data analysis and thematic reviews, to identify trends, patterns, and systemic weaknesses across audits.

The Board Audit Committee is satisfied that the Internal Audit function operated effectively during 2025, with appropriate independence, competence, and focus on the Bank’s key risks and regulatory obligations. Internal Audit continues to serve as a trusted source of assurance and insight to the Board and senior management, supporting sound governance, strong controls, and sustainable performance.

## 14. Customer experience, complaints and consumer protection

### Customer Experience

The Customer Experience Department, led by Ms. Shamsa Al Suwaidi, continues to play a central role in the Bank's strategy to strengthen customer trust, improve satisfaction, and deliver a seamless and differentiated banking experience. The department's aim is to ensure that all customer interactions consistently align with the Bank's vision of excellence, long-term loyalty and sustainable growth.

### 2025 Overview

During 2025, the Customer Experience function further strengthened its strategic position within the Bank, operating with direct oversight and alignment at the executive level. The department continued to independently monitor, assess, and advise on all aspects of customer experience, while working closely with business and operational teams to drive meaningful improvements across the customer lifecycle.

Key areas of focus in 2025 included customer satisfaction, complaint management, consumer protection, and service quality enhancement. The department played a critical role in analysing customer feedback, monitoring Net Promoter Score (NPS) and Customer Satisfaction (CSAT) results and translating insights into actionable recommendations to improve service delivery.

### Key Achievements and Activities in 2025 Included:

- Ongoing reporting and analysis of NPS, CSAT, complaint volumes, resolution timelines, and other key customer experience KPIs.
- Identification of customer pain points through complaints data, surveys, and direct customer feedback, supported by root-cause analysis and trend reporting.
- Continued enhancement of customer service tools and systems, including improvements to the Complaint Management System and automation of customer feedback surveys.
- Strengthening staff capability through targeted awareness, guidance, and training to support effective issue resolution and customer engagement.

- Reviewing customer communications and delivering structured awareness campaigns to ensure clarity, consistency, and regulatory alignment.

In parallel, the department successfully launched the **Voice of Customer** initiative in 2025, providing a structured platform to directly listen to customers, capture insights, and reinforce a customer-centric culture across the Bank.

### 2026 Strategic Focus

Building on the progress achieved in 2025, the Customer Experience Department's primary focus in 2026 will be on improving NPS and CSAT scores by delivering a more seamless, digital, and customer-centric banking experience.

### Key Strategic Priorities for 2026 Include:

- Enhancing customer experience through the digitalisation of systems and processes, with a strong focus on reducing friction and improving journey consistency.
- Supporting the implementation of the new core banking platform to ensure a smooth transition and a seamless end-to-end experience for customers across all touchpoints.
- Conducting comprehensive reviews of customer journeys and touchpoints to identify opportunities for simplification, automation, and service improvement.
- Leveraging customer insights from surveys, complaints, and direct engagements to drive targeted initiatives aimed at improving satisfaction and advocacy.
- Ensuring ongoing compliance with consumer protection standards while balancing efficiency, fairness, and accessibility for customers.

Following the success of the Voice of Customer initiative in 2025, the department will formalise this engagement by introducing recurring Voice of Customer events in 2026, ensuring continuous listening, feedback, and alignment with customer expectations.

## Handling customers' complaints

### 2025 Overview

In 2025, reinforcing a customer-centric culture remained a key strategic priority for the Bank. Customer complaints continued to be recognised as a critical source of insight, enabling the Bank to identify service gaps, improve processes, and enhance overall customer experience.

The dedicated Customer Complaints team remained responsible for managing and resolving customer grievances in line with regulatory expectations and industry best practices. This function continued to receive strong executive oversight, reflecting the importance placed on complaint management as a driver of trust, transparency, and service quality.

In 2025, we achieved a notable milestone by resolving 99% of customer complaints within the agreed five working days. This significant enhancement from 96% to 99% in our response time is attributable to increased efficiency in our processes. We are committed to further elevating this percentage by continuing to streamline and optimise our operational procedures.

During 2025, the team maintained a strong focus on timely resolution, fairness, and empathy, in line with the core values promoted by the Central Bank of the UAE, including Transparency, Fairness, Empathy, Reliability, and Accessibility.

### Key Outcomes in 2025 Included:

- Continued optimisation of complaint handling processes to ensure faster and more effective resolution.
- Sustained performance in resolving customer complaints within the agreed turnaround time, building on the significant improvements achieved in previous years.
- Enhanced use of automated customer satisfaction surveys following complaint closure, enabling real-time feedback and deeper insight into customer perceptions.
- Strong emphasis on root-cause analysis to ensure that corrective actions address underlying issues and prevent recurrence.

### 2026 Focus

- In 2026, the complaints function will continue to support the Bank's broader customer experience objectives by focusing on:
  - Further improving resolution efficiency through system digitisation and integration with the new core banking platform.
  - Strengthening proactive identification of recurring issues through advanced analytics and complaint trend analysis.
  - Enhancing the customer journey by reducing repeat complaints and improving first-time resolution rates.
  - Maintaining a centralised, multi-channel approach to complaint intake and management, ensuring customers can raise concerns through their preferred channels while receiving consistent and high-quality support.

Through these initiatives, the Customer Experience and Complaints functions will continue to play a critical role in improving NPS and CSAT outcomes, strengthening customer trust, and ensuring that customer feedback remains at the heart of the Bank's decision-making process.

## 15. Innovation and sustainability

In 2025, CBI continued to solidify its reputation as a regional trail blazer:

- Launched CBix – the Bank's dedicated innovation and ventures arm to accelerate disruptive ideas across banking, bridging emerging technologies with real-world applications to drive innovation and new ventures.
- Advised and supported QNB Wealth and Asset Management and QNB Singapore in establishing the region's first ever Tokenized Money Market Fund (QCD) by a bank
- Partnered with the Cognitive Science department at UC Berkeley, a leading university in the US to provide mentorship and guest lectures on banking and innovation for their IMPACT entrepreneurship programme

- Founding partner in ASCEND, the world’s first ever Real-World Assets (RWA) accelerator in partnership with Plume focused on developing cutting edge RWA and tokenisation companies and use cases. Plume is the world’s largest RWA blockchain and a chosen partner for World Liberty’s tokenisation efforts
- Completed our first DIFC Fintech accelerator batch in partnership with Al Farabi Innovation Hub and are working out PoC for the Bank and our clients
- Expanded our partnership with Abhi, a local Early Wage Access startup, to include distribution through two leading UAE exchange houses
- Launched Innovation Banking segment, offering specifically targeted at fintech and broader innovation/emerging technology companies, as well as our Banking as a Service clients

## 16. Conflict of interest and insider trading policies

Generally, the Board of Directors in their capacity as non-executives of CBI, must ensure that CBI Management have adequate policies in place and that these are followed across the Bank. With regards to compliance-related matters, this entails that any CBI Policy, or change thereto, must be vetted by the Board. Moreover, any risk appetite set within CBI’s policies is a prerogative of the Board. Consequently, any deviation from the preset risk appetite must carry the Board’s prior approval.

- **Conflict of Interest/Staff**  
Compliance owns the CBI – Conflict of Interest Policy (COIP). The COIP applies to all employees of the Bank. It explains what constitutes conflicts of interest, under which circumstances these are problematic and obligates employees to formally report such conflicts to Compliance. Compliance will assess the nature of the reported conflict and recommend whether the conflict is permissible, with HR copied in.

- **Conflict of Interest/Board of Directors**  
A similar COIP was created for the Board of Directors. While the same typologies and principles apply to Board members, the Chairman of the BRC will assess the nature of the reported conflict and recommend whether the conflict is permissible.
- **Related Party Transaction**  
Compliance serves as the custodian of the Related Party Transaction Policy. Conceptually, it is a subset of the Conflict-of-Interest Policy. Credit or other contractual advantages may only be extended to Related Parties at “arms-length” (as if Related Parties were regular clients, under regular terms). Identified stakeholders must periodically report to Compliance, maintain, and update a list of individuals whom the stakeholders identify as Related Parties.
- **Management of Insider Trading**  
As CBI is a listed entity, staff are prohibited from trading in CBI shares within clearly defined timelines to avoid any transactions that could be perceived as insider trading (which is a criminal offence). Compliance manages the Insider Trading Policy which defines what constitutes insider trading, the internal controls that apply within the Bank, the listing of insiders, and the obligation for employees to define and regularly reaffirm their insiders.

## 17. Empowering talent and advancing Emiratisation

As of 31 December 2025, the Bank achieved a significant milestone by employing 528 permanent employees, reflecting steady growth compared to 503 employees in 2024 and 453 employees in 2023. The Bank has a strong track record of maintaining positive employee relations, with no history of industrial disputes.

As part of a national Emiratisation policy, UAE banks are instructed to increase the number of UAE nationals on their payroll by a set percentage per annum. The Bank is committed to achieving its Emiratisation target of 45% of its employees being UAE nationals by 2026 and has implemented corresponding targets across all business units.

Our Emiratisation journey has been remarkable, with the percentage of UAE Nationals increasing from 21% in 2021 to 39% in 2025 (26% in 2023, 32% in 2024), surpassing key milestones each year. In absolute terms, the number of Emirati employees grew from 85 in 2021 to 207 in 2025, a significant growth over four years.

Notably, the representation of Emiratis in senior management positions rose significantly from 11% in 2021 to 27% in 2025, underscoring our dedication to empower UAE nationals in leadership roles.

To ensure the continuous development of Emirati talent, the Bank has partnered with prestigious institutions such as IESE, Harvard, and Oxford, offering advanced learning opportunities for our Emirati employees. These initiatives reflect our long-term commitment to equip UAE nationals with the skills and knowledge necessary to excel in a dynamic banking landscape.

The Bank remains resolute in its ambition to achieve the UAE’s Emiratisation target of 45% by 2026, with integrated strategies and programmes to advance UAE nationals across all levels.

## 18. Employee remuneration and reward

The Bank’s Employee Remuneration and Rewards Framework is designed to attract, motivate, and retain high-performing talent while promoting prudent risk-taking, sustainable performance, and long-term shareholder value.

Our remuneration philosophy aligns employee outcomes with the Bank’s strategy, risk appetite, regulatory expectations, and customer interests. The framework ensures fairness, transparency, internal equity, and market competitiveness, while reinforcing a strong performance and accountability culture.

Special consideration is applied to Control Functions and Senior Management to ensure independence, sound governance, and compliance with regulatory requirements.

### Remuneration design and structure

The Bank adopts a total rewards approach, combining financial and non-financial elements to drive performance, engagement, and retention.

Key design principles:

- Pay for performance and outcomes
- Alignment with risk and compliance standards
- Market competitiveness through benchmarking
- Internal equity and job architecture consistency
- Regulatory compliance (CBUAE / governance requirements)
- Sustainability and affordability
- Governance structure

Remuneration oversight is maintained through:

- Board Remuneration Committee approval
- HR and Rewards governance framework
- Annual market benchmarking
- Risk and Compliance review of incentive design
- Performance calibration process
- Job evaluation and grading
- Market benchmarking
- Budget planning
- Performance assessment and calibration
- Review and approval

### Remuneration composition – fixed and variable

#### Pay Mix Philosophy

The Bank maintains an appropriate balance between fixed, and variable pay to ensure financial security for employees while encouraging accountability, sustainable performance, and prudent risk-taking. The structure avoids excessive reliance on short-term incentives and supports long-term value creation.

**Fixed Remuneration**

The Bank provides fixed remuneration to compensate employees for the scope, complexity, and accountability of their roles. Fixed pay is reviewed annually and aligned with the Bank’s overall compensation strategy, financial capacity, and workforce planning priorities.

Base salary levels are determined through a structured approach that considers external market benchmarks, internal pay equity, and the relative value of each role. Individual positioning within the salary range reflects qualifications, professional experience, technical expertise, performance history, and level of responsibility, while ensuring compliance with applicable regulatory and governance standards.

Fixed remuneration is designed to provide income stability and to support the attraction and retention of critical talent.

**Variable Remuneration**

Variable remuneration is intended to reward performance and reinforce the Bank’s pay-for-performance culture. It is delivered through bonuses and/or incentive schemes, depending on role eligibility and business objectives.

Awards are not guaranteed and may vary each year based on results. The Bank retains full discretion to reduce or eliminate variable payouts where performance expectations are not achieved at the Bank, business unit, or individual level.

Outcomes are determined using a balanced assessment of:

- Overall Bank performance
- Business or functional performance
- Individual performance and contribution

Both financial and non-financial measures are considered, including risk management, compliance and alignment with the Bank’s values and behaviors.

**Remuneration for Control Function Employees**

Control Function employees (Risk, Compliance, Internal Audit etc.) are compensated in a manner that ensures independence and objectivity. No direct linkage to revenue or business unit profitability, emphasis on functional effectiveness and governance quality, balanced scorecards focused on risk management and oversight. This approach prevents conflicts of interest and safeguards unbiased decision-making.

**Remuneration for Senior Management**

The remuneration structure for Senior Management is designed to ensure strong alignment with the Bank’s long-term strategy, financial performance, and risk management objectives, while meeting all applicable regulatory requirements.

Variable remuneration for Senior Management consists of a combination of immediate cash payments and deferred awards. A portion of variable pay is deferred over multiple years and released in installments, supporting sustained performance, prudent decision-making, and long-term value creation.

Total compensation for Senior Management includes both fixed components – such as base salary and applicable benefits, and variable components linked to performance outcomes. The mix between fixed and variable pay is calculated to balance competitiveness with accountability, ensuring that incentives do not encourage excessive risk-taking.

Remuneration outcomes are subject to robust governance and oversight, including Board or Remuneration Committee approval, and may be adjusted to reflect risk considerations, conduct standards, and overall Bank performance.

For 2025 performance year, total remuneration, comprised of fixed pay and variable compensation awarded to Senior Management amounted to AED 56.2 million.

The Bank’s Remuneration and Rewards Framework support a high-performance culture while ensuring responsible risk management and regulatory compliance. By balancing fixed stability with performance-based incentives and applying differentiated approaches for Control Functions and Senior Management, the Bank ensures fairness, sustainability, and alignment with its long-term strategic objectives.

Remuneration amount (AED In 000's)			Senior management	Other material risk-takers
1	Fixed Remuneration	Number of employees	12	16
2		Total fixed remuneration (3 + 5 + 7)	19,640	14,727
3		Of which: cash-based		
4		Of which: deferred		
5		Of which: shares or other share-linked instruments		
6		Of which: deferred		
7		Of which: other forms		
8		Of which: deferred		
9	Variable Remuneration	Number of employees	12	15
10		Total variable remuneration (11 + 13 + 15)	16,263	5,669
11		Of which: cash-based		
12		Of which: deferred	1,396	498
13		Of which: shares or other share-linked instruments		
14		Of which: deferred		
15		Of which: other forms		
16		Of which: deferred		
17	<b>Total Remuneration (2+10)</b>		<b>35,903</b>	<b>20,396</b>

**19. Delegation of authority**

As per CBI’s Articles of Association (AoA), the Chairman serves as the legal representative of the company before the courts and in its dealings with third parties. To facilitate the effective management of the Bank, the Chairman has issued a duly notarised Power of Attorney (the “CEO POA”) to the CEO, delegating authority to oversee the Bank’s day-to-day operations.

The CEO, in turn, may sub-delegate specific powers to Executive Management or other officers within the Bank. Additional delegations may be granted to CBI staff, external legal advisors, or other third parties as necessary to support the Bank’s operational and business needs.

Importantly, the Board of Directors retains ultimate authority and does not delegate its powers in an absolute manner, ensuring robust oversight and accountability over all delegated authorities.

POA Dated	Name of principal	Name of proxy holder	Duration	Purpose
13 November 2025	Saif Ali Al Shehhi (Chairman)	Dr. Ghaith Hammel Al Ghaith Al Qubaisi (Board member)	Open or until he leaves the Bank	External POA – for the execution of sale transactions of specific real estate outside UAE on behalf of CBI. The POA was reissued in 2025 to meet the requirements.
15 July 2025	Ali Sultan Al Ameri (CEO)	Mohammed Samir (AVP – Head of Litigation Dept)	Open or until he leaves the Bank	For representing the bank in handling legal matters
14 November 2025	Saif Ali Al Shehhi (Chairman)	Dr. Ghaith Hammel Al Ghaith Al Qubaisi (Board member)	Open	For the execution of sale transactions of specific real estate outside UAE on behalf of CBI.
10 November 2025	Ali Sultan Al Ameri (CEO)	Hassan Ayoub Hassanain Ali	Open or until he leaves the Bank	For execution of transactions concerning properties located in Morocco
13 November 2024	Saif Ali Al Shehhi (Chairman)	Ali Sultan Al Ameri (CEO)	Open or until employee leaves the Bank	Authority as CEO
19 December 2024	Ali Sultan Al Ameri (CEO)	Evren Altiok Hassanain Ali *Tawfiq Adnan Zuwayyed Rajesh Arora Hashem Mohammed Ali Abu-Hanak Kumar Mahapatra Randa Kreidieh Giovanni Everduin Ahmed Jassim Eissa Al Shabani Hassan Ayoub	Open or until employee leaves the Bank	General Executive Management of the Bank.  * As Tawfiq Adnan Zuwayyed resigned from the services of the bank, the POA was partially cancelled on 26 March 2025 to remove Tawfiq from the POA dated 19 December 2024.

**20. External auditors**

In accordance with Federal Decree-Law No. (32) of 2021 on Commercial Companies, the SCA Corporate Governance Regulations and Guidelines, and the applicable regulations of the Central Bank of the UAE (CBUAE), the General Assembly of CBI appoints the Bank’s external auditor for a term of one (1) financial year, based on the recommendation of the Board Audit Committee and the Board of Directors. The same audit firm may not be appointed for more than six consecutive years, and the lead audit partner is required to be rotated after three consecutive years, subject to the applicable cooling-off period.

Grant Thornton UAE has served as the Bank’s external auditor for the last three consecutive financial years, with the same lead audit partner assigned throughout this period. In line with regulatory requirements and professional standards on audit partner rotation, should Grant Thornton be reappointed for a subsequent term, a new lead audit partner will be appointed.

Pursuant to CBI’s External Auditor Selection Policy, the performance, independence, and continued suitability of the external auditor are reviewed annually by the Board Audit

Committee, and proposals for external audit services are obtained and assessed on a yearly basis.

On 13 February 2025, the General Assembly approved the reappointment of Grant Thornton as the external auditor of the Bank for the financial year ending 31 December 2025, for a total fee of AED 857,611, comprising AED 707,611 for statutory audit services and AED 150,000 for ICFR-related assurance services, excluding value-added tax and incidental expenses.

Grant Thornton UAE is a member firm of Grant Thornton International, one of the world’s leading networks of independent audit, tax, and advisory firms. Established in the UAE, Grant Thornton UAE has built a strong reputation for delivering high-quality professional services, including external audit, risk management, and advisory services, supported by deep local market knowledge and adherence to international professional standards.

Grant Thornton raised no reservations regarding CBI’s quarterly interim and year-end financial statements for the year ended 31 December 2025.

**21. Credit ratings**

The following table highlights the ratings of CBI by two leading international rating agencies:

CBI	Fitch Issuer Default Rating (IDR)	Capital Intelligence Foreign Currency Rating (FCR)
Long-Term Rating	BBB+	BBB+
Short-Term Rating	F2	A2
<b>Outlook</b>	<b>Stable</b>	<b>Stable</b>

**22. Capital and shares**

As of 31 December 2024, the total authorised, issued and fully paid-up share capital of CBI is AED 1,737,383,050.00 consisting of 1,737,383,050 ordinary shares of AED 1 each.

On 4 October 2023, following the resolutions of the General Assembly meeting of the Bank held on 12 July 2023 (“GA Meeting”), it was decided to increase the Bank’s issued share capital by up to AED 889,100,000 through a rights issue. The new shares will be offered at a nominal value of one (1) dirham per share, with a total of up to 889,100,000 shares to be issued. The Bank will also make certain necessary amendments to the Bank’s articles of association arising as a result of the increase to the Bank’s issued share capital and to be in accordance with the provisions of Federal Decree-Law No. 32 of 2021 regarding commercial companies.

## CORPORATE GOVERNANCE CONTINUED

### 23. Shareholding structure of CBI

As of 31 December 2025, the shareholding structure of CBI was distributed in the following manner:

#### 23.1 Shareholders Breakdown

Citizenship of owners	Individuals	Companies	Government	Total
UAE	162	30	0	192
GCC (ex-UAE)	152	12	0	164
Arab (non-GCC)	31	0	0	31
Others	18	4	0	22
<b>Total</b>	<b>363</b>	<b>46</b>	<b>0</b>	<b>409</b>

#### 23.2 Major Shareholders of CBI

As of 31 December 2025, the following entities have more than 5% shareholding in CBI:

Qatar National Bank	40%
Bin Owaida family and business	22.40%
Mohd Omar Bin Haidar Investment	8.87%

#### 23.3 Shareholders Distribution Based on Volume

As of 31 December 2025, the shareholding of CBI was distributed in the following volumes:

Share ownership volume	Number of shareholders	Number of shares owned	Percentage of owned shares
Less than 50,000	298	1,384,022	0.08%
50,000 – 500,000	59	10,779,969	0.62%
500,000 – 5,000,000	28	36,504,866	2.10%
Above 5,000,000	25	1,688,714,193	97.20%
<b>Total</b>	<b>410</b>	<b>1,737,383,050</b>	<b>100%</b>

### 24. Share price performance and trading volume

#### 2025 share price performance



#### ADX FADGI Index



#### CBI Share price performance and monthly trading volume in 2025

Months	Open (AED)	Close (AED)	MoM Change	MoM % Change	High (AED)	Low (AED)	Value (AED)	Volume	Trades
January	0.770	0.750	(0.06)	(7.41)	0.810	0.670	1,141,208	1,513,407	28
February	0.700	0.804	0.05	7.20	0.884	0.690	1,848,872	2,508,713	92
March	0.803	0.720	(0.08)	(10.45)	0.803	0.701	429,543	571,268	33
April	0.739	0.740	0.02	2.78	0.755	0.719	265,936	361,576	26
May	0.740	0.789	0.05	6.62	0.846	0.740	1,848,941	2,313,413	76
June	0.789	0.867	0.08	9.89	0.894	0.789	2,485,434	3,017,471	97
July	0.865	1.280	0.41	47.64	1.280	0.860	15,697,466	14,308,035	420
August	1.270	0.999	(0.28)	(21.95)	1.270	0.998	4,167,726	3,770,125	281
September	0.999	0.978	(0.02)	(2.10)	1.060	0.973	812,437	820,380	35
October	0.978	0.961	(0.02)	(1.74)	0.998	0.961	822,952	839,700	53
November	0.960	0.900	(0.06)	(6.35)	0.960	0.863	1,068,454	1,181,143	80
December	0.900	0.860	(0.04)	(4.44)	0.900	0.860	751,918	849,500	26
							<b>31,340,886</b>	<b>32,054,731</b>	<b>1,247</b>

## 25. Shareholders' rights

CBI's corporate governance practices are designed to protect and facilitate the exercise of shareholders' rights while ensuring the equitable treatment of all shareholders, including minority shareholders. The Bank maintains open and transparent communication channels with its shareholders, regularly publishing all relevant information for investors and stakeholders through its website and other media platforms.

CBI's Articles of Association affirm that all capital shares carry equal rights, ensuring non-discriminatory ownership in the Bank's assets, profits, attendance at General Assembly meetings, and voting rights, based on the principle of "one vote per share."

In accordance with the UAE Commercial Companies Law, CBI's Articles of Association stipulate that the General Assembly must convene at least one ordinary meeting within four months following the end of each financial year. The Board may also call for a General Assembly meeting at its discretion or upon request by the external auditor or shareholders holding at least 10% of the Bank's capital for a specific purpose.

As of 31 December 2025, CBI convened one General Assembly Meeting on 13 February 2025. The meeting was attended by shareholders, in person and by proxy, holding a total of 1,089,277,066 shares, representing 62.70% of the company's capital.

No special resolutions were presented to or approved by the General Assembly held in 2025. All related disclosures have been made available on the Bank's website and its dedicated page on the Abu Dhabi Securities Exchange (ADX) website.

## 26. Stakeholder engagement and disclosure (investor relations)

CBI is committed to maintaining high standards of transparency and enhancing its disclosures to align with both local regulatory requirements and international best practices. Through its Investor Relations Function, CBI ensures timely and accurate communication with shareholders and potential investors, providing regular updates via quarterly results, press releases, and a detailed Annual Report. The Bank adheres to all disclosure requirements, furnishing accurate and transparent financial information, audit reports, and regulatory disclosures to the CBUAE, ADX, and other relevant authorities.

CBI affirms that all statements, including Basel III – Pillar 3 Disclosures, are true, accurate, and not misleading to the best of its knowledge. The Bank's annual financial reports comply with the International Financial Reporting Standards (IFRS) and the applicable provisions of CBUAE regulations. Furthermore, the external auditors confirm that all required information has been provided, and the audit was conducted in accordance with International Standards on Auditing (ISA).

### Investor Relations Contact Details

#### Ms. Hala Al Safadi

Company Secretary and Head of Investor Relations

[investor.relations@cbi.ae](mailto:investor.relations@cbi.ae)

+971 4 402 3972

+971 54 584 2004

Investor Relations webpage: <https://www.cbiuae.com/en/about-cbi/investor-relations>

## 27. Dealings in CBI shares and related party transactions

Based on declarations submitted by Board members and reviews conducted against Abu Dhabi Securities Exchange (ADX) records, CBI confirms that no dealings in the Company's shares were reported during the reporting period by Board members or, to the Bank's knowledge, by their spouses or children.

In handling related-party transactions involving Directors or their related parties, the Bank implemented essential controls ensuring that Directors refrain from participating in discussions or voting on such transactions, resulting in a transparent and conflict-free decision-making process.

CBI has not recorded any single transaction with a related party that exceed 5% of the Bank's capital.

CBI enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, their shareholders and key management personnel. Transactions with associates and other related parties are made on substantially the same terms as those prevailing at the same time for comparable transactions with external customers and parties.

	Terms %	2025 AED '000	2024 AED '000
<b>Balances at the end of the reporting period</b>			
<i>Associate</i>			
Customers' deposits	–	12	2,711
<i>Key management personnel (including directors)</i>			
Loans and advances to customers	3.7–7.3	26,691	22,520
Customers' deposits	0–4.5	13,552	9,011
<i>Other related parties</i>			
Deposits and balances due from banks	0–5.7	239,485	204,360
Deposits and balances due to banks	–	88,849	168,922
Loans and advances	4.9–5.2	3,336	2,331
Customers' deposits	0.2–4.5	82,044	80,776
Tier 1 Capital Securities	6	459,125	459,125
<i>Key management personnel (including directors)</i>			
Interest income		1,084	1,311
Interest expense		759	879
<i>Other related parties</i>			
Interest income		10,479	16,518
Interest expense		2,969	3,629
Compensation of key management personnel		36,995	38,115

**28. Corporate social responsibility (CSR) and community contributions**

CBI is committed to supporting the communities in which it operates. However, during the reporting period, the Bank did not make any formal contributions under its Corporate Social Responsibility (CSR) initiatives. CBI continues to explore opportunities to contribute meaningfully to societal and environmental causes aligned with its values and long-term sustainability objectives.

**29. Non-statutory services provided by other audit firms**

During the financial year ended 31 December 2025, the Bank engaged certain professional services firms, including audit and accounting firms other than the appointed statutory external auditor, to provide specialized advisory and assurance services.

These services were limited to areas such as regulatory compliance reviews, internal control and governance advisory, risk and capital framework assessments, tax advisory, cybersecurity assessments, program management support, and project-related quality assurance services.

All such engagements were approved in accordance with the Bank’s applicable governance and procurement policies, and did not relate to statutory audit services.

CBI’s Corporate Governance Report for 2025 has been signed off by the internal control departments as follows:

*Randa Kreidieh*

**Mrs. Randa Kreidieh**  
Chief Risk Officer

*Rajesh Arora*

Rajesh Arora (Feb 17, 2026 15:26:50 GMT+4)  
**Mr. Rajesh Arora**  
Chief Financial Officer

*David Pije*

David Pije (Feb 17, 2026 12:43:32 GMT+4)  
**Mr. David Abraham Pije**  
SVP – Head of Compliance

*Ziad Abdelghani*

**Mr. Ziad Abdelghani**  
SVP – Head of Internal Audit



# SUSTAINABILITY REPORT

<b>Introduction</b>	<b>86</b>
About this report	86
CEO message	88
CBI at a glance	90
Driving sustainability in the UAE	92
<b>CBI's approach to sustainability</b>	<b>94</b>
Our priorities	94
Stakeholder engagement	96
Sustainability risk management	97
Sustainability performance highlights 2025	98
Sustainability governance framework	100
<b>Environmental</b>	<b>102</b>
Sustainable finance	103
Environmental footprint	104
Climate risk management	108
<b>Social</b>	<b>111</b>
Customer satisfaction	112
Financial inclusion	114
Innovation	116
Employee engagement & satisfaction	117
Employee health & well-being	118
Emiratisation	120
Talent attraction, development & retention	122
Diversity & inclusion	125
<b>Governance</b>	<b>126</b>
Corporate governance	127
Business ethics & compliance	129
Risk management & cybersecurity	132
Responsible procurement	134
Business continuity	136
Tax transparency	137
<b>Data &amp; disclosures</b>	<b>138</b>
ESG KPIs	138
ADX ESG disclosures	145

# INTRODUCTION

## ABOUT THIS REPORT

### Purpose

We are pleased to introduce Commercial Bank International PJSC's (CBI) 2025 Sustainability Report, which demonstrates our steadfast commitment to advancing sustainability across our business activities. Our goal is to inform our key stakeholders, including customers, investors, employees, suppliers, partners, and the communities we serve, about our sustainability priorities, the actions we are taking, and the progress we have achieved on key environmental, social, and governance (ESG) topics.

This report complements CBI's Corporate Governance Report 2025. The report highlights our broader commitment to responsible business practices, transparency, and the creation of long-term value.

### Scope

The information presented in this report focus on CBI's activities undertaken in the calendar year 2025.

All monetary values mentioned in this report are in Arab Emirates Dirhams (AED).

### Reporting standards

We have prepared this report in accordance with local reporting standards, including the latest ESG disclosure guidance for listed companies issued by the UAE Securities and Abu Dhabi Securities Exchange (ADX).

The Global Reporting Initiative (GRI) standards and the United Nations Sustainable Development Goals (UN SDGs) informed our disclosures.

### Assurance

We have relied on an internal review and approval process to ensure that the information provided in this report is accurate and of high quality.

### Contact us

Visit our website to learn more about our commitment to sustainability:

[www.cb UAE.com/en/about-cbi/overview/sustainability](http://www.cb UAE.com/en/about-cbi/overview/sustainability)

[sustainability@cbi.ae](mailto:sustainability@cbi.ae)



## CEO MESSAGE

A major milestone for us this year was the development of CBI's Sustainable Finance Framework.

Ali Sultan Rakkad Al Amri  
Chief Executive Officer



As we continue to advance on our sustainability journey, I am pleased to present CBI's 2025 Sustainability Report, our sixth edition highlighting the progress we have made in strengthening our Environmental, Social and Governance (ESG) performance across the Bank.

The UAE has made a major commitment to sustainability and has adopted the goal of becoming a net-zero economy by 2050. The Central Bank, the banking sector in general, and CBI in particular, have signed on to play our part. A major milestone for us this year was the development of CBI's Sustainable Finance Framework. This framework establishes a clear methodology for classifying, tracking, and reporting progress toward our USD 1 billion sustainable finance target by 2033. It will serve as the foundation for aligning our financial activities with global sustainability principles and national priorities.

We have also intensified our efforts to minimise our environmental footprint. CBI introduced several initiatives to enhance resource efficiency and promote responsible resource use. We aim to intensify our shift toward adopting digital channels to reduce paper consumption while simultaneously enhancing customer experience, speed, and satisfaction.

Our focus on embedding a strong sustainability culture across the organisation is equally important. In 2025, we launched company-wide e-learning on sustainability, delivered dedicated training for our Executive Management Committee members, and strengthened internal engagement through regular communication and the formation of an active network of sustainability champions. These efforts are helping to ensure that sustainability is understood, embraced, and acted upon at every level of the Bank.

Our people remain at the heart of our progress. With a workforce representing more than 35 nationalities, we continue to foster an inclusive and collaborative environment where diverse perspectives drive innovation. The commitment, expertise, and adaptability of our people are essential to delivering long-term value for our customers, partners, shareholders, and the communities we serve.

We have continued to build CBI's innovation banking segment, contributing to the UAE's strategy of growing new and innovative sectors, such as fintech, AI, virtual assets, real world asset tokenisation, and gaming. Here, we have adopted a strategy of focusing on niche, underserved segments of the market. For corporates in these sectors, we are developing new business lines, products and solutions for our Innovation Banking segment, such as capital lockup accounts, client money accounts, and current accounts. We are building a reputation in these sectors for appointing qualified customer relationship managers who understand these industries.

The commitment, expertise, and adaptability of our people are essential to delivering long-term value for our customers, partners, shareholders, and the communities we serve.

The launch of CBIX during the year was a major innovation initiative that marked an important landmark in the Bank's history. Registered and based in DIFC, CBIX is an independent subsidiary, innovation lab, and corporate VC. It is one of the region's hybrid innovation labs with direct access to a regulated bank, but it also has the freedom to explore, enable, and accelerate disruptive innovations in banking and other fields. Crucially, it is an innovation lab sandbox, where we can safely pilot and experiment with novel solutions at the intersection of banking, emerging technologies, and market execution.

Our sustainability achievements demonstrate strong progress, but we also recognise that sustainability is a continuous journey that calls for ongoing innovation, learning, and thoughtful collaboration. The global and regional sustainability landscape is evolving rapidly, as are the expectations of our stakeholders. In response, we remain focused on setting ambitious targets, building internal capabilities, and strengthening our partnerships to drive meaningful and lasting impact in the years ahead.

# CBI AT A GLANCE

## Our story

Commercial Bank International (CBI) is a leading UAE bank dedicated to empowering businesses and individuals through innovative, personalised, and growth-focused banking solutions.

Established in 1991 and headquartered in Dubai, CBI offers a diverse range of services, including corporate, retail, and Islamic banking solutions. Leveraging its innovative capabilities, CBI provides bespoke banking services to help clients achieve their ambitions. CBI is listed on the Abu Dhabi Securities Exchange (ADX) and is regulated by the Central Bank of the UAE and the Securities and Commodities Authority (SCA).

The majority of shareholders are UAE citizens and include the government of Ras Al Khaimah. Our Board of Directors is chaired by Saif Ali Al Shehhi.

## Our presence

# 533

Number of employees



The United Arab Emirates

## 2025 awards

<b>Outstanding Contribution to Fintech Enablement and Digital Payments Infrastructure in the UAE</b> World Union for Arab Bankers	<b>Most Innovative Sustainable Partnership</b> Middle East & North Africa Stevie Awards	<b>Most Innovative Corporate Bank 2025</b> UAE Business Awards 2025
<b>MEA Markets Banking Innovations Excellence Award 2025</b> UAE Business Awards 2025	<b>AI-Powered Innovation in Banking</b> Middle East Banking AI & Analytics Summit and Awards	

# DRIVING SUSTAINABILITY IN THE UAE

The UAE has embedded sustainability at the heart of its national vision and long-term development strategy. As a signatory to the Paris Agreement and an active participant in global sustainability forums, the UAE has committed to achieving net-zero emissions by 2050, becoming the first nation in the Middle East and North Africa to make such a pledge. This commitment reflects the country's recognition that long-term economic growth must be underpinned by environmental stewardship and responsible use of natural resources.

To translate this vision into action, the UAE has launched a comprehensive framework of strategies and policies aimed at promoting sustainable growth across all sectors. The UAE Net Zero by 2050 Strategic Initiative, the National Climate Change Plan, and the UAE Green Agenda 2030 are among the key pillars guiding national efforts toward a low-carbon and climate-resilient economy.

The Federal Decree-Law No. (11) of 2024 on the reduction of climate change effect came into effect in May 2025, mandating all public and private entities, including free zones, to measure, report, and manage their emissions, adopt mitigation strategies and develop adaptation plans to address climate risks. The law has provisions to impose fines for non-compliance.

These initiatives are supported by substantial investments in renewable energy and by measures to enhance energy efficiency, conserve water, and promote sustainable urban development.

Social responsibility is equally central to the UAE's sustainability agenda. The nation prioritises human development, education, and social inclusion as essential components of sustainable progress. A particular area of focus is women's empowerment and leadership. The UAE has introduced a range of policies and initiatives to enhance gender equality in the workforce and public life, including the mandate for listed companies to have female representation on their boards of directors after the completion of the current term of any company's board. This decision came into effect in January 2025, and follows the SCA's 2021 mandate requiring all public companies listed on the ADX and DFM to have at least one woman on their board of directors.

Robust governance is a key part of these initiatives. The UAE is steadily advancing institutional transparency, strengthening regulatory standards, and reinforcing accountability, thereby creating conditions that support responsible enterprise and long-term sustainable investment.

## Overview of the key regulatory requirements



مصرف الإمارات العربية المتحدة المركزي  
CENTRAL BANK OF THE U.A.E.

### Central Bank of the UAE

- **Notice No. 4539/2020:** Guidance principles on sustainable finance in the UAE.
- **Notice No. 5620/2023:** Principles for the effective management of climate-related financial risks.
- **Notice No. 5885/2023:** The Guiding Principles Regarding Islamic Sustainable Finance.
- **Notice No. 2964/2024:** Principles for sustainability-related disclosures for reporting entities.
- **Notice No. 5588/2025:** Climate-related financial risk management regulation.



UNITED ARAB EMIRATES  
MINISTRY OF CLIMATE CHANGE  
& ENVIRONMENT

### Ministry of Climate Change & Environment

- **Federal Decree-Law No. (11) of 2024** on the reduction of climate change effect.



هيئة سوق المال  
Capital Market Authority

### Capital Market Authority

- **Article 76 of the Chairman of Authority's Board of Directors' Decision no. (3/ Chairman) of 2020** concerning Approval of Joint Stock Companies Governance Guide.



### Abu Dhabi Securities Exchange

- **Listed companies are required to disclose 38 ESG metrics** in line with UN Sustainable Stock Exchange Initiative, as per the updated ESG disclosures guidelines released by ADX in June 2025.

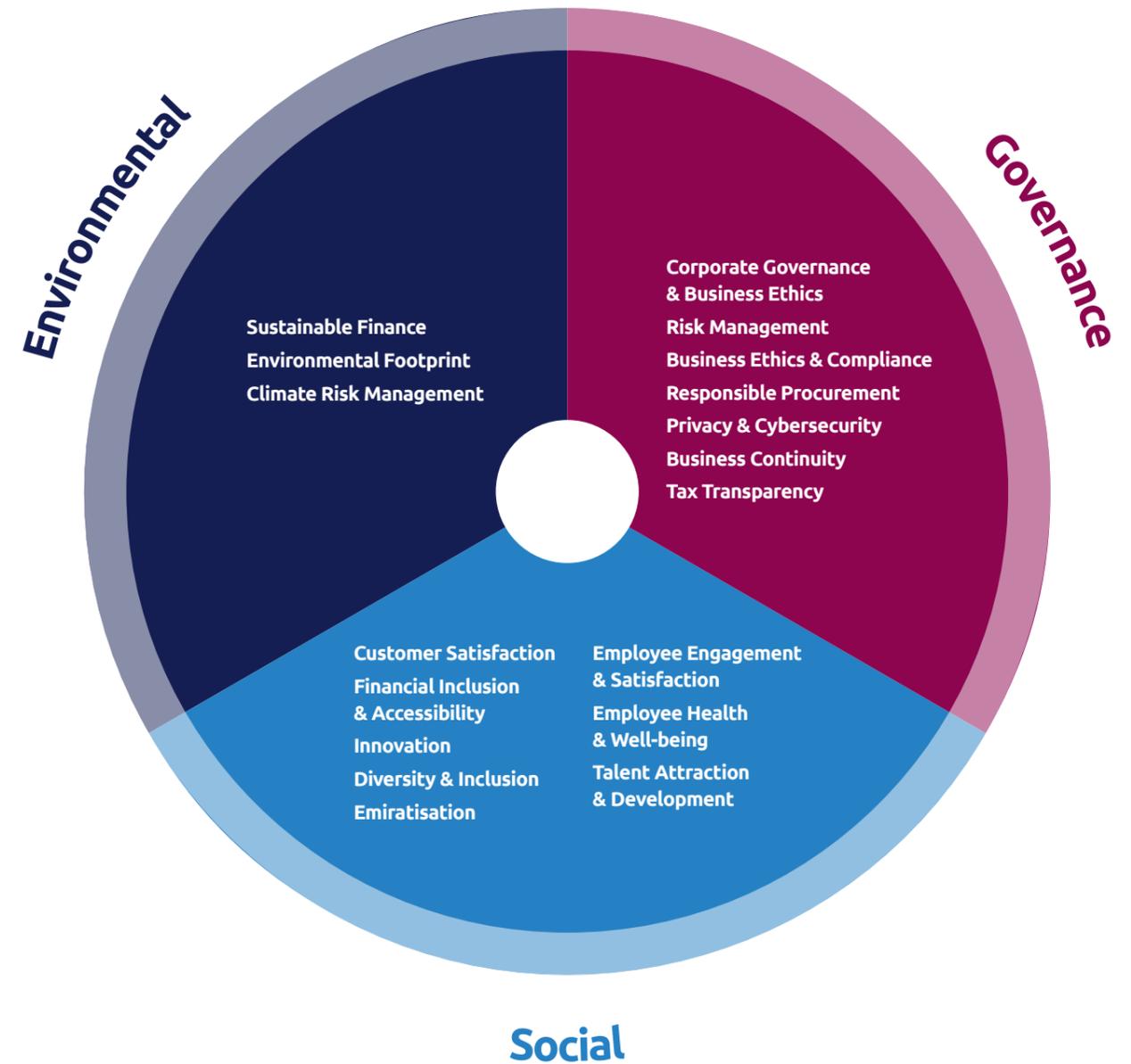
# CBI'S APPROACH TO SUSTAINABILITY

## OUR PRIORITIES

In 2024, we conducted our first ESG materiality assessment. This exercise enabled us to identify 18 most relevant material topics for CBI.

Our materiality assessment applied the double materiality principle, which considers both financial materiality and impact materiality. Financial materiality assesses the risks and opportunities for the Bank while impact materiality refers to CBI's influence on stakeholders, society, the environment, and the economy.

Based on the results of this assessment, we have built our ESG strategy on three pillars:



In this report, we provide an update on the progress made across each of these material topics.

# STAKEHOLDER ENGAGEMENT

Effective stakeholder engagement is fundamental to making meaningful progress in achieving our ESG objectives. We maintain regular, proactive, and transparent communication with both internal and external stakeholders to identify and address the most material issues.

This approach helps us to ensure that our ESG strategy and roadmap are aligned with stakeholder expectations and concerns. It strengthens our accountability and responsiveness and supports the creation of long-term value across the economic, social, and environmental aspects of our business.

We have established structured and open channels of communication to continuously gather insights from our stakeholders, enabling informed decision-making and the development of effective and impactful initiatives.

In 2025, we conducted our first customer survey on sustainability to better understand what sustainability means to our retail customers. It helped us to identify the ESG issues that matter most to our customers.

We developed a mandatory e-learning module on sustainability for all employees to ensure that they acquire a foundational understanding of key sustainability principles prior to the rollout of more specialised modules tailored to individual business units. We also delivered a series of informative sessions to communicate CBI's sustainability strategy and roadmap, fostering greater organisational awareness and alignment.

We re-launched our employee engagement survey. For the first time, it included several questions related to sustainability that were designed to better capture our employees' priorities.

## How we engage with our stakeholders

### Customers



- Customer satisfaction survey
- Customer survey on sustainability
- Engagement via relationship managers
- Social media
- Call centre

### Suppliers



- Vendor code of conduct
- Sustainability criteria in the vendor assessment

### Employees



- Employee engagement survey
- Learning programmes
- Sustainability newsletter
- Regular updates

### Shareholders



- AGM
- Annual report
- Quarterly results disclosures
- Fitch rating report
- Pillar 3 disclosures

### Regulators



- Public disclosures
- One-on-one meetings
- Consultations

# SUSTAINABILITY RISK MANAGEMENT

CBI employs a structured approach to identify and manage sustainability-related risks, including ESG, climate, and conduct risks.

Key processes include:

#### Regulatory monitoring

Continuous review of UAE and international ESG and conduct regulations, including CBUAE sustainability guidance, Contractor Purchasing System Review (CPSR), International Financial Reporting Standards (IFRS) S1/S2, and Task Force on Climate-related Financial Disclosure (TCFD) recommendations.

#### Risk identification

Sustainability-related risks, including conduct and ethical selling risks, are identified through:

- Internal/external audits
- Risk and conduct committee reviews
- CPSR compliance assessments
- Market conduct risk monitoring
- Engagement with business units to detect governance gaps, mis-selling risks, disclosure issues, or reputational vulnerabilities.

#### Risk assessment and prioritisation

All ESG, conduct, and sustainability risks are assessed using CBI's enterprise risk methodology, considering likelihood, impact, regulatory expectations, and potential customer or reputational consequences.

#### Monitoring and reporting

Risks are tracked through Enterprise Risk Management (ERM) dashboards, conduct monitoring tools, CPSR compliance updates, and periodic reporting to senior management, the CRO, and the Board Risk Committee.

This integrated policy framework ensures that sustainability, conduct, and customer protection are embedded in CBI's governance and operational processes.

Sustainability-related risks including market conduct risk, CPSR compliance, ethical selling practices, ESG, and climate risk are fully integrated into CBI's ERM framework. Integration mechanisms include:

#### Risk register inclusion

ESG and conduct risks are captured in the Bank's central risk register, ranked alongside credit, operational, market, and strategic risks.

#### Unified assessment methodology

Conduct and sustainability risks use the same ERM evaluation metrics to ensure consistency and comparability.

#### Committee governance

Material ESG and conduct risks are escalated to:

- Management Risk Committee
- ESG & Sustainability Committee
- Conduct Committee (under establishment)
- Board Risk Committee

#### Continuous monitoring

Conduct risk reports, CPSR compliance results, ethical selling monitoring, audit findings, and ESG updates feed into ERM dashboards and decision-making.

This ensures that ESG, conduct, and customer protection risks receive the same level of attention, governance, and mitigation as other enterprise-level risks, reinforcing CBI's overall sustainability and resilience.

# SUSTAINABILITY PERFORMANCE HIGHLIGHTS 2025



**Climate**

Sustainable Finance portfolio (AED million)

## 1,871,836

GHG emissions intensity (tCO<sub>2</sub>e/FTE)\*

## 2.72

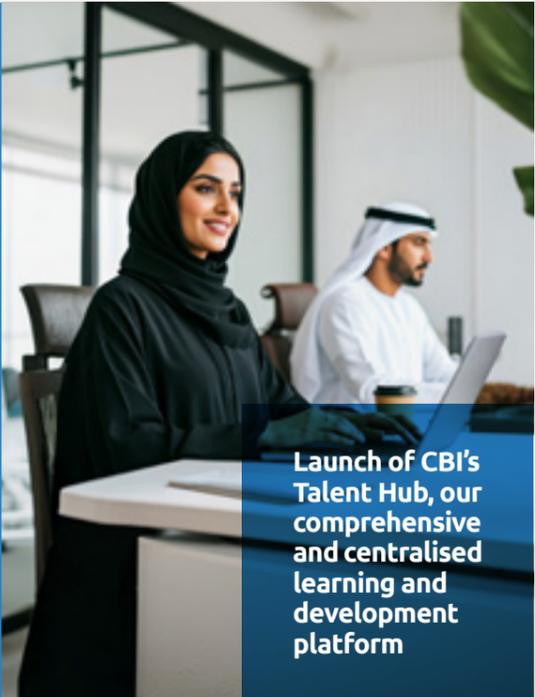
\* Based on scope 1, 2 and 3 GHG operational emissions reported in the Environmental section of the report.

Implementation of a Climate Risk Solution



**Social**

**39%**  
UAE nationals in the workforce



Launch of CBI's Talent Hub, our comprehensive and centralised learning and development platform

**46%**  
women in the total workforce

**21,802**  
hours of training delivered to our employees





**Governance**

**22%**  
of Board members are women

**28%**  
of senior leadership positions held by women

**88%**  
of Procurement spending allocated to local suppliers

Regular Board-level updates provided on sustainability

Establishment of an ESG & Sustainability Committee

# SUSTAINABILITY GOVERNANCE FRAMEWORK

Over the past year, we have continued to strengthen our governance framework to ensure that our ESG strategy is effectively integrated across all functions and supports long-term progress.

The Board of Directors oversees ESG, including climate-related risks and opportunities, primarily through the Board Executive Committee and the Board Risk Committee. The Board Executive Committee, acting on behalf of the Board of Directors, is responsible for supervising the development and delivery of our sustainability strategy. The Board Risk Committee is responsible for reviewing and approving climate-related risk policies, ensuring alignment with regulatory expectations, and monitoring CBI's overall climate risk profile.

Throughout the year, the Board Executive Committee received regular updates on the 2025 sustainability roadmap, while the Board Risk Committee received regular updates on climate-related risks.

The ESG & Sustainability Committee, chaired by the CEO and comprising all executive members, provides the strategic direction for the organisation's sustainability efforts. This Committee represents the highest management authority for sustainability, providing leadership and alignment on key priorities and ensuring that the decisions taken support the Bank's strategic objectives. The ESG & Sustainability Committee received quarterly updates throughout the year on the progress and implementation of our sustainability roadmap.

The governance bodies consider climate-related risks and opportunities by:

- Reviewing and approving the Climate Risk Policy, which defines physical and transition risk categories, climate risk appetite, and assessment methodologies.
- Overseeing the integration of climate-related considerations into the Bank's corporate strategy, risk management framework, and Internal Capital Adequacy Assessment Process (ICAAP).

- Evaluating emerging regulatory requirements (including CBUAE Principles and forthcoming climate-related regulations) and ensuring that the Bank's strategic decisions remain aligned with national sustainability objectives and sector developments.
- Monitoring the Bank's progress on sustainability initiatives, climate risk analytics, and scenario analysis enhancements.

Execution takes place across the business through a three-line structure. The first line owns the implementation of CBI's sustainability strategy and leads ESG risk assessments within their areas of responsibility. Supporting them, the Sustainability Central Team partners with management and a network of sustainability champions who act as focal points within each department. This network helps translate the strategy into actionable initiatives, fostering collaboration and accountability across the Bank.

CBI has delegated the day-to-day responsibility for overseeing climate-related risks and opportunities to dedicated management-level structures:

- The Climate Risk function, under the CRO, is responsible for identifying, assessing, and managing climate-related financial risks.
- The ESG Unit, situated within the Strategy Department, coordinates the Bank's broader ESG agenda.
- A cross-functional group of ESG champions from key departments supports the ESG Unit in embedding climate and sustainability considerations across business lines and operational areas.

Oversight of these teams is exercised through:

- Regular reporting to the ESG & Sustainability Committee and the Management Risk Committee.
- Escalation of material climate-related issues to the Board Risk Committee.
- Ongoing monitoring by the CRO to ensure alignment with regulatory expectations and the Bank's climate risk appetite.

Independent review and assurance of our ESG performance are provided by the third line of defence, ensuring transparency and credibility in our approach.

Together, these governance layers create a strong foundation for embedding sustainability principles into CBI's strategy, risk management, and daily operations, enabling us to drive purposeful and lasting impact.



## Members of the ESG & Sustainability Committee

- |  |  |   |
|--|--|---|
| • Chief Executive Officer (Chairperson)                  | • Chief Operating Officer                          | • Senior Vice President Legal   |
| • Chief Strategy & Innovation Officer (Vice-Chairperson) | • Executive Vice President Wholesale Banking Group | • Vice President Corporate Secretariat & Investor Relations                   |
| • Chief Credit Officer                                   | • Executive Vice President Retail Banking Group    | • Vice President Customer Experience  |
| • Chief Risk Officer                                     | • Senior Vice President Compliance                 |   |
| • Chief Financial Officer                                | • Chief Human Resources Officer                    | <b>Permanent consultative member:</b><br>Senior Vice President Internal Audit |

# ENVIRONMENTAL



Environmental sustainability is the first pillar of our sustainability strategy. CBI remains committed to advancing environmental sustainability across its business operations in line with our strategic objectives and stakeholder expectations. We continue to strengthen our environmental pillar through three core focus areas: sustainable finance, environmental footprint and climate risk management.

These are linked to our ambition to transition to a low-carbon economy, minimise our operational impact on the environment, and enhance the resilience of our business in the face of climate-related risks.

Through our sustainable finance initiatives, we aim to increase the Bank's capital flow toward activities that enable environmental progress and contribute to long-term economic resilience. Internally, we work to reduce our environmental footprint by improving resource efficiency, lowering emissions, and integrating sustainable practices throughout our facilities and operations. In parallel, our Climate Risk Management framework ensures that climate-related risks and opportunities are systematically identified, assessed, and embedded into our decision-making processes.

# SUSTAINABLE FINANCE

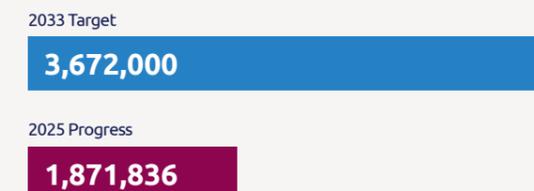
CBI recognises that its responsibilities extend beyond the provision of traditional financial services. As a financial institution with a broad impact on the real economy, we aim to play an active role in enabling the transition of our clients and communities toward more sustainable and resilient pathways. We view the shift to a lower-carbon economy as essential for safeguarding societal well-being and protecting the natural environment, and we are committed to contributing to this global effort through purposeful financing.

In line with this commitment, we announced at COP28, held Dubai in late 2023, a sustainable finance target of USD 1 billion by 2033 (over AED 3.67 billion). This target reflects our ambition and dedication to advancing projects and activities that support environmental progress. Since the announcement, we have mobilised AED 1.87 billion in sustainable finance across lending towards renewable energy, green projects, and a range of sustainability-linked initiatives supporting environmental and social sustainability. Our progress in fulfilling CBI's sustainable finance target sets a strong foundation for scaling our impact over the coming decade.

## Sustainable Finance (in AED million)

By category	As of 31 December 2025
Lending	1,870,000
Investing	1,836
<b>Total</b>	<b>1,871,836</b>

## CBI's progress on sustainable finance commitment (in AED million)



CBI's Sustainable Finance Framework ensures transparent and consistent reporting on our sustainable financing journey. It serves as a foundational tool for guiding, evaluating, and reporting the Bank's environmentally aligned financing activities. It establishes clear criteria and

methodologies to identify eligible transactions, and outlines the governance structures and due-diligence processes that underpin decision-making, helping to safeguard the integrity of the portfolio. The framework also aims to ensure that our sustainable finance efforts are robust and credible.

# ENVIRONMENTAL FOOTPRINT

CBI is committed to monitoring and reducing its environmental impact by continuously improving the way it measures, manages, and mitigates resource consumption across its operations. Through enhanced data collection, targeted efficiency initiatives, and the integration of sustainability considerations into day-to-day decision-making, the Bank aims to minimise its footprint while supporting the UAE’s broader environmental objectives. This commitment underpins our broader responsibility to operate transparently, use resources efficiently, and contribute to a more sustainable future.

The Bank’s GHG reporting is based on the Greenhouse Gas Protocol.

In 2025, our total GHG emissions are as follows:



CBI recognises that most of its greenhouse gas impact arises not from its direct operations but from the activities it finances and invests in, commonly classified as Scope 3 financed emissions under the GHG Protocol. In 2025, our efforts centred on establishing a comprehensive baseline of our operational emissions in line with these standards.

Building on this foundation, our next priority will be to assess and quantify our financed emissions, enabling a deeper understanding of our broader climate impact and informing future climate-aligned strategies.

# ENVIRONMENTAL FOOTPRINT CONTINUED

We have continued to implement a diverse range of initiatives to advance our efforts to lower the Bank’s resource consumption.



**Minimise paper consumption**

Following the introduction of managed printing services in 2024, which enabled more accurate tracking of printing volumes, we established for the first time an organisation-wide target to reduce paper consumption.

We are pleased to report that this target has been met for this year. We plan to set annual reduction targets and further strengthen our digital capabilities to support continued progress in minimising paper use.



**Rationalise water consumption**

In 2025, we implemented a programme to reduce water consumption by enhancing the performance of the water fixtures across the Bank. We installed high-efficiency aerators across all washbasins, hand sprays, and kitchen faucets in every branch and office, with the aim of achieving a reduction in potable water use by optimising and regulating water flow.

**3.81**

**Total water consumption (in megalitres)**



**Shift to electric vehicles**

The CBI Board of Directors has set a target to transition 50% of the Bank’s vehicle fleet to electric vehicles (EVs) by 2030. It represents a significant milestone in CBI’s commitment to achieve lower-impact and energy-efficient operations in a consistent, time-bound manner. This shift is intended to reduce operational emissions, promote cleaner mobility, and align with the UAE’s broader transition toward sustainable transportation. The Bank has already installed additional EV charging stations at its head offices, providing convenient access for employees and encouraging the adoption of electric vehicles across the workforce. These actions highlight CBI’s proactive approach to reducing its environmental footprint and fostering more sustainable mobility choices within the organisation.



**Energy performance monitoring**

Throughout the year, CBI’s Facilities Management department has been actively monitoring electricity consumption patterns across our branches and offices, with a specific focus on lighting loads.

Our 2026 roadmap includes a plan to conduct a technical and financial feasibility study to integrate lighting and HVAC systems into a centralised Building Management System (BMS) to optimise operation, automate scheduling, and reduce unnecessary runtime.



**Local-sourcing and low-impact materials strategy for our construction projects**

CBI has implemented a sustainability-driven materials strategy to reduce the Bank’s environmental footprint. Under this initiative, we ensure that as much as feasible, all construction-related materials specified, procured, or installed in ongoing and future projects are locally manufactured. This applies specifically to building materials, and includes items such as low-flow sanitary fixtures, low-rate faucets, water-efficient hand sprays, and energy-efficient lighting units.

By shifting project specifications toward local products, we aim to reduce emissions associated with international transport and long supply chains, leading to measurable reductions in Scope 3 emissions. In addition, prioritising energy-efficient lighting and low-flow fixtures further contributes to long-term reductions in operational utilities.



**IT asset lifecycle management**

CBI has adopted a sustainable IT asset disposal policy to ensure that our outdated or obsolete equipment are disposed of in a manner that causes minimum environmental impact and supports circular economy principles. In accordance with the policy, all decommissioned or non-functional devices are sent to certified e-waste recycling facilities, where they are processed in accordance with environmental standards that prevent the release of harmful substances.

In line with local regulations and international standards, including the Waste Electrical and Electronic Equipment (WEEE) Directive and RoHS (Restriction of Hazardous Substances), CBI works exclusively with certified third-party vendors for recycling and repurposing. Whenever feasible, IT equipment is refurbished and redeployed to extend its useful life, reducing the need for new resources.

In 2025, CBI made a donation of used equipment to the Ras Al Khaimah Autism Center, supporting students and educators dedicated to empowering children of determination. This initiative not only supports digital inclusion but also aligns with the UAE’s wider efforts toward sustainability and advancing opportunities for People of Determination. By extending the life of existing assets, we help reduce e-waste, conserve resources, and directly benefit local educational institutions that make a daily difference in young lives.



**Energy-efficient data centre**

Our co-location data centre incorporates advanced energy-efficient technologies that help reduce overall power consumption. The facility’s Power Usage Effectiveness (PUE) is continuously monitored to maintain optimal performance and ensure that energy use for cooling and other supporting operations remains as low as possible. Water consumption is also carefully managed through efficient cooling systems, including closed-loop processes and air-side economisers, which significantly reduce reliance on water-intensive methods. These measures collectively support more sustainable and resource-efficient data centre operations.

Looking ahead, over the coming years, we plan to further strengthen electricity and water conservation measures and establish improved systems for waste collection, recycling, and disposal.

# CLIMATE RISK MANAGEMENT

Climate change poses significant and evolving risks to financial stability, customer creditworthiness, and the resilience of financial institutions. CBI recognises climate change as a material source of financial risk that may affect its balance sheet, business model, and long-term financial resilience. Climate-related risks manifest primarily through physical risks and transition risks, both of which influence the Bank's credit, market, operational, and strategic exposures.

## Physical risks

Physical risks arise from both acute and chronic climate-related events that could affect the Bank and its clients. These include:

- Extreme weather events such as flooding, heavy rainfall, storms, and heatwaves which may damage assets, disrupt operations, and impair the capacity of borrowers or third-party service providers to meet obligations.
- Long-term environmental changes including sea-level rise, temperature increases, and water stress that may reduce real estate values, affect collateral quality, and impact client cash flows or business viability.

CBI has begun integrating physical risk measurement tools to evaluate hazard exposures using CBUAE physical risk maps, including classification of customer business locations and real-estate collateral into hazard zones. These assessments support both customer-level credit decisions and portfolio-level concentration monitoring.

## Transition risks

Transition risks stem from the shift toward a lower-carbon economy and may arise from:

- Regulatory and policy developments (for example, CBUAE requirements, decarbonisation targets);
- Market and customer preference shifts toward sustainable products;
- Technological advancements that may render older business models less competitive;
- Reputational and ESG-related expectations from stakeholders.

CBI assesses transition risks through sector-level analysis, customer-specific transition-risk scoring, and enhanced credit underwriting that evaluates business model vulnerability and the financial impact of climate-related transition scenarios.

## Opportunities

Climate-related opportunities for CBI include:

- Expanding green and sustainable finance offerings;
- Developing ESG-aligned investment and advisory products;
- Improving operational efficiency and resource optimisation.
- Enhancing market positioning as clients increasingly seek climate-aligned solutions.



We remain deeply committed to strengthening CBI's role in shaping a more sustainable and resilient future. This year, we advanced our climate-risk journey by deepening our understanding of physical and transition risks, integrating climate considerations into how we assess and support our clients, and laying the foundations for enhanced ESG and climate-risk capabilities across the Bank. Our efforts reflect a belief that responsible finance is not only a regulatory requirement, but a powerful driver of positive change. By empowering our customers to navigate climate challenges and seize new opportunities, we are contributing to the UAE's vision for a low-carbon economy and safeguarding prosperity for generations to come. Together, we are transforming climate ambition into action, and action into long-term resilience.



*Randa Kreidieh, Chief Risk Officer, Commercial Bank International*

## Climate risk strategy

In alignment with the UAE Net Zero 2050 Strategy and the CBUAE Principles on Climate-Related Financial Risks, CBI has developed a comprehensive Climate Risk Strategy that guides the Bank's approach to identifying, assessing, managing, and reporting climate-related risks and opportunities.

The Strategy embeds climate considerations across governance, enterprise risk management, credit underwriting, ICAAP, investment decision-making, and operational resilience. Its key objectives are to:

- Minimise climate-related risks across the Bank's activities;
- Strengthen climate-risk stress testing, scenario analysis, and climate-integrated reporting;
- Build internal capability, including staff training on climate-related financial risk;
- Ensure compliance with emerging CBUAE and global regulatory requirements;
- Embed climate-risk methodologies into CBI's broader Risk Management Framework.

During 2025, CBI advanced its Climate Risk Strategy through several important enhancements:

- Integration of customer-level climate assessments into the credit underwriting process;
- Development of an ESG/Climate Risk scorecard to evaluate client exposure to physical transition and liability risks;
- Adoption of hazard-zone mapping for real-estate collateral and customer facility locations;
- Introduction of stress-testing impacts into internal credit ratings;
- Portfolio-level tracking of both physical-risk and transition-risk concentrations within the Risk Appetite Framework;
- Initiation of an ESG technology programme to automate climate-risk data capture, metrics, and reporting;
- Strengthening of climate risk governance and ICAAP climate integration.

These advancements reflect CBI's commitment to supporting a more resilient, climate-conscious financial system while meeting stakeholder expectations for responsible banking.



# CLIMATE RISK MANAGEMENT CONTINUED

## Climate risk stress testing

Climate risk stress testing is a central component of CBI's financial and market risk management approach. It allows the Bank to evaluate how climate pathways both physical and transition-related may affect its risk profile, capital position, and long-term strategic resilience.

CBI conducts climate-risk stress testing as part of the Internal Capital Adequacy Assessment Process (ICAAP), ensuring that climate impacts are reflected in both capital planning and risk appetite calibration. The Bank's stress testing framework includes:

- Physical risk scenarios, incorporating hazard-zone exposure, asset devaluation, operational disruption risk, and potential impacts on customer repayment capacity.
- Transition risk scenarios, evaluating impacts of policy changes, decarbonisation requirements, sectoral shifts, and long-term business model pressures.

- Assessment of impacts on credit risk, market risk, collateral values, and operational resilience.
- Short-, medium-, and long-term climate pathways aligned with evolving regulatory guidance.

In 2025, CBI completed a portfolio-wide physical hazard assessment under the CBUAE climate stress testing framework, mapping customer and collateral exposures across UAE hazard zones. Results are now incorporated into credit reviews, portfolio monitoring, and capital adequacy planning.

As part of its capability-building roadmap, the Bank is strengthening scenario modelling depth, expanding sectoral coverage, and planning to deploy an ESG technology solution to automate data inputs and climate metrics. These enhancements will enable more accurate projections and better-informed decisions under a range of plausible climate futures.

# SOCIAL



**At CBI, our commitment to social responsibility is rooted in the belief that sustainable growth depends on strong relationships with our customers, employees, and the communities we serve.**

As a customer-centric organisation, we place people at the heart of our business, ensuring that our products and services remain transparent, accessible, and responsive to diverse needs. Innovation plays a vital role in advancing this commitment. By deploying digital solutions, we aim to enhance customer experience and promote financial inclusion across our markets.

We are equally focused on fostering an equitable and inclusive workplace where every employee feels valued, empowered, and supported in their professional growth. Aligned with national priorities, our Emiratisation policy reflects our contribution to national development objectives, while reinforcing our broader purpose of creating shared value for society.

Through these efforts, we seek to make a lasting, positive impact on people's lives within our organisation, among our customers, and throughout the wider community.



# CUSTOMER SATISFACTION

**Customer satisfaction is central to our long-term success and sustainability. We recognise that maintaining strong and enduring relationships with our clients is fundamental to building trust, fostering loyalty, and enhancing our reputation. By continuously listening to our customers and responding to their evolving needs, we aim to deliver seamless, transparent, and value-driven banking experiences.**

We monitor customer satisfaction using key metrics such as Net Promoter Scores (NPS) and mystery shopping results. Based on the feedback we received, CBI implemented a series of initiatives during 2025 to strengthen customer satisfaction, enhance service quality, and foster a customer-centric culture across all channels.

- We held the first Voice of Customer Majlis at our CBI Jumeirah Branch where we invited customers from both the Retail Banking Group and Wholesale Banking Group to meet with our senior leaders. The session gave customers the chance to share their experiences with CBI, highlight any challenges they face, and suggested ways we can improve. The discussions helped us understand what customers value most and where we can do better.
- To better understand customer perceptions, Customer Satisfaction Survey calls were launched post-service and post-complaint, providing valuable insights to drive continuous improvement.

- Our Knowledge Management Base was introduced as a centralised repository for FAQs and policy clarifications, empowering staff to deliver faster resolutions, while Contact Centre Training programmes were developed and delivered to address key service challenges, and to improve empathy and consistency. As part of internal engagement, we introduced the CBI characters initiative to reinforce customer experience values, complemented by Customer Experience (CX) month celebrations in October, featuring weekly engagement activities, themed digital screensavers, and appreciation treats to strengthen service culture.
- An internal customer satisfaction survey was conducted to gauge employee satisfaction and identify areas for internal service improvement.

We achieved several digital and process improvements, including enhancements to the Retail 360 Report to support more efficient customer engagement. The updated report provides clearer visibility of customer information, making it easier for relationship managers to contact customers promptly and ensure consistent interaction.

Additionally, we completed upgrades to the Bank's Comprehensive Complaint Management System (CMS), featuring full workflow automation, improved turnaround time tracking, and the integration of post-complaint surveys. The completion of phase 1 of WhatsApp Banking marked the opening of a new communication and service channel, improving accessibility for customers and helping to reduce the load on the contact centre.

The "Happy or Not" real-time feedback system was deployed across branches, allowing us to capture immediate customer sentiment at the point of service. The tool helped us to collect insights related to overall satisfaction, service quality and staff interaction, and enabled us to quickly identify any drop in scores so that branch managers and the CX team could take prompt action.

These real-time insights, together with post-complaint surveys and branch-level feedback, ensure that the customer's voice is captured and acted upon without delay.

## Sanadak Ombudsman Unit

CBI implemented its Sanadak Ombudsman Unit, which is designed to ensure the Bank's alignment with regulatory standards. The Unit also reinforces the Bank's commitment to transparency and accountability. This initiative, implemented in collaboration with the CBUAE, included comprehensive staff training, updated guidelines, SOPs, and templates, as well as internal and external awareness campaigns. Mandatory Complaint Handling Training was introduced to ensure that all staff are aligned with regulatory expectations and equipped to deliver high-quality service. In addition, teams were encouraged to adopt preventive and proactive complaint management practices to minimise escalations and ensure timely, well-documented resolutions.

Sanadak also introduced a Bank Performance Ranking System that recognises top-performing banks under the "Name and Shine" programme while identifying areas for improvement under the "Name and Shame" listing. These performance-related efforts emphasise the importance of consistent service quality, effective complaint resolution, and accountability across the organisation.

Frontline staff training initiatives further focused on complaint handling and Sanadak processes, ensuring enhanced compliance and readiness.

Through ongoing feedback mechanisms, digital enhancements, and employee training, we strive to ensure that every interaction reinforces our promise of reliability, integrity, and care. This focus not only strengthens customer confidence but also supports our resilience and growth in a dynamic marketplace.

## Upholding consumer protection

CBI is dedicated to safeguarding customer rights in alignment with the CBUAE Consumer Protection Framework. We uphold transparency, fairness, and accountability across every interaction, supported by robust governance, comprehensive policies, and rigorous internal audits.

Our Consumer Protection and Conduct Risk frameworks are reinforced by strong controls, periodic assurance reviews, and continuous employee training on ethical banking, responsible sales, market conduct, and the fair treatment of vulnerable consumer groups. These initiatives promote financial literacy, enhance consumer confidence, and ensure that products and services are delivered responsibly.

Communication and transparency are central to our approach. CBI ensures that all customer interactions, disclosures, and product information are clear, accurate, and easily understandable. We provide timely updates on products, services, and any changes that may affect customers, and maintain open channels for feedback, complaints, and queries. This commitment strengthens trust, supports informed decision-making, and reinforces accountability across the organisation.

By embedding these principles in our operations, CBI not only mitigates conduct and reputational risks but also reinforces its position as a leader in ethical, customer-centric, and inclusive banking, an essential pillar of our broader ESG commitments.



# FINANCIAL INCLUSION

## Advancing financial inclusion

At CBI, we view financial inclusion as a cornerstone of a fair and sustainable global economy, and we acknowledge our role in giving individuals and businesses access to the financial resources that support their growth. In collaboration with our partners, we are working to shape a financial ecosystem that is accessible and inclusive for all.

Building on our initial partnership with Abhi, a fintech company providing Earned Wage Access, we have expanded our commitment to financial inclusion by forming additional partnerships this year.

### NOW Money

NOW Money is the maiden cards partnership that drives financial inclusion by providing access to financial services to the underbanked segment of migrant workers in the UAE. Now Money is a technology company and payroll service provision platform that works with medium to large corporates, provides a seamless payroll processing experience and enables the employees with payroll cards powered by CBI. Now Money team is one of the more empathetic start-ups from the region that has solved real problems in the realm of financial inclusion by ensuring that customer focus is prioritised over maximising revenue.

### Instapay

Instapay is the second cards partnership, also driving financial inclusion in the UAE by providing financial services access to migrant workers in the UAE. In

addition to payroll, Instapay is a licensed cross border facilitator and can leverage its own technology to enable the CBI-powered cardholder to process remittances across a global network. They're also equipped to provide Earned Wages Access (EWA) services to their customers. Instapay's USP is that they are Mastercard principals like CBI, and are licensed by the Malaysian Central Bank as a provider of payroll cards and cross border payment services. They are market leaders in Malaysia with over 62% market share and have recently expanded operations into Singapore and Japan. Instapay is tech-heavy and is also a potential partner for CBI to build the Bank's first corporate expense cards product.

### Mercury Payment Services

CBI signed a milestone partnership with Mercury Payment Services to offer co-branded card services to the wider UAE market and drive financial inclusion by providing access to financial services to the underbanked segments in the UAE. Additionally, the partnership also allows CBI and Mercury to launch curated prepaid card programmes to the wider target segments in the UAE, especially hybrid loop gift cards



for malls and large retailers. Mercury is a regulated partner under CBUAE, owns and operates the UAE switch infrastructure and is a pioneer in the prepaid and payroll cards segments in the region as the UAE's first payment network.

### VOLT

VOLT is another partnership signed in 2025 to further extend access to financial services by way of payroll cards and mobile application to the underbanked segments in the UAE. VOLT is one of the first partnerships managed entirely under the agreement between Mercury and CBI to enable fintech partners in the region.

### Accessibility for People of Determination

A core priority for CBI is to ensure that both our physical and digital channels are fully inclusive and accessible to People of Determination (POD), in accordance with the UAE National Policy for Empowering People of Determination and global accessibility standards.

### Accessible branches

- Branch layouts and service areas designed for accessibility, including ramps, low-height teller counters, tactile flooring, and dedicated parking spaces
- Trained staff available to assist POD customers with respect and dignity

### Inclusive ATM network

All CBI ATMs have been upgraded to include:

- Text-to-speech functionality

- Audio-guided navigation
- Braille-enabled keypads

These enhancements provide accessible banking for visually impaired customers and comply with international accessibility standards, including Web Content Accessibility Guidelines (WCAG) principles.

### Accessible digital channels

Our digital platforms are fully accessible, offering text-to-speech support, screen-reader compatibility, keyboard navigation, adjustable text and contrast settings, captions for multimedia, and other assistive features. This ensures all customers, including those using assistive technologies, can access information and services seamlessly.

### Employee capability building

CBI employees regularly complete specialised e-learning modules focused on serving People of Determination. This equips our teams with the knowledge, skills, and sensitivity required to deliver inclusive, customer-centric, and compliant services in line with CPSR and Conduct Risk expectations.

We are currently working on a POD customer registration initiative to strengthen our services for POD customers. It will allow complaints raised by POD customers to be appropriately tagged, ensuring that their cases are given priority, treated with sensitivity and resolved in a timely manner. Once implemented, the system will enable us to track and analyse POD-related feedback more effectively, helping identify any challenges faced by POD customers when accessing our products, services or channels. These insights will support targeted improvements and contribute to a more accessible and inclusive customer experience.



## INNOVATION

### Powering the digital economy through Innovation Banking

In 2025, we launched our Innovation Banking segment to better serve the needs of fintechs, start-ups, and digital-first enterprises seeking reliable and compliant financial infrastructure. The introduction of this segment strengthens our ability to offer specialised accounts, embedded banking capabilities, and go-to-market partnerships that help digital businesses innovate and scale responsibly. It highlights our broader commitment to advancing the UAE’s digital economy by enabling new business models, improving financial accessibility, and supporting sustainable economic growth.

By combining deep market insight with forward-thinking product innovation, Innovation Banking enables CBI to help innovators bring new ideas to life with trust and clarity. The segment enhances accessibility, efficiency, and customer empowerment, reinforcing CBI’s role as a partner of choice for the region’s growing digital ecosystem.



### CBIX: Engine for sustainable innovation

During the year, we launched CBIX, our new innovation lab and ventures arm. CBIX is designed to accelerate the exploration and application of emerging technologies across the Bank. It was established to strengthen our capability to experiment with advanced solutions in a structured, responsible way while ensuring that innovation remains closely aligned with customer needs and regulatory expectations. Built with a mandate to assess emerging technologies for their value in practical application, CBIX gives us the ability to test and validate new ideas before they are scaled across the organisation. This approach supports our commitment to long-term resilience and ensures that every innovation delivers tangible value to customers, employees, and the communities we serve.

Through CBIX, we are developing initiatives that enhance operational efficiency, accessibility, and financial inclusion. The platform enables us to work with leading technology partners, pilot AI-driven tools, and explore opportunities in Web3, tokenisation, and digital experiences. Such efforts play an important role in strengthening our environmental and social impact by supporting more efficient processes, reducing dependency on physical infrastructure, and improving access to banking services. By prioritising responsible experimentation, we are ensuring that emerging technologies are applied ethically and sustainably, reducing risk while unlocking new opportunities for growth and service excellence.

The establishment of CBIX also reinforces our commitment to the UAE’s national innovation agenda and the country’s broader vision for a diversified, knowledge-driven economy. As a fully owned subsidiary operating independently, CBIX gives the Bank the agility to collaborate with innovators, start-ups, and ecosystem partners while maintaining strong governance and oversight. By embedding this capability in our organisation, we are laying the foundations for future-ready banking and ensuring that innovation continues to shape our contribution to sustainable value creation across the region.

## EMPLOYEE ENGAGEMENT & SATISFACTION

We recognise that a high level of employee engagement is a key driver of customer experience, innovation and long-term performance. Our focus is on listening to employees, acting on their feedback and creating meaningful opportunities for connection and recognition.

### Listening to employee voice

In 2025, we conducted a Bank-wide employee engagement survey to understand how employees perceive leadership, collaboration, recognition, well-being and development opportunities. We achieved 75% engagement score which is 5% above the generally accepted benchmark in the financial and services sector in the Middle East region. The results are being used to shape targeted action plans at both Bank and functional levels, ensuring that employee feedback directly informs our people agenda.

In addition to the survey, managers are encouraged to hold regular check-ins and team discussions, so that feedback and ideas can be addressed on an ongoing basis rather than solely through annual processes.

# 75%

engagement score from our 2025 employee engagement survey



### Recognition and everyday appreciation

With the goal of embedding the idea of employee recognition more deeply in our culture, we launched a digital rewards and recognition platform during the year. The platform enables peers and managers to acknowledge colleagues in real time for living our values, delivering exceptional work or supporting others.

The tool has been rolled out across the organisation, with strong adoption and regular usage. The platform supports both symbolic and tangible awards, helping to create a culture where appreciation is visible and frequent.

### Bringing people together

We continue to host signature events that build community and reinforce shared purpose, including:

- Employee Iftar, where colleagues come together during Ramadan to share a meal and celebrate the spirit of the holy month.
- CBI Townhall, an annual event where senior leadership updates employees on performance, strategy and priorities, and addresses questions directly.

Together with our listening and recognition mechanisms, these engagement activities aim to ensure that employees feel informed, valued and connected with CBI’s success.

## EMPLOYEE HEALTH & WELL-BEING

We see employee health and well-being as a prerequisite for sustainable performance. CBI is committed to ensure the physical, mental and emotional well-being of our staff, and this commitment is supported by relevant policies and external partners.

### Health and safety

Our dedicated health and safety team ensures that our offices and branches remain safe environments for employees, contractors and visitors. We do not compromise in adhering to occupational health and safety management standards, Civil Defence requirements and relevant international best practices.

Each head office and branch location has an emergency response team, including trained wardens. Regular mock drills, coordinated with our Business Continuity team, test our preparedness and help us refine evacuation and incident response procedures. Our Health, Safety and Environmental Policy outlines the Bank's commitments and expectations for all stakeholders.

### Work-life balance

In line with UAE Government initiatives, CBI continues to operate a 4.5-day work week, complemented by flexible working options. Fridays are half days for employees and they may work from home on Friday mornings. This allows staff to balance work responsibilities with family and personal commitments. This arrangement supports employee well-being, reduces commuting-related stress and contributes to higher satisfaction and engagement.

In 2025, we strengthened our preventive approach by introducing an on-site seasonal flu vaccination campaign, offered to employees at head office and selected branches. The voluntary programme was designed to make it convenient for staff to take flu vaccination, support public health objectives and reduce flu-related absence during the flu season.

### Sporting activities and tournaments

Sporting events continue to be an important part of our well-being calendar. We organise activities such as:

- Football tournaments, which promote teamwork, fitness and cross-functional interaction.
- Cricket tournaments, providing a popular and inclusive way for colleagues to engage socially while staying active.

These initiatives contribute to a sense of community and encourage employees to adopt healthier lifestyles.

We also participated in the Finance and Banking sector corporate challenge where we have sent delegates to play in basketball, volleyball, badminton, cricket, football, padel, table tennis, chess, and team building. At the event, CBI won the basketball championship.

### Healthcare

We promote preventive healthcare through a combination of measures that include promoting awareness and education and providing access to healthcare services. Throughout the year, we run online health webinars covering topics such as:

- The power of empathy: leadership lessons from mothers
- Financial well-being webinar: where to start
- Well-being webinar: pink power - early detection, lasting protection
- Well-being webinar: being aware and being there
- Well-being webinar: men who talk: redefining men's mental health

We make healthcare more accessible by organising on-site health check-ups, bringing doctors, dentists and ophthalmologists into the workplace so that employees can hold consultations and screenings with minimal disruption to their day.



## EMIRATISATION

Our Emiratisation agenda remains a key pillar of our people strategy and a tangible way in which CBI contributes to the UAE's national vision. We are focused on enabling Emirati talent to build long, meaningful careers in banking through structured development, career opportunities and recognition.

From 32% Emiratisation in 2024, we increased the proportion of UAE nationals in our workforce to 39% in 2025, and we are progressing towards our target of 45% by 2026. The steady improvement in our Emiratisation performance shows the Bank's success in undertaking targeted recruitment and supporting active development of Emirati talent.

### Developing Emirati leaders

We continue to collaborate with leading global institutions such as Oxford University and IESE Business School to accelerate the development of Emirati talent. Through these partnerships, Emirati participants gain exposure to advanced leadership, strategy and management programmes designed to equip them with the skills needed to take on senior roles in the fast-evolving banking sector.

In 2025, UAE nationals completed 10,901 hours of training that focused on leadership, technical and regulatory topics. This sustained investment in talent development is building a robust pipeline of future Emirati leaders for CBI.

# 39%

UAE nationals in the workforce in 2025



### Development programmes for UAE nationals

Our commitment to Emiratisation extends beyond recruitment to investing meaningfully in the long-term growth of UAE national talent. To support this, we collaborate with globally recognised institutions such as IESE Business School and Oxford University to deliver advanced programmes focused on strategic leadership and executive capability building.

These programmes develop skills in:

- Global business strategy, enabling future leaders to navigate international markets and multicultural environments.
- Leadership excellence, with an emphasis on innovation, organisational influence and responsible decision-making.
- Networking and collaboration, giving participants the opportunity to build connections with leaders from diverse industries.

These initiatives prepare UAE nationals to assume senior positions and contribute directly to the UAE's broader economic development goals Certification.

### Certification

We provide comprehensive financial and developmental support for Emirati employees pursuing recognised professional qualifications, including ACAMS, CFE and CIPD. These certifications deepen expertise in areas such as compliance, financial crime prevention, HR and risk management, while enhancing both individual careers and the Bank's overall capability in critical disciplines.

### Early careers – Emirati graduates

CBI continues to participate actively in the Ethraa programme, through which we hire Emirati graduates each year, developing UAE national staff in a structured and impactful way. Since joining the initiative in 2022, we have welcomed 29 Emirati graduates into the Bank, providing them with meaningful entry-level roles and a clear pathway to begin building their careers in the banking sector.

These graduates are placed directly within key business and support divisions, such as Wholesale Banking Group (WBG), Retail Banking Group (RBG), Human Resources, Finance, Compliance, Procurement, Risk, Information Security and Credit, where they gain practical experience, on-the-job learning and exposure to the core skills required for long-term success.

Through this investment, CBI is contributing to national Emiratisation goals while building a strong pipeline of capable and motivated Emirati professionals who are well-positioned to grow into future specialist and leadership roles.



# TALENT ATTRACTION, DEVELOPMENT & RETENTION

We recognise that our people are central to CBI's progress and long-term success. Our approach to attracting, developing and retaining talent is designed to build a workforce that is future-ready, innovative and high-performing.

We continue to invest in learning opportunities, structured development pathways and accessible support systems that help our employees grow at every stage of their career. By nurturing a culture centred on development, empowerment and continuous learning, we aim to ensure that every employee feels equipped, valued and motivated to achieve their full potential.

## Career fairs

CBI maintains a strong presence at key career fairs throughout the year. Our goal is to expand our reach and connect with young and experienced talent. These platforms allow us to present CBI as an employer of choice, engage directly with students and experienced professionals, and identify individuals whose skills and values align with our organisational needs.

In 2025, we took part in several prominent events, including:

- Ru'ya Career Fair
- EIF Career Fairs in Sharjah and Abu Dhabi
- HCT Campuses Career Fair

Our participation in these events enhances our visibility in the talent market and strengthens our pipeline of high-potential candidates who can contribute meaningfully to CBI's future growth.

## LinkedIn learning access for all employees

In the rapidly evolving financial landscape, ongoing learning is essential for employees to stay current and build future-ready skills. CBI continues to provide full access to LinkedIn Learning for all employees, enabling them to take ownership of their professional growth.

The platform offers thousands of courses across leadership, business strategy, technical disciplines, soft skills and industry-specific content. Employees can learn at their own pace, explore new areas of interest or deepen expertise relevant to their roles and career paths. This flexibility allows individuals to build the capabilities needed in a dynamic and competitive environment.

In 2025, CBI employees completed an average of 41 hours of learning through LinkedIn Learning, highlighting strong adoption and a growing culture of continuous development.



## Introducing Talent Hub

We launched Talent Hub during the year. Talent Hub is a comprehensive and centralised learning and development platform designed to streamline how employees access, manage and track their learning journey.

It brings together all development resources in one place, including LinkedIn Learning, Emirates Institute of Finance (EIF) courses, as well as internal learning offerings.

The platform also provides a simplified process for employees to submit requests for external training and professional certifications, ensuring greater transparency, faster approvals and a more consistent approach to development across the organisation.

Talent Hub strengthens our learning ecosystem by making development opportunities more visible, accessible and aligned to both business and individual needs.

## Access to EIF courses

CBI continues to provide unlimited access to programmes offered by the Emirates Institute of Finance (EIF) to strengthen our employees' technical capabilities. EIF delivers industry-leading training designed specifically for the financial services sector, covering critical areas such as financial management, banking operations, Islamic finance, regulatory frameworks and risk management.

By giving employees direct access to these programmes, we help ensure that they remain up to date with emerging trends, new regulations and evolving market expectations, equipping them with the expertise required to navigate a complex and rapidly changing banking environment.

## Certification sponsorship

Professional certifications play an essential role in enhancing specialist knowledge and building long-term career pathways. In support of this, CBI provides full sponsorship for employees pursuing qualifications that align with their roles and career aspirations, including:

- ACAMS (Association of Certified Anti-Money Laundering Specialists) – strengthening expertise in AML, compliance and financial crime prevention.
- CIPD (Chartered Institute of Personnel and Development) – supporting HR professionals in developing advanced capabilities in people management and organisational effectiveness.
- CFE (Certified Fraud Examiner) – equipping employees with the skills needed to detect, prevent and investigate fraud across the organisation.

Through these sponsorships, employees gain globally recognised qualifications that elevate both their professional standing and CBI's internal capabilities.

## Leadership development programmes

Developing strong leaders remains a priority as we prepare the organisation for future challenges and growth. Our leadership development programmes are designed to identify high-potential talent early and prepare them to take up more complex responsibilities. Core elements include:

- Strategic leadership training to develop a deeper understanding of industry dynamics, organisational strategy and effective decision-making.



**21,802**  
hours of learning in 2025

## TALENT ATTRACTION, DEVELOPMENT & RETENTION CONTINUED

- Mentoring and coaching, providing high-potential employees with personalised guidance and regular touchpoints with senior leaders.
- Cross-functional exposure, giving participants hands-on experience across different divisions and enabling them to understand how teams, processes and strategic priorities interconnect.

These programmes collectively support a robust internal leadership pipeline and strengthen CBI's ability to grow from within.

### Individual Development Plans (IDPs)

As part of our enhanced leadership and career development framework, CBI launched Individual Development Plans (IDPs) in 2025, beginning with a pilot for UAE national employees. The IDP initiative provides a structured approach for employees to map their career aspirations, identify development priorities and work with their managers on tailored growth plans supported by targeted learning, coaching and on-the-job experiences.

Following the pilot phase, IDPs will be rolled out across the Bank for all employees, ensuring a consistent and personalised development process that supports long-term capability building and succession planning.

### University partnerships

Building a sustainable talent pipeline starts with early engagement. We continue to strengthen partnerships with leading academic institutions such as Zayed University and Higher Colleges of Technology, offering students internships, career insights and development opportunities.

These partnerships give students practical exposure to banking and finance while enabling CBI to identify high-potential candidates who may be suited for future roles within the organisation. They remain an important channel for sourcing fresh talent and supporting youth employment in the UAE.

### Executive compensation

Our executive compensation framework is structured to uphold transparency, fairness and strong governance principles. Overseen and approved by the Board Nomination and Remuneration Committee (BNRC), the framework is benchmarked against recognised market data to ensure competitiveness.

Performance-based incentives are tied to clearly defined financial, strategic, and risk-related objectives. This alignment ensures that leadership rewards reinforce accountability, responsible growth and long-term value creation, in line with CBI's strategic priorities and stakeholder expectations.

Through this approach, we maintain a leadership culture built on purpose, performance and principled decision-making.

## DIVERSITY & INCLUSION

### Gender diversity

At CBI, gender balance and inclusion are central to how we shape our leadership and workforce. Women currently account for 28% of senior leadership roles, including direct reports to the CEO and the next reporting layer. This level of female representation demonstrates our commitment to ensuring that women are positioned in roles where they can directly influence strategy and business outcomes.

Our approach to diversity extends beyond gender to reflect the UAE's multicultural environment. Among senior leaders (those reporting to the CEO and their direct reports), we have 22 different nationalities, bringing varied perspectives, professional experiences and cultural insights into our decision-making. Across the wider organisation, our employees represent 37 nationalities, reinforcing CBI's profile as an international employer and enabling us to better understand and serve our diverse customer base.

This blend of gender and cultural diversity helps us challenge assumptions, innovate more effectively and ensure that our products, services and workplace practices are relevant to the communities we serve.

# 28%

of women in senior leadership roles



### Celebrations and cultural observances

We actively recognise key national and cultural moments throughout the year to strengthen people connection and promote a sense of belonging.

Regular internal campaigns and events mark occasions such as:

- UAE National Day
- Emirati Women's Day
- UAE Flag Day

These observances provide opportunities for employees to celebrate their culture, share traditions with colleagues and participate in Bank-wide activities that build pride and unity.

### Inclusion of People of Determination

Inclusion is a core value for CBI. We are proud to employ two People of Determination, and we continue to invest in ensuring that our work environment is physically and culturally accessible.

Our premises are equipped with facilities to support employees and visitors with special needs, and our HR and Facilities teams work together to ensure that people with different abilities can participate fully in Bank life. We believe that welcoming talent of diverse abilities strengthens our culture, drives innovation and reflects our commitment to inclusion in practice, not only in policy.

# GOVERNANCE



Strong corporate governance is central to CBI's long-term success, underpinning ethical leadership, operational resilience, and sustainable value creation. By upholding accountability, transparency, and ethical conduct, CBI ensures regulatory compliance and alignment with best-practice governance standards.

## CORPORATE GOVERNANCE

Our governance framework aims to reinforce stakeholder confidence, ensure robust oversight, and enhance both operational and financial outcomes for the Bank.

CBI adheres fully to the corporate governance requirements set out by UAE authorities, including the CBUAE Corporate Governance Regulations and Standards as well as the SCA guidelines. These regulatory foundations underpin our commitment to financial stability, the protection of stakeholder interests, and long-term sustainable development.

CBI's governance structure, associated processes, and key policies are detailed in the Corporate Governance Report section of this annual report.

### Board nomination

In line with CBI's Articles of Association, the Board consists of nine directors who are nominated for a three-year term. The Board is entrusted with supervising the Bank's activities to ensure alignment with stakeholder interests and adherence to applicable regulations. It defines the Bank's strategic direction, objectives, and key policies, monitors overall business performance, and provides guidance and oversight to senior management.

Directors are required to possess the expertise, skills, and experience necessary to perform their duties in the best interests of CBI. They are committed to dedicating the time and attention needed to fulfil their responsibilities throughout their tenure. During the year, the Board approved and adopted a comprehensive Fit and Proper Policy aligned with the CBUAE Fitness and Propriety Regulations and Standards, ensuring that directors are assessed consistently and transparently both during their tenure and throughout each nomination cycle, thereby maintaining the Board's capability to provide effective oversight and governance.

### Board independence

Five of CBI's nine Board members are independent, representing 56% of the Board and supporting balanced, objective decision-making in line with regulatory expectations. The remaining four are non-independent directors representing Qatar National Bank (QNB), the Bank's largest shareholder.

The Board reflects diversity in expertise, age, and gender. Two female directors account for 22% of the Board membership, underscoring the Bank's commitment to gender representation. Age diversity is also well balanced, with 44% of directors between 30 and 50 years old and 56% above 50, combining newer perspectives with extensive leadership experience to support robust governance.

### Board committees

CBI's governance structure is reinforced by a set of specialised Board committees, each operating under a defined mandate to enable focused and effective oversight. These committees include the Board Audit Committee, Board Risk Committee, Board Credit Committee, Board Nomination and Remuneration Committee, and the Board Executive Committee.

Each committee plays a critical role in supporting the Board's oversight of key functions, including financial reporting, risk management, internal audit and internal control, credit decisions, nominations, ESG, and strategic planning.

We conduct an annual evaluation to determine how effectively each committee fulfills its responsibilities and contributes to the overall governance framework. Their performance is measured against their respective Terms of Reference, with the results informing ongoing enhancements to committee effectiveness and operations.



## CORPORATE GOVERNANCE CONTINUED

### Management committees

CBI's Executive Management has implemented a comprehensive governance structure supported by 11 specialised management committees. These committees provide oversight across critical operational domains and help promote transparent, accountable, and well-informed decision-making.

The committees include the Executive Management Committee, Assets and Liabilities Committee, Management Risk Committee, Central Procurement Committee, Internal Credit Committee, Products and Conduct Committee, Asset Quality Committee, Compliance Committee, Special Investments Committee, Outsourcing Committee, and Model Risk Committee. Each committee contributes significantly to strengthening operational effectiveness, enhancing governance practices, and ensuring that the Bank remains aligned with regulatory expectations and industry best practices.

### Board evaluation and development

Each year, CBI conducts a comprehensive evaluation of the Board's performance either internally or through an independent external provider to assess its overall effectiveness, the individual contributions of directors, and the performance of Board committees. This process also examines Board cohesion and highlights areas for enhancement, ensuring that the Board continues to operate effectively and remains aligned with the Bank's strategic objectives.

In 2025, the Board underwent an internal evaluation to assess its overall effectiveness. The review confirmed strong performance and highlighted the Board's ability to operate cohesively and fulfil its oversight responsibilities. As part of the process, the Board's collective suitability was also evaluated to ensure the right balance of skills, experience, and diversity necessary for sound governance and effective decision-making.

CBI prioritises the ongoing development of its directors, providing them with access to external expertise and resources, and collaborates with leading institutions to ensure that directors regularly improve their skills and stay updated on best practices. Throughout the year, CBI continued to invest in the Board's professional development through structured training programmes tailored to regulatory priorities and governance needs. The training sessions covered emerging regulatory trends, the updated CBUAE Fit and Proper framework, conflict-of-interest obligations, and evolving expectations under the Corporate Governance regulations and standards. These programmes ensure that the Board remains fully equipped to exercise effective oversight in a dynamic regulatory environment.

### Board remuneration

CBI's Board remuneration approach is structured to appropriately reflect the duties and time commitments of the directors while remaining consistent with industry norms. The framework is designed to offer equitable compensation without encouraging behaviours that may undermine the Bank's long-term stability or strategic objectives.

The Board Nomination and Remuneration Committee recommends a consolidated remuneration amount for directors, which is then submitted to the Board and subsequently to shareholders for consideration and approval.

## BUSINESS ETHICS & COMPLIANCE

### Code of Conduct

**CBI remains firmly committed to maintaining the highest standards of integrity across its operations. Our Business Ethics and Code of Conduct guides CBI's commitment to ethical, transparent, and responsible business practices. Recognising the importance of safeguarding the Bank's reputation and trustworthiness within the financial sector, we actively implement measures to prevent and address any conduct that may undermine these principles.**

The Code of Conduct applies to all employees and defines the ethical and professional expectations governing their interactions with colleagues, clients, and other stakeholders.

CBI has put in place a comprehensive governance framework to support consistent adherence to the Code. The framework facilitates the identification, assessment, and reporting of unethical behaviour through designated committees. This structure enables timely detection and appropriate escalation of potential breaches. Violations of the Code may lead to disciplinary actions, including termination of employment. The Bank also maintains a Board-level Conflict-of-Interest Policy designed to ensure that actual, potential, or perceived conflicts are appropriately managed and that decisions remain aligned with the interests of the Bank, its shareholders, and broader stakeholders.

Board members are expected to refrain from activities that could give rise to conflicts of interest and must disclose any potential conflicts to the Board and the Company Secretary without delay. Directors submit disclosures of relevant interests upon appointment and on an annual basis. Transactions involving a director or related party are subject to enhanced scrutiny and require approval at Board level. Any director with an identified interest is excluded from deliberations and voting on the matter. This disciplined approach reinforces the transparency and integrity of the Board's decision-making process.

Through continued awareness efforts and a firm emphasis on accountability, the Bank ensures that instances of non-compliance are addressed effectively and in alignment with applicable HR policies, thereby upholding CBI's ethical culture and organisational integrity.



### Compliance monitoring and oversight

CBI fulfils a broad set of responsibilities to ensure continuous adherence to relevant regulations, internal policies, and supervisory expectations. The Bank's compliance function relies on a combination of automated monitoring tools and targeted manual assurance reviews to oversee customer activity and transaction patterns.

Our expert team conducts daily compliance checks to verify that business practices remain aligned with the Bank's internal standards. Significant observations and insights are regularly escalated to the relevant governance bodies, including the Compliance Committee and the Board Risk Committee, enabling well-informed oversight and timely action where needed.

With this integrated approach, blending technology-driven surveillance, manual evaluation, and structured reporting, we have strengthened CBI's compliance framework.

# BUSINESS ETHICS & COMPLIANCE CONTINUED

## Compliance quality assurance

The team performs on a recurring basis assessments related to compliance obligations operationalised across the bank, including onboarding, trade finance, IEMS, and other activities to ensure continuous alignment with applicable regulatory standards and expectations of CBUAE.

## Regulatory compliance

In December 2025, CBI launched its new Regulatory Management System (RMS). This platform will automate the existing workflow, from assessment and evidence submission to reporting and monitoring, considerably reducing manual effort and saving valuable time bank-wide. In addition, it will enable structured assessments, automatic notifications and recurring evaluations-based CBUAE requirements.

## Whistleblowing

CBI remains committed to conducting business with the highest levels of honesty and integrity. The organisation recognises its shared responsibility to protect its revenue, assets, information, reputation, and other resources from fraud and related risks.

Maintaining strong ethical standards is central to sustaining the confidence of employees, customers, investors, and other stakeholders. We therefore encourage anyone who becomes aware of suspected misconduct, fraud, unethical behaviour, or potential violations of laws or regulations to report their concerns through the Bank's confidential whistleblowing channels.

Whistleblowers who raise concerns in good faith are safeguarded from retaliation, disciplinary measures, harassment, or any form of victimisation. Upon receiving a report, CBI initiates a thorough and impartial investigation conducted with strict confidentiality and fairness to ensure that all parties are treated respectfully throughout the process. We reinforce the trust in the process by regularly reviewing and strengthening our whistleblowing framework to ensure its continued effectiveness and alignment with leading practices. Feedback from whistleblowers and other stakeholders is actively

considered to refine the procedure and support the Bank's commitment to responsible and sustainable banking.

CBI provides multiple secure and accessible avenues for reporting, including a dedicated hotline, secure email, and an online submission portal. These channels are available to employees, customers, suppliers, and external stakeholders, with the option to report anonymously. Confidentiality is assured in all cases.

### Contact us

Our confidential reporting hotline is available via the toll-free number:

 8005037283

You can reach us via email at:

 [ethics@cbiconcerns.ae](mailto:ethics@cbiconcerns.ae)

You can visit our website at:

 <https://cbiconcerns.ae/>



Whistleblowers can report any activity they believe is improper or unethical, including but not limited to:

- Fraud, corruption or bribery
- Discrimination or harassment
- Health and safety violations
- Environmental violations
- Violation of company policies or procedures
- Any other activity that goes against the law, ethical standards or company values

## Combating financial crime

Financial crime, corruption, and bribery are persistent global threats with wide-reaching consequences for wider society, economies and businesses. As a responsible financial institution, we are steadfast in our commitment to mitigating these risks by embedding the principles of transparency, integrity, and compliance throughout our operations. Effectively addressing these challenges is imperative not only to safeguard the interests of our customers but also to preserve the stability of the financial system and maintain confidence in its integrity.

## Governance and accountability

CBI's Financial Crime Compliance (FCC) function, under the leadership of the Money Laundering

Reporting Officer (MLRO) and the Head of Compliance, is responsible for driving the Bank's financial crime prevention efforts. The team performs ongoing assessments and independent reviews to ensure that controls remain effective and adaptable to emerging financial crime risks.

All employees are required to reaffirm their compliance with the Bank's Code of Conduct on an annual basis to reinforce a strong culture of accountability and ethical conduct. In addition, we deliver mandatory training programmes covering AML/CFT (anti-money laundering and combating the financing of terrorism), sanctions compliance, and anti-bribery and corruption to ensure that staff across all levels maintain a clear understanding of their obligations and the evolving financial crime landscape.

## Financial crime risk management framework

### Policy adherence

Robust AML and Combating the Financing of Terrorism (CFT) policies that align with local and international standards.

### Customer due diligence

Enhanced Know Your Customer (KYC) processes and periodic reviews to ensure proactive risk identification and management.

### Sanctions and screening

Trusted sanction screening tools capable of identifying Specially Designated Nationals (SDNs), politically exposed persons (PEPs) and other high-risk profiles.

### Transaction monitoring

A dedicated tool/models that prioritise and detect complex financial crime typologies using different scenarios.

## Anti-bribery and corruption

CBI is committed to maintaining the highest ethical standards in all business dealings and ensuring strict compliance with applicable anti-bribery and anti-corruption laws and regulations. The Bank has established comprehensive policies and standard operating procedures to support the assessment, risk mitigation, governance, and escalation of matters involving politically exposed persons (both domestic and international). In addition, as part of our Conflict-

of-Interest Policy, CBI has clear procedures governing the provision and receipt of gifts and entertainment.

Employees are required to ensure that any hospitality, gifts, or business courtesies offered or received adhere to all relevant legal requirements as well as CBI's internal policies. Consistent with our commitment to integrity, the Bank maintains a zero-tolerance approach to bribery, facilitation payments, and any form of corrupt practice.

# RISK MANAGEMENT & CYBERSECURITY

## Risk management

**CBI maintains a comprehensive and integrated Risk Management Framework aligned with CBUAE requirements, Basel principles, and best-practice governance standards. This framework enables the Bank to proactively identify, assess, monitor, and respond to risks within the Board-approved risk appetite levels.**

At the core of the framework is a suite of risk management tools that support risk owners in safeguarding the Bank’s assets and ensuring resilient operations. These include the Risk & Control Self-Assessment (RCSA), Key Risk Indicators (KRIs), Loss Data Management (LDM), control testing activities, thematic reviews, and the formal management and tracking of issues and action plans.

Clear governance structures underpin CBI’s enterprise-wide risk management approach. Well-defined roles and responsibilities are assigned to risk owners, senior management, management committees, Board committees, and the Board itself. This ensures strong oversight, accountability, and transparent escalation of risks across the organisation.

In addition to operational, financial, market, credit, and cyber risks, CBI has strengthened its focus on Conduct Risk, in line with the CBUAE Consumer Protection Standards and Regulations. The Bank has introduced enhanced governance, monitoring, and reporting mechanisms to ensure fair customer outcomes, ethical behaviour, and alignment with regulatory expectations.

CBI has also integrated climate-related and sustainability-linked risk management into its broader framework, supporting the Bank’s Sustainable Finance ambitions. This includes assessing physical and transition risks, embedding environmental considerations in credit and investment decisions, and supporting the Bank’s strategic target for sustainable finance and responsible banking practices.

Together, these enhancements support CBI’s firm commitment to maintaining a strong risk culture, protecting customers, and supporting long-term sustainable growth.



## Privacy and cybersecurity

CBI adheres to stringent data security and protection protocols, ensuring full compliance with all relevant data protection laws and regulations. As digital innovations continue to evolve in both volume and complexity, it is essential that the Bank provides these services while maintaining the highest standards of security.

As part of our ongoing commitment to maintaining the highest standards of information security, CBI is fully embracing the evolving role of Artificial Intelligence (AI) in safeguarding digital assets and data. We recognise that AI is at the forefront of the cybersecurity revolution, offering innovative solutions for identifying threats, enhancing threat detection, and automating response mechanisms in real time.

CBI follows a comprehensive Data Privacy and Protection Policy that governs the collection, processing, storage, and safeguarding of personal and confidential information. The policy is aligned with applicable UAE data protection regulations, including the UAE Federal Data Protection Law, CBUAE requirements, and internal information security standards.

Our information policies and procedures are carefully structured to comply with regulations such as the UAE Information Assurance Standard (UAE IAS) and leading standards like the Payment Card Industry Data Security Standard (PCI DSS). We have consistently attained PCI DSS certification year after year. Furthermore, we have progressively enhanced our UAE IAS compliance, achieving a 98% compliance rate in 2024.

Our teams play a critical role in safeguarding against cyberattacks, which is why we implement regular cyber risk awareness initiatives. We have established a comprehensive awareness and training programme, featuring an annual plan aimed at enhancing cybersecurity and data protection knowledge for both customers and employees.

We regularly assess the security of our IT infrastructure through thorough evaluations that include vulnerability assessments, penetration testing, red teaming, and tabletop exercises, all conducted by an independent assessor mandated by CBUAE. These evaluations ensure that the highest standards of data protection and security are maintained.

## Identity and access management practices

CBI acknowledges the importance of aligning security and compliance initiatives with our wider sustainability, ethical, and governance objectives. By embedding ESG principles into our Identity & Access Management (IAM) practices, we have strengthened trust in CBI, reduced environmental impact, enhanced regulatory compliance, and supported a more inclusive and transparent workplace.

- **Paperless processes:** CBI has actively promoted the use of email and shared OneDrive for the distribution and approval of user access reviews, administration audit trails and Segregation of Duties (SoD) violation alert reports. This initiative has eliminated the use of paper in IAM-related activities.
- **Diversity and equal access:** CBI ensures that access rights within applications are assigned solely on the basis of role and necessity, and are free from gender or race bias, or other factors unrelated to job function, to ensure fair and inclusive access policies.
- **Role-based access control (RBAC) and least privilege:** CBI has implemented RBAC and the principle of least privilege to ensure that users have only the minimum necessary access rights based on their specific roles. This strategy helps reduce the risk of misuse and safeguards sensitive data.
- **Audit trails and monitoring:** CBI has established logging and monitoring mechanisms to track admin user activity through its IAM tools. These measures allow for timely detection and response to potential security risks or unethical behaviour.
- **Compliance management:** CBI’s IAM practices are fully aligned with CBUAE regulations and standards, thus ensuring compliance with local financial governance requirements.
- **Accountability for access violations:** CBI tracks and addresses Segregation of Duties (SoD) access violations promptly, ensuring clear accountability for any unauthorised actions or breaches, and highlighting our responsible and ethical management of user and data access.
- **Lifecycle management of digital identities:** CBI ensures deprovision/deletion of unused accounts promptly to reduce unnecessary resource consumption and improve system efficiency.

# RESPONSIBLE PROCUREMENT

We are committed to build and sustain a procurement framework that delivers operational efficiency while upholding the principles of fairness, transparency, and strong governance. By selecting suppliers who hold ethical, social and environmental standards, we support fair labour practices, reduce carbon emissions and encourage the adoption of sustainable materials and processes.



In 2025, we have further strengthened our responsible procurement agenda by:

- Completing the Chartered Institute of Procurement & Supply (CIPS) ethics test across the procurement team and reinforcing our commitment to integrity and ethical conduct.
- Implementing sustainability-related evaluation criteria in vendor selection to ensure that ESG considerations are embedded into every procurement decision.
- Introducing a Vendor Code of Conduct, which sets out clear expectations on ethical behaviour, environmental responsibility and human rights compliance.
- Continuing to prioritise local procurement, supporting UAE-based suppliers and contributing to local economic growth.

## Digital procurement

Innovation and technology remain key enablers of sustainable growth. Our fully digital, paperless procurement platform has truly transformed how we manage our competitive bidding processes. This shift has:

- Eliminated physical paperwork, reducing our environmental footprint.
- Streamlined approval workflows, shortening turnaround times and aligning process efficiency with our innovation and ESG objectives.
- Improved efficiency and transparency through automated tracking and audit trails.
- Strengthened governance by ensuring traceable, compliant procurement activities.

By leveraging technology, CBI continues to uphold the highest standards of governance while advancing sustainable, ethical practices that align with our organisational values.

# 88%

of procurement spending allocated to local vendors



## Ethical and transparent supplier selection

The CBI procurement team is committed to the principles of fairness, equality, and strong governance in all procurement activities. Every vendor is given an equal opportunity to compete, and evaluations are based on pre-defined, transparent criteria that prioritise quality, value and alignment with the CBI philosophy of *doing the right thing*.

In 2025, 11% of contracts were awarded to new vendors, demonstrating that our digital platform continues to create a level playing field for all suppliers. We also conduct comprehensive onboarding checks, including conflict of interest screening, sanctions compliance, and ethical alignment, to ensure that we partner only with responsible and compliant vendors.

Looking ahead, we will:

- Continue to expand opportunities for local suppliers.
- Further embed ESG and sustainability principles into our sourcing framework.
- Maintain the highest ethical and professional standards, guided by the Chartered Institute of Procurement & Supply (CIPS) framework.

## Strengthening local partnerships

CBI recognises the value of supporting the communities where we operate. Our procurement team actively engages with local vendors, ensuring that domestic businesses account for a significant proportion of our partnerships.

In alignment with the Ministry of Finance’s focus on fostering local economic growth, CBI’s local procurement policy contributes to community development by creating more opportunities for local enterprises. This approach also helps reduce the environmental impact associated with transportation and logistics, reinforcing our commitment to sustainable and responsible business practices.

## BUSINESS CONTINUITY

Aligning with regulatory expectations on climate-related risk management, CBI has integrated climate risk drivers into its Business Continuity Planning (BCP) and Third-Party Risk Management (TPRM) frameworks.

The Bank recognises that climate-related risks may significantly affect operational resilience either directly, through physical impacts, or indirectly, through dependencies on critical third-party service providers. Accordingly, the BCP incorporates processes to identify and assess the exposure of key outsourcing arrangements and vendors to potential climate-related disruptions.

As part of the Bank's ongoing vendor management process, climate considerations are embedded into due diligence and contract governance. Upon contract renewal or the onboarding of new vendors, relevant clauses addressing the availability and adequacy of Business Continuity Plans (BCPs), Disaster Recovery Plans (DRPs), and Service Level Agreements (SLAs) for both normal operations and crisis scenarios are reviewed and updated as necessary.

This assessment includes evaluating the geographic exposure of third parties to physical risks (for example, flooding, storms, and extreme heat) as well as transition risks arising from evolving regulations, carbon pricing, or emerging ESG market practices.

CBI remains committed to regularly reviewing and enhancing its BCP to reflect emerging regulatory developments, advancements in climate science, and guidance from the Central Bank of the UAE. Through this proactive approach, the Bank ensures that its business continuity arrangements remain robust, adaptive, and aligned with best practices in managing climate-related risks.



## TAX TRANSPARENCY

The introduction of the UAE's Federal Corporate Tax regime in 2023 marked a fundamental milestone in the nation's fiscal framework, aligning the country with global tax standards and reinforcing its commitment to transparency and sustainable economic growth. The Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses became effective on 1 June 2023, and 2024 represented the first full year of implementation.

At CBI, our commitment to tax compliance goes beyond regulatory requirements. It forms an integral part of our corporate governance framework and our broader ESG strategy, reflecting our dedication to transparency, integrity, and accountability in all aspects of our operations. We aim to ensure that our tax practices contribute to the UAE's sustainable development and long-term value creation for all stakeholders.

### Our Tax Governance Policy is guided by the following key principles:

1. Full compliance with applicable tax laws and regulations, supported by continuous internal monitoring and periodic reviews to ensure adherence to evolving local and international requirements.
2. Robust transfer pricing compliance, ensuring that all related-party transactions are conducted on an arm's-length basis and are appropriately documented in line with OECD guidelines and UAE regulations.
3. Transparent engagement with the Federal Tax Authority (FTA) and other regulators through timely reporting, open communication, and proactive collaboration on emerging tax matters.
4. Integration with our risk and ESG frameworks, ensuring that tax considerations are embedded into responsible business decision-making and governance structures.



Through these principles, we maintain the highest standards of tax transparency, reinforcing our commitment to ethical corporate conduct and our support for the UAE's vision of a resilient, globally competitive economy.

# DATA & DISCLOSURES

## ESG KPIs

### Environment

#### Sustainable Finance

Portfolio category	Cumulative value as of 31-12-25
Lending	1,870,000
Investments	1,836
<b>Total</b>	<b>1,871,836</b>

#### Environmental Footprint

	2022	2023	2024	2025
<b>GHG emissions</b>				
Total amount in CO <sub>2</sub> equivalents for Scope 1 (tCO <sub>2</sub> )	136.00	136.00	156.18	<b>102.32</b>
Total amount in CO <sub>2</sub> equivalents for Scope 2 (tCO <sub>2</sub> )	863.00	863.00	991.07	<b>1,058.79</b>
Total amount in CO <sub>2</sub> equivalents for Scope 3 (tCO <sub>2</sub> )	13.30	13.30	15.27	<b>236.81</b>

	2022	2023	2024	2025
<b>Energy usage</b>				
Total amount of energy directly consumed (MWh)	2,150.00	2,432.00	2,466.36	<b>2,108.54</b>

	2022	2023	2024	2025
<b>Water usage</b>				
Total amount of water consumed (Mega litres)	3.3303	3.5939	3.74	<b>3.81</b>

Scope 1: Direct emissions: fuel consumption by vehicles owned or leased. Fuel consumption recorded as per the invoices paid to the supplier.

Scope 2: Indirect emissions: electricity consumption. Electricity consumption was recorded using billed invoices from the utility providers.

Scope 3: Other Indirect emissions: air travel.

Data are reported excluding resource usage for December for two branches due to data unavailability at the time of reporting.

### Social

#### Employee engagement and well-being

	2022	2023	2024	2025
<b>Employees by contract</b>				
Total number of employees (#)	438	453	503	<b>533</b>
Full-time employees (#)	438	453	503	<b>513</b>
Part-time employees (#)	0	0	0	<b>20</b>
Contractors/Consultants (#)	0	0	0	<b>0</b>

	2022	2023	2024	2025
<b>Full-time employees by gender</b>				
Male (#)	244	260	289	<b>279</b>
Female (#)	194	193	214	<b>234</b>

	2022		2023		2024		2025		
<b>Employee turnover</b>	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	
Total employee voluntary and involuntary turnover (%)	59	13%	51	11%	42	8%	<b>51</b>	<b>9.6%</b>	
Turnover by age (%)	Under 30 years old	5	1.1%	10	2%	9	1.7%	<b>14</b>	<b>2.6%</b>
	30-50 years old	44	10%	34	7.5%	30	5.9%	<b>33</b>	<b>6.2%</b>
	Over 50 years old	10	2.2%	7	1.5%	3	0.5%	<b>4</b>	<b>0.8%</b>
Turnover by gender (%)	Male	38	8.6%	22	5%	14	2.7%	<b>28</b>	<b>5.3%</b>
	Female	20	4.5%	29	6%	28	5.5%	<b>23</b>	<b>4.3%</b>

	2022	2023	2024	2025
<b>Injury rate</b>				
Percentage: Frequency of injury events relative to total workforce time (%)	0	0	0	<b>0</b>

## ESG KPIs CONTINUED

### Social continued

#### Emiratization

	2022	2023	2024	2025
<b>Emiratization level<sup>(1)</sup></b>				
Total UAE national employees (#)	117	117	161	<b>207</b>
Emiratization rate (%)	27%	25%	32%	<b>39%</b>
UAE national employees by gender (#)				
Male	21	25	40	<b>48</b>
Female	96	92	121	<b>159</b>
UAE national employees in senior management (%) <sup>(2)</sup>	13%	14%	15%	<b>17%</b>

(1) The Emiratization metrics represents the employment of UAE nationals with a family book.

(2) Data for 2022, 2023 and 2024 have been restated to include grade 3 into senior management.

	2022	2023	2024	2025
<b>New employees hires<sup>(1)</sup></b>				
Total new hires (#)	103	58	89	<b>81</b>
New hires by age (#)				
Under 30 years old	25	19	45	<b>51</b>
30-50 years old	73	39	43	<b>29</b>
Over 50 years old	5	0	1	<b>1</b>
New hires by gender (#)				
Male	53	37	42	<b>25</b>
Female	50	21	47	<b>56</b>
New hires of UAE nationals (#)				
Male	2	11	17	<b>17</b>
Female	7	0	45	<b>52</b>

(1) Full-time employees

	2022	2023	2024	2025
	<b>Average Total hours per hours employee</b>			
<b>Training hours</b>				
Total training hours (#)	4,560	10,175	13,506	<b>21,802</b>
Training hours by gender (#)				
Male	1,099	5,676	7,601	<b>9,661</b>
Female	3,461	4,499	5,906	<b>12,142</b>
Training hours by employee category (#)				
Senior and executive management	31	1,363	1,110	<b>1,743</b>
Middle management	2,285	3,439	5,092	<b>5,530</b>
Non-management	2,244	6,372	7,304	<b>14,529</b>

	2022	2023	2024	2025
<b>Training expenditures</b>				
Total training expenditures (AED)	1,382,000	2,472,852	2,784,175	<b>2,569,820</b>
Training expenditures per employee (AED)	3,199	5,532	5,936	<b>4,876</b>

### Talent attraction and development

	2022	2023	2024	2025
<b>Performance management</b>				
Total full-time employees who received a regular performance development review during the reporting period (%)	100%	100%	100%	<b>100%</b>
By employee category (%)				
Senior and executive management	100%	100%	100%	<b>100%</b>
Middle management	100%	100%	100%	<b>100%</b>
Non-management	100%	100%	100%	<b>100%</b>
By gender (%)				
Male	100%	100%	100%	<b>100%</b>
Female	100%	100%	100%	<b>100%</b>

### Diversity and inclusion

	2022	2023	2024	2025
<b>Employee diversity</b>				
Employee by gender (%)				
Male	56%	57%	57%	<b>54%</b>
Female	44%	43%	43%	<b>46%</b>
Employees by age (%)				
Under 30 years old	11%	10%	16%	<b>21%</b>
30-50 years old	80%	77%	72%	<b>66%</b>
Over 50 years old	9%	13%	11%	<b>13%</b>
Employees in entry and mid-level positions (%)				
Male	54%	56%	56%	<b>52%</b>
Female	46%	44%	44%	<b>48%</b>
Employees in senior and executive-level positions (%)				
Male	92%	91%	92%	<b>72%</b>
Female	8%	9%	8%	<b>28%</b>

	2022	2023	2024	2025
<b>Gender pay ratio<sup>(1)</sup></b>				
Overall ratio	1.08	1.03	1	<b>1</b>
Senior and executive management	0.79	0.79	0.79	<b>0.79</b>
Middle management	0.73	0.78	0.78	<b>0.78</b>
Non-management	0.93	0.84	0.82	<b>0.82</b>

	2022	2023	2024	2025
<b>People of Determination</b>				
Total number of people of Determination employed (#)	2	2	2	<b>2</b>

	2022	2023	2024	2025
<b>Parental leave</b>				
Female employees who took maternity leave (#)	5	7	12	<b>8</b>
Female employees who return to work after maternity leave (#)	3	9	10	<b>8</b>
Number of employees who took parental leave (#)	2	13	34	<b>19</b>

(1) Gender pay ratio is calculated as the ratio of median male to median female gross salary. Salary is considered as the monthly total pay in AED including fixed pay, social allowance, job-based allowances as calculated for the month of December.

## ESG KPIs CONTINUED

### Social continued

#### Diversity and inclusion continued

	2022	2023	2024	2025
<b>Nationalities</b>				
Total number of nationalities among employees (#)	36	35	36	<b>37</b>

#### Digital and innovation

	2022	2023	2024	2025
<b>Digital channels for customer engagement</b>				
Number of digital banking subscribers (#)	7,564	8,178	8,771	<b>7,933</b>

	2022	2023	2024	2025
<b>Digital transactions</b>				
Number of digital transactions (#) – Retail customers	560,324	596,186	609,404	<b>590,815</b>
Number of digital transactions (#) – Corporate customers	380,496	445,275	476,811	<b>498,800</b>

	2022	2023	2024	2025
<b>Total number of transactions by channel</b>				
Online (#)	595,430	637,802	652,208	<b>647,783</b>
Mobile (#)	345,390	403,659	434,007	<b>441,833</b>
ATM (#)	894,285	864,093	879,311	<b>826,521</b>
Branch (#)	340,375	281,677	278,677	<b>282,832</b>

### Governance

#### Corporate governance and business ethics

	2022	2023	2024	2025
<b>Composition of Board of Directors</b>				
Total number of members on the Board of Directors (#)	9	9	9	<b>9</b>
Total number of independent Board members (#)	5	5	5	<b>5</b>
Total number of executive members of the Board (#)	0	0	0	<b>0</b>
Percentage of independent Board members (%)	56%	56%	56%	<b>56%</b>

	2022	2023	2024	2025
<b>Board composition by gender</b>				
Male (%)	78%	78%	78%	<b>78%</b>
Female (%)	22%	22%	22%	<b>22%</b>

	2022	2023	2024	2025
<b>Board composition by age group</b>				
Under 30 years old (%)	0	0	0	<b>0</b>
30–50 years old (%)	56%	56%	56%	<b>44%</b>
Over 50 years old (%)	44%	44%	44%	<b>56%</b>

#### Corporate governance and business ethics continued

	2022	2023	2024	2025
<b>Business ethics</b>				
Breaches of code of conduct (#)	0	0	0	<b>0</b>
Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations (AED)	0	0	0	<b>0</b>

	2022	2023	2024	2025
<b>Whistleblowing cases</b>				
Total number of whistleblowing cases filed in the reporting period (#)	1	1	0	<b>1</b>
Total number of whistleblowing cases addressed or resolved in the reporting period (#)	1	1	0	<b>1</b>
Percentage of whistleblowing cases that were substantiated (%)	100%	100%	0%	<b>100%</b>

#### Risk Management and cybersecurity

	2022	2023	2024	2025
<b>Training on data privacy and protection</b>				
Employees trained on data privacy and protection (%)	83%	99%	98%	<b>99%</b>

	2022	2023	2024	2025
<b>Combating financial crime</b>				
Amount of fraudulent transaction activity (AED) <sup>(1)</sup>	87,996	35,541	166,335	<b>148,756</b>
Percentage of employees who completed AML/CTF/Sanction training (%)	95%	93%	98%	<b>98%</b>

(1) Total value of account holder transactions refunded to account holders due to fraud.

#### Procurement

	2022	2023	2024	2025
<b>Procurement</b>				
Total number of suppliers engaged (#)	235	479	433	<b>338</b>
Total number of local suppliers engaged (#)	195	396	359	<b>273</b>
Total procurement spending (AED)	45,930,796	166,093,010	155,408,195	<b>180,612,704</b>
Procurement spending on local suppliers (AED)	43,243,833	149,058,254	131,183,033	<b>159,742,672</b>
Procurement spending on local suppliers (in % of the total procurement budget)	94%	90%	84%	<b>88%</b>

## ESG KPIs CONTINUED

### Governance continued

#### Financial crime, anti-bribery and corruption

	2022	2023	2024	2025
<b>Incidents of corruption</b>				
Total number and nature of confirmed incidents of corruption (#)	0	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption (#)	0	0	0	0

	2022	2023	2024	2025
<b>Legal cases regarding corruption</b>				
Number of public legal cases regarding corruption brought against the organisation or its employees during the reporting period (#)	0	0	0	0

	2022	2023	2024	2025
<b>Employee acknowledgement on Code of Conduct</b>				
Total number of employees that have acknowledged the Code of Conduct (#)	438	453	488	509
Percentage of employees that have acknowledged the Code of Conduct (%)	100%	100%	97%	99%

	2022	2023	2024	2025
<b>Employee training on anti-corruption<sup>(1)</sup></b>				
Total number of employees receiving anti-corruption training (#)	N/A	438	454	494
Percentage of employees receiving anti-corruption training (%) <sup>(2)</sup>	N/A	100%	100%	100%

<sup>(1)</sup> Anti-corruption education is embedded in the Conflicts of Interest Training.

<sup>(2)</sup> Ratio calculated based on the number of eligible employees when the training was launched.

#### Tax Transparency

	2022	2023	2024	2025
<b>Corporate tax disclosures</b>				
Corporate tax expense (AED)	–	–	20,796,000	16,287,022

The Corporate Tax regime in the UAE became effective for accounting periods starting on or after 1 June 2023. For CBI group, the first tax period reported was from 1 January to 31 December 2024.

Corporate tax expense is recognised in profit or loss except to the extent it relates to items recognised directly in equity or Other Comprehensive Income ('OCI').

## ENVIRONMENTAL DISCLOSURES

Metric	Calculation	2025 CBI Sustainability Report
<b>Environment</b>		
<b>E1. Environmental operations</b>	E1.1) Does your company follow a formal Environmental Policy? Yes/No	E1.1) No
	E1.2) Does your company follow specific waste, water, energy, and/or recycling policies? Yes/No	E1.2) No
	E1.3) Does your company use a recognised energy management system?	E1.3) No
<b>E2. Water usage</b>	E2.1) Total amount of water consumed	E2.1) Page 138
	E2.2) Total amount of water reclaimed	E2.2) Data currently unavailable
<b>E3. Waste generation</b>	E3.1) Total waste generated, per waste type	E3.1) Data currently unavailable
	E3.2) Percentage of waste recycled, per waste type	E3.2) Data currently unavailable
<b>E4. Energy usage</b>	E4.1) Total amount of energy directly consumed	E4.1) Page 138
	E4.2) Total amount of energy indirectly consumed	E4.2) Data currently unavailable
<b>E5. Energy intensity</b>	E5.1) Total direct energy usage per output scaling factor	E5.1) Data currently unavailable.
<b>E6. Energy mix</b>	E6.1) Percentage: Energy usage by generation type	E6.1) Data currently unavailable.
<b>E7. GHG emissions</b>	E7.1) Total amount in CO <sub>2</sub> equivalents for Scope 1	E7.1) Page 138
	E7.2) Total amount in CO <sub>2</sub> equivalents for Scope 2 (if applicable)	E7.2) Page 138
	E7.3) Total amount in CO <sub>2</sub> equivalents, for Scope 3 (if applicable)	E7.3) Page 138
<b>E8. Emissions intensity</b>	E8.1) Total GHG emissions per output scaling factor	E8.1) Data currently unavailable
	E8.2) Total non-GHG emissions per output scaling factor	E8.2) Data currently unavailable

# ENVIRONMENTAL DISCLOSURES CONTINUED

Metric	Calculation	2025 CBI Sustainability Report
<b>E9. Climate strategy</b>	E9.1) Describe the climate-related risks and opportunities that could reasonably be expected to affect your organisation's prospects. Also explain, for each climate-related risk your organisation has identified, whether your organisation considers the risk to be a climate-related physical risk or transition risk.	E9.1) Page 108
	E9.2) Describe the current and anticipated impacts of climate-related risks and opportunities on your organisation's business model and value chain.	E9.2) Page 108
	E9.3) How has your organisation responded to, and plans to respond to, climate-related risks and opportunities in its strategy and decision-making, including the plans to achieve any climate-related targets it has set and any targets it is required to meet by law or regulation?	E9.3) Page 109
	E9.4) What are the current effects (during the reporting period) of climate-related risks and opportunities on your organisation's financial position, financial performance and cash flows for the reporting period (current financial effects)?	E9.4) Page 110
<b>E10. Climate risks and opportunities</b>	E10.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor climate-related risks, and the inputs and parameters used in these processes.	E10.1) Page 110
	E10.2) Whether and how does your organisation use climate-related scenario analysis to inform the identification of climate-related risks.	E10.2) Page 110

Metric	Calculation	2025 CBI Sustainability Report
<b>E11. Climate governance</b>	E11.1) Which governance body or bodies (which can include a board, committee or equivalent body charged with governance) or individual(s) is or are responsible for oversight of climate-related risks and opportunities?	E11.1) Page 100
	E11.2) How does the body or individual consider climate-related risks and opportunities when overseeing your organisation's strategy?	E11.2) Page 100
	E11.3) Are performance metrics related to climate targets included in remuneration policies? If so, how?	E11.3) Currently, CBI's remuneration policies do not include climate-related performance metrics. However, climate and ESG considerations are gradually being integrated into broader risk governance and strategic planning processes, and the Bank may consider incorporating climate-related indicators into performance frameworks in line with future regulatory expectations and best practices.
	E11.4) Has your organisation delegated the role of overseeing climate-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	E11.4) Page 101
<b>E12. Climate targets</b>	E12.1) Disclose any quantitative and qualitative climate-related targets to monitor progress towards strategic goals, incl. any GHG emissions targets. Specify the metric used to set the target.	E12.1) GHG emissions baselined for 2025. Page 105

# SOCIAL DISCLOSURES

Metric	Calculation	2025 CBI Sustainability Report
<b>Social</b>		
<b>S1. CEO pay ratio</b>	S1.1) Ratio: CEO total compensation to median Full Time Equivalent (FTE) total compensation	S1.1) Data currently unavailable.
	S1.2) Does your company report this metric in regulatory filings? Yes/No	S1.2) No.
<b>S2. Gender pay ratio</b>	S2.1) Ratio: Median male compensation to median female compensation	S2.1) Page 141
<b>S3. Employee turnover</b>	S3.1) Percentage: Year-over-year change for full-time employees	S3.1) Page 139
	S3.2) Percentage: Year-over-year change for part-time employees	S3.2) Page 139
	S3.3) Percentage: Year-over-year change for contractors/consultants	S3.3) Page 139
<b>S4. Gender diversity</b>	S4.1) Percentage: Total enterprise headcount held by men and women	S4.1) Page 141
	S4.2) Percentage: Entry- and mid-level positions held by men and women	S4.2) Page 141
	S4.3) Percentage: Senior- and executive level positions held by men and women	S4.3) Page 141
<b>S5. Temporary worker ratio</b>	S5.1) Percentage: Total enterprise headcount held by part-time employees	S5.1) Page 139
	S5.2) Percentage: Total enterprise headcount held by contractors and/or consultants	S5.2) Page 139
<b>S6. Nationalisation</b>	S6.1) Percentage of national employees, per employment category	S6.1) Page 140

Metric	Calculation	2025 CBI Sustainability Report
<b>S7. Non-discrimination</b>	S7.1) Does your company follow non-discrimination policy? Yes/No	S7.1) No. There is no specific discrimination policy, however, this is covered in our Code of Ethics and Conduct under Personal Conduct.
<b>S8. Health, safety and Wellbeing</b>	S8.1) Does your company follow an occupational health and/or global health & safety policy? Yes/No	S8.1) Yes, page 118
<b>S9. Injury rate</b>	S9.1) Percentage: Frequency of injury events relative to total workforce time	S9.1) Page 139
<b>S10. Child &amp; forced labour</b>	S10.1) Does your company follow a child and/or forced labour policy? Yes/No	S10.1) No. CBI follows the regulations of MOHRE for child labour. We do not employ children. Our youngest employee is 22 years old
	S10.2) If yes, does your child and/or forced labour policy also cover suppliers and vendors? Yes/No	S10.2) No. Before we employ any contractor, we make sure that they have a valid UAE work permit. MOHRE has strict regulations on child/forced labour.
<b>S11. Human rights</b>	S11.1) Does your company follow a human rights policy? Yes/No	S11.1) No. CBI complies with the UAE labour law
	S11.2) If yes, does your human rights policy also cover suppliers and vendors? Yes/No	
<b>S12. Community investment</b>	S12.1) Amount invested in the community, as a percentage of company revenues.	S12.1) No direct investments. We donate furniture and IT equipment to several local organisations.

# GOVERNANCE DISCLOSURES

Metric	Calculation	2025 CBI Sustainability Report
<b>Governance</b>		
<b>G1. Board independence</b>	G1.1) Does your company prohibit CEO from serving as board chair? Yes/No	G1.1) Yes. As per CBUAE regulations, executives are not permitted to sit on the Board. This ensures a complete separation of the roles of the Chairman and the CEO, maintaining clear and distinct governance and oversight responsibilities.
	G1.2) Percentage: Total board seats occupied by independent board members	G1.2) Page 142
<b>G2. Board diversity</b>	G2.1) Percentage: Total board seats occupied by men and women	G2.1) Page 142
	G2.2) Percentage: Committee chairs occupied by men and women	G2.1) Page 142
<b>G3. Supplier code of conduct</b>	G3.1) Are your vendors or suppliers required to follow a Code of Conduct? Yes/No	G3.1) Yes, our vendors are required to adhere to a Code of Conduct.
	G3.2) If yes, what percentage of your suppliers have formally certified their compliance with the code?	G3.2) As the Code of Conduct has been recently implemented in Q4 2025, we are in the early stages of engaging suppliers on formal certification. Therefore, we are not yet in a position to report meaningful metrics at this time.
<b>G4. Ethics &amp; prevention of corruption</b>	G4.1) Does your company follow an ethics and/or prevention of corruption policy? Yes/No	G4.1) Yes. Page 131
	G4.2) If yes, what percentage of your workforce has formally certified its compliance with the policy?	G4.2) Page 144
<b>G5. Data privacy</b>	G5.1) Does your company follow a data privacy policy? Yes/No	G5.1) Yes. Page 133
	G5.2) Has your company taken steps to comply with GDPR rules? Yes/No	G5.2) CBI operates primarily within the UAE jurisdiction; however, where applicable, the Bank takes steps to assess and align its data protection practices with Global Data Protection Regulation (GDPR) principles, particularly in cases involving EU data subjects. At present, detailed information specific to GDPR compliance is not available for disclosure, and the Bank continues to monitor regulatory developments and enhance its data governance frameworks accordingly.

Metric	Calculation	2025 CBI Sustainability Report
<b>G6. Sustainability strategy</b>	G6.1) Describe the sustainability-related risks and opportunities that could reasonably be expected to affect your organisation's prospects.	G6.1) Page 108 – see risks & opportunities
	G6.2) Describe the current and anticipated impacts of sustainability-related risks and opportunities on your organisation's business model and value chain.	G6.2) Page 108 – see risks & opportunities
	G6.3) Describe how your organisation responded to, and plans to respond to, sustainability-related risks and opportunities in its strategy and decision-making.	G6.3) Page 97 – see Sustainability Risk Management
	G6.4) Describe the current and anticipated effects (during the reporting period) of sustainability-related risks and opportunities on your organisation's business model, financial position, performance, and cash flows. How are these risks considered in financial planning (current financial effects)?	G6.4) Current effects include increased operational expenditure due to ESG reporting, CPSR compliance requirements, conduct oversight, independent reviews, and sustainability audits. Short-term revenue impact is limited, as ESG and conduct governance frameworks are still maturing. Anticipated effects include increased operational costs in the near term due to continued investment in ESG and CPSR capabilities, strengthened long-term resilience and customer loyalty due to enhanced conduct governance and transparent customer practices.
<b>G7. Sustainability risks management</b>	G7.1) Describe the processes and policies your organisation uses to identify, assess, prioritise, and monitor sustainability-related risks, and the inputs and parameters used in these processes.	G7.1) Page 97
	G7.2) How are the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities integrated into and informing your organisation's overall enterprise risk management process?	G7.2) Page 97

# GOVERNANCE DISCLOSURES CONTINUED

Metric	Calculation	2025 CBI Sustainability Report
<b>G8. Sustainability governance</b>	G8.1) Which governance body or bodies (which can include a board, committee or equivalent body charged with governance) or individual(s) is or are responsible for oversight of sustainability-related risks and opportunities?	G8.1) Page 100
	G8.2) How does the body or individual consider sustainability-related risks and opportunities when overseeing your organisation's strategy?	G8.2) Page 100
	G8.3) Are performance metrics related to these targets included in remuneration policies? If so, how?	G8.3) Currently, CBI's remuneration policies do not include climate-related performance metrics. However, climate and ESG considerations are gradually being integrated into broader risk governance and strategic planning processes, and the Bank may consider incorporating climate-related indicators into performance frameworks in line with future regulatory expectations and best practices.
	G8.4) Has your organisation delegated the role of overseeing sustainability-related risks and opportunities to a specific management-level position or committee, and how is oversight over this role or committee exercised?	G8.4) Page 101
<b>G9. Sustainability targets</b>	G9.1) What metrics does your organisation use to measure and monitor each sustainability-related risk or opportunity identified above?	G9.1) Page 97
<b>G10. Disclosure practices</b>	G10.1) Does your company publish a sustainability report? Yes/No	G10.1) Yes.
	G10.2) Does your company publish a GRI, IFRS, CDP, SASB, IIRC, or UNGC based report?	G10.2) Page 87
<b>G11. External assurance</b>	G11.1) Are your sustainability disclosures assured or verified by a third party audit firm? Yes/No	G11.1) No, we have opted for internal review

# INTEGRATED KPIs DISCLOSURES

Metric	Calculation	2025 CBI Sustainability Report
<b>Integrated KPIs</b>		
<b>I1. Sustainability reporting</b>	I1.1) Does your company publish a sustainability report? Yes/No	I1.1) Yes, this is CBI's sixth Sustainability Report
<b>I2. ESG ratings</b>	I2.1) Has your company received an ESG rating (solicited or unsolicited)? Yes/No	I2.1) No
	I2.2) If yes, provide the latest overall ESG score.	
<b>I3. Stakeholder engagement</b>	I3.1) Does your company engage with stakeholders on ESG/sustainability topics? Yes/No	I3.1) Yes
	I3.2) If yes, report on frequency and effectiveness of engagement.	I3.2) Page 96

# FINANCIAL STATEMENTS AND NOTES





REPORTS AND THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2025

	<b>Pages</b>
Board of Directors' report	1
Independent auditor's report	2
Consolidated statement of financial position	8
Consolidated income statement	9
Consolidated statement of comprehensive income	10
Consolidated statement of changes in equity	11
Consolidated statement of cash flows	13
Notes to the consolidated financial statements	15
Appendix: Glossary of abbreviations	80

## Commercial Bank International P.J.S.C. Board of Directors' report



The Board of Directors has pleasure in submitting their report and the audited consolidated financial statements of Commercial Bank International P.J.S.C (the "Bank") and its subsidiaries (together the "Group") for the year ended 31 December 2025.

### Incorporation and registered offices

Commercial Bank International P.J.S.C. (the "Bank") was incorporated under an Emiri Decree Number 5/91 on 28 April 1991 by His Highness Ruler of Ras Al-Khaimah. The address of the registered office is P.O. Box 793, Ras Al-Khaimah, United Arab Emirates.

### Principal activities

The principal activities of the Bank are retail banking, commercial banking, investment banking, Islamic banking and asset management and these activities are carried out through its branches in the United Arab Emirates.

### Financial position and results

The financial position and results of the Group for the year ended 31 December 2025 are set out in the accompanying consolidated financial statements.

The Group has earned net interest income and income from Islamic financing and investing activities amounting to AED 389.6 million during the year ended 31 December 2025 (2024: AED 343.9 million) and had recorded a profit before tax of AED 311.1 million for the year ended 31 December 2025 (2024: AED 222.7 million).

### Directors

The following were the Directors of the Bank at the end of year ended 31 December 2025:

Mr. Saif Ali Al Shehhi	Chairman
Mr. Ali Rashid Al-Mohannadi	Vice Chairman
Mr. Mohamed Ali Musabbeh Al Nuaimi	
Mr. Mubarak Ahmad Bin Fahad Almheiri	
Ms. Maitha Saeed Al Falasi	
Dr. Ghaith Hammel Al Ghaith Al Qubaisi	
Mr. Salaheddin Almabruk AlMadani	
Ms. Fatma Ibrahim Al Baker	
Mr. Abdulaziz Khalid Jokhdar	

### Auditors

The consolidated financial statements for the year ended 31 December 2025 have been audited by Grant Thornton Audit and Accounting Limited and, being eligible, offer themselves for reappointment.

By order of the Board of Directors

  
[Saif Al Shehhi \(Jan 26, 2026 13:23:52 GMT+4\)](#)

Saif Ali Al Shehhi  
Chairman  
26 January 2026



Grant Thornton Audit  
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## Independent Auditor's Report To the Board of Directors of Commercial Bank International P.J.S.C

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Commercial Bank International P.J.S.C (the "Bank") and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB").

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the Group's consolidated financial statements in the United Arab Emirates and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended 31 December 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

#### 1. Measurement of expected credit losses on loans, advances and Islamic financing

The assessment of the Group's impairment allowances require management to make significant judgments in relation to measurement of the Expected Credit Losses ("ECL") and staging of loans, advances and Islamic financing. The ECL charge for the group for the year ended 31 December 2025 amounted to AED 109.8 million (net of reversals) and the allowance for ECL as at that date amounted to AED 757.3 million. As such, our audit was focused on this matter due to the materiality of ECL and the complexity of judgements, assumptions and estimates used in the ECL models.

These loans, advances and Islamic financing assets for retail and non-retail are individually assessed for the significant increase in credit risk ("SICR") and measurement of ECL. This requires management to capture all qualitative and quantitative reasonable and supportable forward-looking information while assessing SICR, or while assessing credit-impaired criteria for the exposure. Management judgment may also be involved in manual staging movements in accordance with the Group's policies and the requirements of IFRS 9 – Financial Instruments.

2

**Independent Auditor's Report**  
**To the Board of Directors of Commercial Bank International P.J.S.C (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

**Key Audit Matters (continued)**

**1. Measurement of expected credit losses (continued)**

The measurement of ECL amounts for retail and non-retail exposures classified as Stage 1 and Stage 2 are carried out by the models with limited manual intervention. It is important that the models and key variables such as probability of default (PD), loss given default (LGD), exposure at default (EAD) and macroeconomic adjustments are reasonable and are subject to a validation process by an independent reviewer.

For the defaulted exposures, management applies judgements to estimate the expected future cash flows related to individual exposures including the value of collateral.

***How our audit addressed the key audit matter***

We performed the following audit procedures on the computation and reasonableness of the ECL included in the Group's consolidated financial statements for the year ended 31 December 2025:

- Obtained an understanding of the credit risk management process and the estimation process of determining impairment allowances for loans and advances and tested the operating effectiveness of relevant controls within these processes.
- For a sample of exposures, checked the appropriateness of the Group's application of the staging criteria, including the basis for movement between stages.
- Tested the completeness and accuracy of the data used in the calculation of ECL.
- We involved our internal experts to assess:
  - the conceptual framework used for developing the Group's impairment policy in the context of its compliance with the requirements of IFRS 9 – Financial Instruments.
  - ECL modelling methodology and calculations used to compute the probability of default (PD), loss given default (LGD), and exposure at default (EAD) including reasonableness of the assumptions.
  - the appropriateness of the macro-economic variables, multiple economic scenarios chosen and scenario weightings.
- Independently performed recalculation of ECL on a sample basis.
- Evaluated post model adjustments and management overlays in order to assess the reasonableness of these judgements.
- The Group performed an external validation of key variables i.e. probability of default and loss given default, including macroeconomic, used in calculating the ECL during the year. We considered the process of this external validation of the models and its impact on the results of the impairment estimate.
- Performed an independent credit assessment for a sample of non-retail customers by assessing the quantitative and qualitative factors including assessment of financial performance of the customers, the source of repayments and its history, and other relevant risk factors.
- Where applicable, we assessed that reported exceptions to the policies and procedures as outlined in the Board Risk Appetite Statement were duly approved by the Board of Directors or the Board Credit Committee and the approval process was formally documented.
- For a sample of new or renewed corporate credit facilities, we checked that reported exceptions to limits, if any, as set out in the Board approved delegation of authority matrix were duly approved by the Board of Directors or the Board Credit Committee and that the process was formally documented.
- For a sample of Stage 3 customers, we assessed:
  - the appropriateness of discounted cash flows, including the discount rates used and the probable scenario analysis; and
  - the robustness of the Group's processes / controls with respect to the valuation and enforceability of collateral, including the underlying assumptions.
- Assessed the disclosure in the consolidated financial statements relating to ECL against the requirements of IFRS Accounting Standards.

**Independent Auditor's Report**  
**To the Board of Directors of Commercial Bank International P.J.S.C (continued)**

**Report on the Audit of the Consolidated Financial Statements (continued)**

**Key Audit Matters (continued)**

**2. IT systems and controls over financial reporting**

We identified IT systems and associated controls over the Bank's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Bank and reliance on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of change to an application or underlying data.

***How our audit addressed the key audit matter***

Our audit approach relied on automated and therefore the following procedures were performed to test access and control over IT systems:

- Obtained an understanding of the applications relevant to financial reporting and the infrastructure supporting these applications.
- We involved our IT experts to:
  - test IT General Controls ("ITGC") relevant to automated controls and computer-generated information covering access, security, program changes, data centre and network operations.
  - perform testing on the key automated controls on significant IT systems relevant to business processes.
- Examined computer generated information used in financial reports from relevant applications and key controls over their report logics.

**Other Information**

The Board of Directors is responsible for the other information. The other information comprises the annual report of the Group. We obtained the Board of Directors' report that forms part of the annual report prior to the date of our auditor's report, and the remaining information of the annual report is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of our auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements**

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by International Accounting Standards Board ("IASB") and their preparation in compliance with the applicable provisions of the UAE Federal Decree Law No. 32 of 2021, as amended, and the UAE Federal Decree-Law No (6) of 2025, and for such internal control as Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

## Independent Auditor's Report To the Board of Directors of Commercial Bank International P.J.S.C (continued)

### Report on the Audit of the Consolidated Financial Statements (continued)

#### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements (continued)

In preparing the consolidated financial statements, Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities of the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

## Independent Auditor's Report To the Board of Directors of Commercial Bank International P.J.S.C (continued)

### Report on the Audit of the Consolidated Financial Statements (continued)

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2025:

- We have obtained all the information we considered necessary for the purposes of our audit;
- The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Decree Law No. (32) of 2021;
- The Bank has maintained proper books of account;
- The financial information included in the Board of Directors' report is consistent with the books of account and records of the Bank;
- Notes 12 and 13 to the consolidated financial statements disclose the Bank purchases or investments in shares during the year ended 31 December 2025;
- Note 42 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
- Based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Bank has contravened during the year ended 31 December 2025 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or its Articles of Association which would materially affect its activities or its financial position as at 31 December 2025; and
- Note 30 to the consolidated financial statements discloses social contributions made during the year ended 31 December 2025.

**Independent Auditor's Report**  
**To the Board of Directors of Commercial Bank International P.J.S.C (continued)**

**Report on Other Legal and Regulatory Requirements (continued)**

Further, as required by the Article (140) of the UAE Federal Decree-Law No. (6) of 2025, we report that we have obtained all the information and explanations we considered necessary for the purpose of our audit.

**GRANT THORNTON UAE**

Dr. Osama El Bakry  
 Registration No: 935  
 Abu Dhabi, United Arab Emirates

Date: 26 January 2026



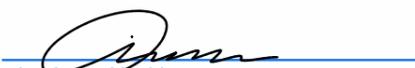
**Commercial Bank International P.J.S.C.**  
**Consolidated Statement of financial position**



as at

	Note	31 Dec 2025 AED '000	31 Dec 2024 AED '000
<b>Assets</b>			
Cash and balances with the central bank	6	1,810,199	1,573,434
Derivative financial instruments	40	1,692	10,324
Deposits and balances due from banks	7	1,385,050	930,362
Loans, advances and Islamic financing	8	12,927,926	13,582,911
Receivables and other assets	10	1,175,677	1,294,037
Property inventory and others	11	76,368	213,761
Investment securities measured at fair value	12	794,647	307,788
Investment securities measured at amortised cost	13	3,618,508	2,824,561
Investment properties	14	6,892	7,410
Intangible assets	15	51,080	34,255
Property and equipment	16	94,559	106,204
Investments in associates	9	2,500	9,610
<b>Total assets</b>		<b>21,945,098</b>	<b>20,894,657</b>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Derivative financial instruments	40	6,821	2,155
Deposits and balances due to banks	17	1,652,085	1,567,398
Customer accounts and other deposits	18	15,906,370	15,430,147
Payables and other liabilities	19	1,045,952	845,049
<b>Total liabilities</b>		<b>18,611,228</b>	<b>17,844,749</b>
<b>Equity</b>			
Share capital	20	1,737,383	1,737,383
Tier 1 Capital Securities	21	459,125	459,125
Reserves	22	335,863	289,172
Retained earnings		634,612	443,495
Equity attributable to owners of the Bank		3,166,983	2,929,175
Non-controlling interests	23	166,887	120,733
<b>Total equity</b>		<b>3,333,870</b>	<b>3,049,908</b>
<b>Total liabilities and equity</b>		<b>21,945,098</b>	<b>20,894,657</b>

To the best of our knowledge, and in accordance with IFRS, the consolidated financial statements present fairly in all material respects the consolidated financial position, financial performance and cash flows of the Group.

  
 Ali Sultan Rakkad Al Amri  
 Chief Executive Officer

  
 Saif Ali Al Shehhi  
 Chairman

Commercial Bank International P.J.S.C.  
Consolidated income statement



for the year ended 31 December

	Note	2025 AED '000	2024 AED '000
Interest income	24	884,731	978,464
Income from Islamic financing and investing assets	25	105,584	104,503
<b>Total interest income and income from Islamic financing and investing assets</b>		<b>990,315</b>	<b>1,082,967</b>
Interest expense	26	(519,485)	(613,874)
Distribution to Islamic depositors	27	(81,212)	(125,096)
<b>Total interest expense and expense from Islamic depositors</b>		<b>(600,697)</b>	<b>(738,970)</b>
<b>Net interest income and income from Islamic financing and investing assets</b>		<b>389,618</b>	<b>343,997</b>
Fee and commission income		188,333	159,732
Fee and commission expense		(22,145)	(21,402)
<b>Net fee and commission income</b>	28	<b>166,188</b>	<b>138,330</b>
Other operating income, net	29	242,641	221,295
Share of results from associates	9	(7,110)	(390)
<b>Net operating income</b>		<b>791,337</b>	<b>703,232</b>
General and administrative expenses	30	(413,755)	(377,664)
Net impairment charge on financial assets	31	(68,567)	(102,769)
Net Impairment reversal / (charge) on non-financial assets	32	2,058	(148)
<b>Profit before tax</b>		<b>311,073</b>	<b>222,651</b>
Income tax expense	33	(16,287)	(20,796)
<b>Profit for the year</b>		<b>294,786</b>	<b>201,855</b>
<b>Profit for the year after tax attributable to:</b>			
Owners of the Bank		248,632	201,179
Non-controlling interests	23	46,154	676
		<b>294,786</b>	<b>201,855</b>
<b>Earnings per share:</b>			
Basic and diluted earnings per share (AED)	35	0.13	0.10

Commercial Bank International P.J.S.C.  
Consolidated statement of other comprehensive income



for the year ended 31 December

	Note	2025 AED '000	2024 AED '000
Profit for the year after tax		294,786	201,855
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Changes in fair value of financial assets measured at fair value through other comprehensive income		18,865	2,634
Remeasurement of net defined benefit liability		(515)	-
Tax charges	33	(1,652)	-
<b>Other comprehensive income for the year</b>		<b>16,698</b>	<b>2,634</b>
<b>Total comprehensive income for the year</b>		<b>311,484</b>	<b>204,489</b>
<b>Total comprehensive income for the year attributable to:</b>			
Owners of the Bank		265,330	203,813
Non-controlling interests	23	46,154	676
		<b>311,484</b>	<b>204,489</b>

Commercial Bank International P.J.S.C.  
Consolidated statement of changes in equity



for the year ended 31 December

	Share capital AED '000	Tier 1 capital securities AED '000	Reserves AED '000	Retained earnings AED '000	Equity attributable to owners of the Bank AED '000	Non-controlling interests AED '000	Total AED '000
<b>2025</b>							
Balance as at 31 December 2024	1,737,383	459,125	289,172	443,495	2,929,175	120,733	3,049,908
Profit for the year	-	-	-	248,632	248,632	46,154	294,786
Other comprehensive income for the year, net of tax	-	-	17,213	(515)	16,698	-	16,698
Total comprehensive income for the year	-	-	17,213	248,117	265,330	46,154	311,484
Interest paid on Tier 1 Capital Securities	-	-	-	(27,522)	(27,522)	-	(27,522)
Transfer from retained earnings to reserves (note 22)	-	-	29,478	(29,478)	-	-	-
Balance as at 31 December 2025	1,737,383	459,125	335,863	634,612	3,166,983	166,887	3,333,870

11

The accompanying notes and appendix form an integral part of these consolidated financial statements.

Commercial Bank International P.J.S.C.  
Consolidated statement of changes in equity (continued)



for the year ended 31 December

	Share capital AED '000	Tier 1 capital securities AED '000	Reserves AED '000	Retained earnings AED '000	Equity attributable to owners of the Bank AED '000	Non-controlling interests AED '000	Total AED '000
<b>2024</b>							
Balance as at 31 December 2023	1,737,383	459,125	525,291	31,083	2,752,882	120,057	2,872,939
Profit for the year	-	-	-	201,179	201,179	676	201,855
Other comprehensive income for the year, net of tax	-	-	2,634	-	2,634	-	2,634
Total comprehensive income for the year	-	-	2,634	201,179	203,813	676	204,489
Interest paid on Tier 1 Capital Securities	-	-	-	(27,520)	(27,520)	-	(27,520)
Transfer from reserve to retained earnings (note 22)	-	-	(238,753)	238,753	-	-	-
Balance as at 31 December 2024	1,737,383	459,125	289,172	443,495	2,929,175	120,733	3,049,908

12

The accompanying notes and appendix form an integral part of these consolidated financial statements.

**Commercial Bank International P.J.S.C.**  
**Consolidated statement of cash flows**

for the year ended 31 December



	2025	2024
	AED '000	AED '000
<b>Cash flows from operating activities</b>		
Profit for the year before income tax	311,073	222,651
<i>Adjustments for:</i>		
Depreciation of property and equipment (note 30)	20,852	21,529
Depreciation of investment property (note 30)	520	710
Amortisation of intangible assets (note 30)	8,653	9,546
Net impairment charge on financial assets (note 31)	68,567	102,769
Net impairment (reversal)/ charge on non-financial assets (note 32)	(2,058)	148
Amortisation of financial assets measured at amortised cost	4,519	5,165
Gain on financial assets measured at FVTPL	(105,789)	(2,095)
Dividend income	(376)	(737)
Provision for end of service benefits (note 19.1)	6,822	7,088
Share of results under associates (note 9)	7,110	390
Loss on disposal of Investment properties	-	233
	<u>319,893</u>	<u>367,397</u>
<i>Changes in operating assets and liabilities:</i>		
Increase in balances with the Central Bank of the UAE	(264,108)	(184,488)
Increase in deposits and balances due from banks with original maturity of 90 days or more	(405,924)	(174,551)
(Increase)/ decrease in financial assets measured at amortised cost with original maturity of 90 days or more	(777,780)	120,712
Decrease/(increase) in loans, advances and Islamic financing	277,381	(1,484,003)
Decrease in property inventory	139,449	132,169
Decrease/(increase) in receivables and other assets	69,588	(85,451)
Decrease in due to the Central Bank of the UAE	-	(1,783)
Increase/ (decrease) in deposits and balances due to banks	84,687	(1,180,437)
Increase in customer accounts and other deposits	476,223	2,822,416
Increase in payables and other liabilities	185,981	84,505
<b>Cash generated from operating activities</b>	<u>105,391</u>	<u>416,486</u>
End of service benefits paid	(2,627)	(2,745)
Taxes paid	(7,821)	-
<b>Net cash generated from operating activities</b>	<u>94,942</u>	<u>413,741</u>

The accompanying notes and appendix form an integral part of these consolidated financial statements.

**Commercial Bank International P.J.S.C.**  
**Consolidated statement of cash flows (continued)**



for the year ended 31 December

	2025	2024
	AED '000	AED '000
<b>Cash flows from investing activities:</b>		
Purchase of property and equipment (note 16)	(18,268)	(35,332)
Purchase of intangible assets (note 15)	(18,054)	(14,619)
Proceeds from sale of investment properties	-	16,159
Proceeds from sale of property and equipment	1,637	49
Proceeds from sale of financial assets measured at FVOCI	1,786	929
(Purchase)/ proceeds from redemption of financial assets measured at amortised cost	(325,771)	132,011
Purchase of financial assets measured at FVTPL	-	(3,672)
Purchase of investment in associates	-	(10,000)
Net settlement of FVTPL assets	13,298	(13,604)
Dividend received	376	737
<b>Net cash generate (used in)/ from investing activities</b>	<u>(344,996)</u>	<u>72,658</u>
<b>Cash flows from financing activities</b>		
Interest paid on Tier 1 Capital securities	(27,522)	(27,520)
<b>Net cash used in financing activities</b>	<u>(27,522)</u>	<u>(27,520)</u>
(Decrease)/ increase in cash and cash equivalents	(277,576)	458,879
Cash and cash equivalents at the beginning of the year	1,564,832	1,105,953
<b>Cash and cash equivalents at the end of the year</b>	<u>1,287,256</u>	<u>1,564,832</u>
<b>Non-cash transactions:</b>		
Repossession of an assets	364,000	-

The accompanying notes and appendix form an integral part of these consolidated financial statements.

**Commercial Bank International P.J.S.C.**  
**Notes to the consolidated financial statements**



**1 Status and activities**

Commercial Bank International P.J.S.C. (the “Bank”) is a public joint stock company with limited liability incorporated under an Emiri Decree Number 5/91 on 28 April 1991 by His Highness Ruler of Ras Al-Khaimah. The registered office of the Bank is at P.O. Box 793, Ras Al-Khaimah. The Bank is listed on the Abu Dhabi Exchange (Ticker “CBI”) and it is licensed and regulated by Central Bank of UAE. The Bank carries on commercial banking activities through its 6 branches in the United Arab Emirates (“the UAE”). These consolidated financial statements incorporate the financial statements of the Bank and its subsidiaries as disclosed below (collectively referred to as the “Group”).

Details of the Group’s subsidiaries and associates at the end of the reporting period are as follows:

Name	Principal activity	Principal place of business	Place of incorporation	% of ownership	
				2025	2024
CBI Financial Services Limited	SPV	Dubai - UAE	Cayman Islands	100	100
CBI Tier 1 Private Ltd	SPV	Dubai – UAE	Cayman Islands	100	100
Takamul Real Estate L.L.C.	Real estate	Dubai – UAE	Dubai - UAE	100	100
Al Khaleejiah Property Investments LLC	Real estate	Sharjah - UAE	Sharjah - UAE	53	53
Al Caribi Development Limited	Real estate	Dubai – UAE	BVI	100	100
Callaloo CAY Development Limited*	Real estate	Antigua and Barbuda	Antigua and Barbuda	80	80
Arzaq Holdings (Private J.S.C.)	Real estate	Sharjah - UAE	Sharjah - UAE	48	48
Tekle Holographics MENA Holding Ltd.	Technology	DIFC - UAE	Dubai - UAE	25	25
CBIX Investment Limited	Investments	DIFC - UAE	Dubai - UAE	100	-
CBIX Tech Labs Limited	Technology	DIFC - UAE	Dubai - UAE	100	-

\* Under liquidation

**2 Application of new and revised standards**

**2.1 New and revised standards applied with no material effect on the condensed consolidated financial statements**

The following new and revised IFRS Accounting Standard as issued by IASB, which became effective for annual periods beginning on or after 1 January 2025, have been adopted in these condensed consolidated interim financial information. Their adoption has not had any material impact on the disclosures or on the amounts reported in these consolidated financial statements.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the SASB standards to enhance their international applicability

**2.2 New and revised standards in issue but not yet effective and not early adopted**

The Group has not yet early applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

<u>New and revised standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	01 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	01 January 2026
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)	01 January 2026
IFRS 18 ‘Presentation and Disclosure in Financial Statements’	01 January 2027
IFRS 19 ‘Subsidiaries without Public Accountability: Disclosures’	01 January 2027
Amendment to IAS 21 - Translation to a Hyperinflationary Presentation Currency	01 January 2027
IFRS 18, ‘Presentation and Disclosure in Financial Statements’	01 January 2027
Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)	01 January 2027

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group’s consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

**Commercial Bank International P.J.S.C**  
**Notes to the consolidated financial statements(continued)**



**3 Material accounting policies**

**3.1 Statement of compliance**

The consolidated financial statements of the Group are prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) and comply with the requirements of applicable laws in the UAE.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015 (as amended). The Bank is in compliance with applicable provisions of the UAE Federal Decree Law No. 32 of 2021 .

**3.2 Basis of preparation**

The consolidated financial statements have been prepared on the historical cost basis, except for items measured at fair value at the end of each reporting period, such as investments at fair value through profit or loss, other comprehensive income, and derivative financial instruments.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Bank takes into account when pricing the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for leasing transactions that are within the scope of IFRS 16 and measurements that have some similarities to fair value but are not fair value such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted in the preparation of the Group consolidated financial statements are set out below. These policies have been consistently applied to all years presented.

**3.2 Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Bank and entities controlled by the Bank (its subsidiaries). Control is achieved where the Bank has:

- power over the investee,
- exposure, or has rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

The Bank reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Bank has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Bank considers all relevant facts and circumstances in assessing whether or not the Bank’s voting rights in an investee are sufficient to give it power.



**3 Material accounting policies (continued)**

**3.3 Basis of consolidation (continued)**

The financial statements of subsidiaries are prepared for the same reporting period as that of the Bank, using consistent accounting policies.

All significant intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of Non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

**3.4 Property and equipment**

Property and equipment are stated at historical cost less accumulated depreciation and impairment loss, if any. Capital projects in progress are initially recorded at cost and regularly tested for impairment and upon completion are transferred to the appropriate category of property and equipment and thereafter depreciated.

Historical cost includes expenditure that is directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are charged to the consolidated income statement in the period in which they are incurred.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in consolidated income statement.

Depreciation is charged so as to write off the cost of assets, other than land and capital work in progress, using the straight-line method, over the estimated useful lives of the respective assets. Freehold land is not depreciated. The estimated useful lives of the assets for the calculation of depreciation are as follows:

Buildings	25 years
Property improvements	4 - 7 years
Furniture, fixtures, equipment and	4 years
Right of use assets	2 - 5 years

The estimated useful lives and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

**3.5 Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation, including property under construction for such purposes. Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is calculated so as to write off the cost of investment properties using the straight line method over their estimated useful lives of 25 years.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of asset is recognised in the consolidated income statement in the period of derecognition.



**3 Material accounting policies (continued)**

**3.6 Impairment of tangible assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in the consolidated income statement.

**3.7 Intangible assets**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives for intangible assets ranges between 4 to 10 years. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

**3.8 Property inventory and others**

Properties and other assets acquired, repossession in settlement of loans, or constructed with the intent to sell, are classified as property inventory and other. These are stated at the lower of cost (carrying amount of the loan in the case of repossession in settlement of loans) and net realizable value. Cost includes transaction costs incurred in respect of the acquisition of those properties. Net realisable value represents the estimated selling price for property inventory and other assets less all estimated costs necessary to make the sale.

**3.9 Provisions**

A provision is recognised if, as a result of a past event, the Group has a present obligation (legal or constructive) that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows, at a pre-tax rate, that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.



**3 Material accounting policies (continued)**

**3.10 Leases**

**3.10.1 The Group as lessee**

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented in 'payables and other liabilities' in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.



**3 Material accounting policies (continued)**

**3.10 Leases (continued)**

**3.10.1 The Group as lessee (continued)**

The right-of-use assets are presented in 'property and equipment' in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient.

The Group enters into lease agreements as a lessor with respect to some of its investment properties.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases. When a contract includes lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

**3.11 Segment reporting**

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segment income, segment expenses and segment performance include transfers between business segments and between geographical segments. Refer to note 43 on business segment reporting.

**3.12 Acceptances**

Acceptances arise when the Group is under an obligation to make payments against documents drawn under letters of credit. After acceptance, the instrument becomes an unconditional liability of the Group and is therefore recognised as a financial liability in the consolidated statement of financial position. However, every acceptance has a corresponding contractual right of reimbursement from the customer which is recognised as a financial asset.

**3.13 Foreign currencies**

The individual financial statements of each Group entity are presented in AED, which is the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each entity are expressed in AED, which is the functional currency of the Bank, and the presentation currency for the consolidated financial statements.



**3. Material accounting policies (continued)**

**3.13 Foreign currencies (continued)**

Transaction in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in consolidated income in the period in which they arise.

**3.14 Net interest income and income from Islamic products net of distribution to depositors**

Interest income and expense for all financial instruments except for those classified as held for trading or those measured or designated as at FVTPL are recognised using the effective interest method to the gross carrying amount of non-credit impaired financial assets, or to the amortised cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the effective profit rate "EPR" to the amortised cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses).

The EPR is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The calculation of the EPR includes all fees paid or received between parties to the contract that are incremental and directly attributable to the specific lending arrangement, transaction costs, and all other premiums or discounts

**3.15 Net fee and commission income**

The Group earns fee and commission income from a diverse range of financial services provided to its customers. The basis of accounting treatment of fees and commission depends on the purposes for which the fees are collected and accordingly the revenue is recognised in consolidated income statement.

Fee and commission income is accounted for as follows:

- income earned from the provision of services is recognised as revenue as as the related performance obligations are fulfilled.
- income earned on the execution of a significant transaction is recognised as revenue when the transaction is completed; and
- income which forms an integral part of the effective interest rate of a financial instrument is recognised as an adjustment to the effective interest rate (Ref to 3.14)

A contract with a customer that results in a recognised financial instrument in the Group's consolidated financial statements may be partially in the scope of IFRS 9 and partially in the scope of IFRS 15. If this is the case, then the Group first applies IFRS 9 to separate and measure the part of the contract that is in the scope of IFRS 9 and then applies IFRS 15 to the residual

Fee and commission expense relates mainly to transaction and service fees which are expensed as the services are received.

**3.16 Net income from financial instruments at FVTPL**

Net income and interest from other financial instruments at FVTPL includes all gains and losses from changes in the fair value of financial assets and financial liabilities at FVTPL. The Group has elected to present the full fair value movement of assets and liabilities at FVTPL in this line, including the related interest income, expense and dividends (if any).

**3.17 Dividend income**

Dividend income is recognised when the right to receive payment is established. This is the ex-dividend date for listed equity securities, and usually the date when shareholders approve the dividend for unlisted equity securities.



**3. Material accounting policies (continued)**

**3.18 Revenue from sale of property inventory**

The Group recognises revenue from sale of property based on a five-step model. The revenues is recognized when the performance obligation is satisfied i.e. control including risk and rewards are transferred to the customer.

**3.19 Derivative financial instruments**

A derivative is a financial instrument or other contract between two parties where payments are dependent upon movements in the price of one or more underlying financial instrument, reference rate or index with all three of the following characteristics:

- its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the consolidated income statement immediately.

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Derivative assets and liabilities arising from different transactions are only offset if the transactions are with the same counterparty, a legal right of offset exists and the parties intend to settle the cash flows on a net basis.

**3.20 Financial guarantee contracts, letter of credit and undrawn commitment**

The Group issues financial guarantees, letter of credit and loan commitments. Financial guarantees are contracts that require the Group to make specified payments to reimburse the holders for a loss they incur because a specified debtor fails to make payment when due, in accordance with the terms of a debt instrument. Loan commitments are irrevocable commitments to provide credit under pre-specified terms and conditions

Financial guarantee contracts issued by a Group entity are initially measured at their fair values and, if not designated as at FVTPL and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with IFRS 9; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the Group's revenue recognition policies.

Financial guarantees are reviewed periodically to determine the credit risk to which they are exposed and, if appropriate, to consider whether a provision is required. The credit risk is determined by application of criteria similar to those established for quantifying impairment losses on loans, advances and Islamic financing. If a specific provision is required for financial guarantees, the related unearned commissions recognised under other liabilities in the consolidated statement of financial position are reclassified to the appropriate provision. Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of ECL requirements.

**3.21 Employees' end of service benefit**

The Group provides end of service benefits for its employees. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. With respect to its UAE national employees, the Group makes contributions to the relevant government pension scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.



3. Material accounting policies (continued)

3.21 Employees' end of service benefit (continued)

**Defined contribution plan**

A defined contribution plan is a post-employment benefit program designed by the Group for UAE citizens in adherence to Federal Law. This plan ensures that the Group makes predetermined, fixed contributions to a designated government organization, thereby fulfilling its obligations without any further legal or constructive responsibilities for additional payments.

**Defined benefit plan**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The liability recognised in the consolidated statement of financial position in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense and other expenses related to defined benefit plans are recognised in Staff cost in consolidated income statement. When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately to profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

3.22 Financial instruments

Financial assets and financial liabilities are recognised in the Group's consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Recognised financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss

3.22 Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at FVTPL. Transaction costs directly attributable to the acquisition of financial assets classified as at FVTPL are recognised immediately in profit or loss.

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

Specifically:

- debt instruments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are SPPI, are subsequently measured at FVTOCI;
- all other debt instruments (e.g. debt instruments managed on a fair value basis, or held for sale) and equity investments are subsequently measured at FVTPL.



3. Material accounting policies (continued)

3.22 Financial assets (continued)

However, the Group may make the following irrevocable election / designation at initial recognition of a financial asset on an asset-by-asset basis:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, in OCI; and
- the Group may irrevocably designate a debt instrument that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch (referred to as the fair value option).

3.22.1 Debt instruments at amortised cost or at FVTOCI

The Group assesses the classification and measurement of a financial asset based on the contractual cash flow characteristics of the asset and the Group's business model for managing the asset. For an asset to be classified and measured at amortised cost or at FVTOCI, its contractual terms should give rise to cash flows that are solely payments of principal and interest on the principal outstanding (SPPI).

For the purpose of the SPPI test, principal is the fair value of the financial asset at initial recognition. That principal amount may change over the life of the financial asset (e.g. if there are repayments of principal). Interest consists of consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The SPPI assessment is made in the currency in which the financial asset is denominated.

Contractual cash flows that are SPPI are consistent with a basic lending arrangement. Contractual terms that introduce exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement, such as exposure to changes in equity prices or commodity prices, do not give rise to contractual cash flows that are SPPI. An originated or an acquired financial asset can be a basic lending arrangement irrespective of whether it is a loan in its legal form.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Group determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. The Group's business model does not depend on management's intentions for an individual instrument, therefore the business model assessment is performed at a higher level of aggregation rather than on an instrument-by-instrument basis.

The Group may have more than one business model for managing its financial instruments which reflect how the Group manages its financial assets in order to generate cash flows. The Group's business models determine whether cash flows will result from collecting contractual cash flows, selling financial assets or both.

The Group considers all relevant information available when making the business model assessment. However, this assessment is not performed on the basis of scenarios that the Group does not reasonably expect to occur, such as so-called 'worst case' or 'stress case' scenarios. The Group takes into account all relevant evidence available such as:

- how the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way in which those risks are managed; and
- how managers of the business are compensated (e.g. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

At initial recognition of a financial asset, the Group determines whether newly recognised financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Group reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Group has not identified a change in its business models.



**3. Material accounting policies** (continued)

**3.22 Financial assets** (continued)

**3.22.1 Debt instruments at amortised cost or at FVTOCI**

When a debt instrument measured at FVTOCI is derecognised, the cumulative gain/loss previously recognised in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss but transferred within equity. Debt instruments that are subsequently measured at amortised cost or at FVTOCI are subject to impairment. See note 38.1.

In the current and prior reporting period, the Group has not classified any debt instrument at FVTOCI. Further, in the current and prior reporting period the Group has not applied the fair value option and so has not designated debt instruments that meet the amortised cost or FVTOCI criteria as measured at FVTPL.

**3.22.2 Financial assets at FVTPL**

Financial assets at FVTPL are:

- assets with contractual cash flows that are not SPPI; and/or
- assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. Fair value is determined in the manner described in note 39.

**3.22.3 Reclassifications**

If the business model under which the Group holds financial assets changes, the financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying the Group's financial assets. During the current financial year and previous accounting period there was no change in the business model under which the Group holds financial assets and therefore no reclassifications were made. Changes in contractual cash flows are considered under the accounting policy on 'Modification and derecognition of financial assets' see note 3.22.10.

**3.22.4 Foreign exchange gains and losses**

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss;
- for debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortised cost of the debt instrument are recognised in profit or loss. Other exchange differences are recognised in OCI in the investment's revaluation reserve;
- for financial assets measured at FVTPL that are not part of a designated hedge accounting relationship, exchange differences are recognised in profit or loss; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investment's revaluation reserve.



**3. Material accounting policies** (continued)

**3.22 Financial assets** (continued)

**3.22.5 Impairment**

The Group recognises loss allowances for expected credit losses (ECL) on the financial instruments that are not measured at FVTPL (including loan commitments and financial guarantee contracts). No impairment loss is recognised on equity investments.

With the exception of 'Purchased or Originated Credit-Impaired' (POCI) financial assets (which are considered separately below), ECL are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECL are measured at an amount equal to the 12-month ECL.

ECL are a probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flows due to the Group under the contract and the cash flows that the Group expects to receive arising from the weighting of multiple future economic scenarios, discounted at the asset's EIR.

- for undrawn loan commitments, the ECL is the difference between the present value of the contractual cash flows that are due to the Group if the holder of the commitment draws down the loan and the cash flows that the Group expects to receive if the loan is drawn down; and
- for financial guarantee contracts, the ECL is the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Group expects to receive from the holder, the debtor or any other party.

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original EIR, regardless of whether it is measured on an individual basis or a collective basis.

More information on measurement of ECL is provided in note 38.1, including details on how instruments are grouped when they are assessed on a collective basis.

The Group also considers relevant regulatory requirements, in the context of the alignment of those requirements with IFRS, in the estimation of ECL in respect of Stage 3 exposures.

**3.22.6 Credit-impaired financial assets**

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.



**3. Material accounting policies (continued)**

**3.22 Financial assets (continued)**

A loan is considered credit-impaired when a concession is granted to the borrower due to a deterioration in the borrower's financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default (see below) includes unlikelihood to pay indicators and a backstop if amounts are overdue for more than 90 days.

**3.22.7 Purchased or originated credit-impaired (POCI) financial assets**

POCI financial assets are treated differently because the asset is credit-impaired at initial recognition. For these assets, the Group recognises all changes in lifetime ECL since initial recognition as a loss allowance with any changes recognised in profit or loss. A favourable change for such assets creates an impairment gain.

**3.22.8 Definition of default**

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECL and the identification of a significant increase in credit risk (see note 38.1).

The Group considers the following as constituting an event of default:

- the borrower is past due more than 90 days on any material credit obligation to the Group; or
- the borrower is unlikely to pay its credit obligations to the Group in full.

The definition of default is appropriately tailored to reflect different characteristics of different types of assets. Overdrafts are considered as being past due once the customer has breached an advised limit or has been advised of a limit smaller than the current amount outstanding.

When assessing if the borrower is unlikely to pay its credit obligation, the Group takes into account both qualitative and quantitative indicators. The information assessed depends on the type of the asset, for example in wholesale lending a qualitative indicator used is the breach of covenants, which is not relevant for retail lending. Quantitative indicators, such as overdue status and non-payment on another obligation of the same counterparty are key inputs in this analysis. The Group uses a variety of sources of information to assess default which are either developed internally or obtained from external sources. More details are provided in note 38.1.

**3.22.9 Significant increase in credit risk**

The Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to the impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL. The Group's accounting policy is not to use the practical expedient that financial assets with 'low' credit risk at the reporting date are deemed not to have had a significant increase in credit risk. As a result, the Group monitors all financial assets, issued loan commitments and financial guarantee contracts that are subject to impairment for significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of a default occurring that was anticipated for the remaining maturity at the current reporting date when the financial instrument was first recognised. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort, based on the Group's historical experience and expert credit assessment including forward-looking information. See note 38.1 for more details about forward looking information.



**3. Material accounting policies (continued)**

**3.22 Financial assets (continued)**

**3.22.9 Significant increase in credit risk (Continued)**

Multiple economic scenarios form the basis of determining the probability of default at initial recognition and at subsequent reporting dates. Different economic scenarios will lead to a different probability of default. It is the weighting of these different scenarios that forms the basis of a weighted average probability of default that is used to determine the ECL.

For wholesale lending, forward-looking information includes the future prospects of the industries in which the Group's counterparties operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various internal and external sources of actual and forecast economic information. For retail lending, forward looking information includes the same economic forecasts as wholesale lending with additional forecasts of local economic indicators, particularly for regions with a concentration to certain industries, as well as internally generated information of customer payment behaviour. The Group allocates its counterparties to a relevant internal credit risk grade depending on their credit quality. The quantitative information is a primary indicator of significant increase in credit risk and is based on the change in credit worthiness of borrowers measured by rating downgrade which result in higher PD as per staging criteria.

The PDs used are forward looking and the Group uses the same methodologies and data used to measure the loss allowance for ECL (please refer to note 38.1).

The qualitative factors that indicate significant increase in credit risk are reflected in PD models on a timely basis. However, the Group still considers separately some qualitative factors to assess if credit risk has increased significantly. For wholesale lending there is particular focus on assets that are included on a 'watch list' given an exposure is on a watch list once there is a concern that the creditworthiness of the specific counterparty has deteriorated. For retail lending the Group considers the expectation of forbearance and payment holidays, credit scores and events such as unemployment, bankruptcy, divorce or death.

As a back-stop when an asset becomes 30 days past due, the Group considers that a significant increase in credit risk has occurred and the asset is in stage 2 of the impairment model, i.e. the loss allowance is measured as the lifetime ECL, unless the Group has reasonable and supportable information that demonstrates otherwise.

More information about significant increase in credit risk is provided in note 38.1.

**3.22.10 Modification and derecognition of financial assets**

A modification of a financial asset occurs when the contractual terms governing the cash flows of a financial asset are renegotiated or otherwise modified between initial recognition and maturity of the financial asset. A modification affects the amount and/or timing of the contractual cash flows either immediately or at a future date. In addition, the introduction or adjustment of existing covenants of an existing loan would constitute a modification even if these new or adjusted covenants do not yet affect the cash flows immediately but may affect the cash flows depending on whether the covenant is or is not met (e.g. a change to the increase in the interest rate that arises when covenants are breached).

The Group renegotiates loans to customers in financial difficulty to maximise collection and minimise the risk of default. A loan forbearance is granted in cases where although the borrower made all reasonable efforts to pay under the original contractual terms, there is a high risk of default or default has already happened and the borrower is expected to be able to meet the revised terms. The revised terms in most of the cases include an extension of the maturity of the loan, changes to the timing of the cash flows of the loan (principal and interest repayment), reduction in the amount of cash flows due (principal and interest forgiveness) and amendments to covenants.



**3. Material accounting policies** (continued)  
**3.22 Financial assets** (continued)  
**3.22.10 Modification and derecognition of financial assets**

When a financial asset is modified the Group assesses whether this modification results in derecognition. In accordance with the Group's policy a modification results in derecognition when it gives rise to substantially different terms. To determine if the modified terms are substantially different from the original contractual terms the Group considers the following:

- qualitative factors, such as contractual cash flows after modification are no longer SPPI, change in currency or change of counterparty, the extent of change in interest rates, maturity and covenants. If these do not clearly indicate a substantial modification, then;
- A quantitative assessment is performed to compare the present value of the remaining contractual cash flows under the original terms with the contractual cash flows under the revised terms, with both amounts discounted at the original effective interest. If the difference in present value is substantial the Group deems the arrangement is substantially different leading to derecognition.

In the case where the financial asset is derecognised the loss allowance for ECL is remeasured at the date of derecognition to determine the net carrying amount of the asset at that date. The difference between this revised carrying amount and the fair value of the new financial asset with the new terms will lead to a gain or loss on derecognition. The new financial asset will have a loss allowance measured based on 12-month ECL except in the rare occasions where the new loan is considered to be originated credit impaired. This applies only in the case where the fair value of the new loan is recognised at a significant discount to its revised par amount because there remains a high risk of default which has not been reduced by the modification. The Group monitors credit risk of modified financial assets by evaluating qualitative and quantitative information, such as if the borrower is in past due status under the new terms.

When the contractual terms of a financial asset are modified and the modification does not result in derecognition, the Group determines if the financial asset's credit risk has increased significantly since initial recognition by comparing:

- the remaining lifetime PD estimated based on data at initial recognition and the original contractual terms; with
- the remaining lifetime PD at the reporting date based on the modified terms

For financial assets modified as part of the Group's forbearance policy, where modification did not result in derecognition, the estimate of PD reflects the Group's ability to collect the modified cash flows taking into account the Group's previous experience of similar forbearance action, as well as various behavioural indicators, including the borrower's payment performance against the modified contractual terms. If the credit risk remains significantly higher than what was expected at initial recognition the loss allowance will continue to be measured at an amount equal to lifetime ECL. The loss allowance on forborne loans will generally only be measured based on 12-month ECL when there is evidence of the borrower's improved repayment behaviour following modification leading to a reversal of the previous significant increase in credit risk.

Where a modification does not lead to derecognition the Group calculates the modification gain/loss comparing the gross carrying amount before and after the modification (excluding the ECL allowance). Then the Group measures ECL for the modified asset, where the expected cash flows arising from the modified financial asset are included in calculating the expected cash shortfalls from the original asset.



**3. Material accounting policies** (continued)  
**3.22 Financial assets** (continued)  
**3.22.10 Modification and derecognition of financial assets** (continued)

The Group derecognises a financial asset only when the contractual rights to the asset's cash flows expire (including expiry arising from a modification with substantially different terms), or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain/loss that had been recognised in OCI and accumulated in equity is recognised in profit or loss, with the exception of equity investment designated as measured at FVTOCI, where the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

On derecognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain/loss allocated to it that had been recognised in OCI is recognised in profit or loss. A cumulative gain/loss that had been recognised in OCI is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts. This does not apply for equity investments designated as measured at FVTOCI, as the cumulative gain/loss previously recognised in OCI is not subsequently reclassified to profit or loss.

**3.22.11 Write-off**

Loans and debt securities are written off when the Group has no reasonable expectations of recovering the financial asset (either in its entirety or a portion of it). This is the case when the Group determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off, or in the case of retail loan, when the amounts are over 180 days past due, whichever occurs sooner. A write-off constitutes a derecognition event. The Group may apply enforcement activities to financial assets written off. Recoveries resulting from the Group's enforcement activities will result in impairment gains.

**3.22.12 Presentation of allowance for ECL in the consolidated statement of financial position**

Loss allowances for ECL are presented in the consolidated statement of financial position as follows:

- for financial assets measured at amortised cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVTOCI: no loss allowance is recognised in the consolidated statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in the investments revaluation reserve;
- for loan commitments and financial guarantee contracts: as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Group cannot identify the ECL on the loan commitment component separately from those on the drawn component, the Group presents a combined loss allowance for both components. The combined amount is presented as a deduction from the gross carrying amount of the drawn component. Any excess of the loss allowance over the gross amount of the drawn component is presented as a provision.



**3. Material accounting policies (continued)**

**3.23 Equity instruments and financial liabilities**

Equity and debt instruments issued by a Group entity are classified as either equity or as financial liabilities in accordance with the substance of the contractual arrangements and the definitions of an equity instrument and a financial liability.

**3.23.1 Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain/loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

**3.23.2 Financial liabilities**

A financial liability is a contractual obligation to deliver cash or another financial asset or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Group or a contract that will or may be settled in the Group's own equity instruments and is a non-derivative contract for which the Group is or may be obliged to deliver a variable number of its own equity instruments, or a derivative contract over own equity that will or may be settled other than by the exchange of a fixed amount of cash (or another financial asset) for a fixed number of the Group's own equity instruments.

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

**3.23.2.1 Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which IFRS 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liabilities

**3.23.2.2 Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.



**3 Material accounting policies (continued)**

**3.23 Equity instruments and financial liabilities (continued)**

**3.23.2 Financial liabilities (continued)**

**3.23.2.3 Derecognition of financial liabilities**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability.

**3.23.2.4 Sale and Repurchase Agreements**

Securities sold subject to repurchase agreements (repos) are disclosed in the notes to the Group consolidated financial statements when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included as a separate deposit. Securities purchased under agreements to resell (reverse repos) are recorded as loans and receivables to either banks or customers, as appropriate. The difference between sale and repurchase price is treated as interest and accrued over the life of the agreements using the effective interest method.

**3.24 Investments in associates**

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies

The results and assets and liabilities of associates is incorporated in these consolidated financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is recognised initially in the condensed consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate, the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment separately.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the consolidated income statement.



**3. Material accounting policies (continued)**

**3.25 Taxation**

The income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period. A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the interim financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**4. Islamic financing and investing products and Islamic customers' deposits**

In addition to conventional banking products, the Group offers its customers certain non-interest based banking products, which are approved by its Sharia'a Supervisory Board. All Islamic banking products and related transactions are accounted for in accordance with its accounting policies for financial instruments and revenue recognition (see note 3).

**4.1 Definitions**

The following terms are used in the consolidated financial statements with the meaning specified:

**4.1.1 Murabaha**

A contract whereby the Group (the "Seller") sells an asset to its customer (the "Purchaser"), on a deferred payment basis, after purchasing the asset and gaining possession thereof and title thereto, where the Seller has purchased and acquired that asset, based on a promise received from the Purchaser to buy the asset once purchased according to specific Murabaha terms and conditions. The Murabaha sale price comprises the cost of the asset and a pre-agreed profit amount. The Murabaha sale price is paid by the Purchaser to the Seller on an instalment basis over the period of the Murabaha as stated in the contract.



**4. Islamic financing and investing products and Islamic customers' deposits (continued)**

**4.1.2 Ijarah**

An agreement whereby the Group (the "Lessor") leases an asset to its customer (the "Lessee") (after purchasing/acquiring the specified asset, either from a third party seller or from the customer itself, according to the customer's request and based on his promise to lease), against certain rental payments for specific lease term/periods, payable on fixed or variable rental basis.

The Ijarah agreement specifies the leased asset, duration of the lease term, as well as, the basis for rental calculation and the timing of rental payment. The Lessee undertakes under this agreement to renew the lease periods and pay the relevant rental payment amounts as per the agreed schedule and applicable formula throughout the lease term.

The Lessor retains the ownership of the asset throughout the lease term. At the end of the lease term, upon fulfillment of all the obligations by the Lessee under the Ijarah agreement, the Lessor will sell the leased asset to the Lessee at nominal value or as a gift by a separate sale or gift contract at the end of the lease period.

**4.1.3 Wakala**

An agreement between two parties whereby one party is a fund provider (the "Muwakkil") who provides a certain amount of money (the "Wakala Capital") to an agent (the "Wakeel"), who invests the Wakala Capital in a Sharia'a compliant manner and according to the feasibility study/investment plan submitted to the Muwakkil by the Wakeel. The Wakeel is entitled to a fixed fee (the "Wakala Fee") as a lump sum amount or a percentage of the Wakala Capital. The Wakeel may be granted any excess over and above a certain pre-agreed rate of return as a performance incentive. In principle, wakala profit is distributed on declaration/distribution by the Wakeel.

The Wakeel would bear the loss in case of its default, negligence or violation of any of the terms and conditions of the Wakala Agreement; otherwise the loss would be borne by the Muwakkil, provided the Muwakkil receives satisfactory evidence that such loss was due to force majeure and that the Wakeel neither was able to predict the same nor could have prevented the negative consequences of the same on the Wakala. Under the Wakala agreement the Group may act either as Muwakkil or as Wakeel, as the case may be.

**4.1.4 Sukuk**

Certificates of equal value representing undivided shares in ownership of tangible assets, usufructs, and services or (in the ownership of) the assets of particular projects or special investment activity. It is asset-backed trust certificates evidencing ownership of an asset or its usufruct (earnings or benefits) and complies with the principle of Shari'ah.

**5. Critical accounting judgments and key sources of estimation uncertainty**

In the application of the Group's accounting policies, which are described in note 3, the management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

**5.1 Critical judgments in applying the Group's accounting policies**

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements:



**5. Critical accounting judgments and key sources of estimation uncertainty (continued)**

**5.1 Critical judgments in applying the Group's accounting policies (continued)**

**5.1.1 Business model assessment**

Classification and measurement of financial assets depends on the results of the SPPI and the business model test (please see financial assets accounting policy in note 3.22). The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or fair value through other comprehensive income that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

**5.1.2 Significant increase of credit risk**

As explained in note 3.22.5, ECL are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information. Refer to note 38.1 for more details.

**5.1.3 Establishing groups of assets with similar credit risk characteristics**

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. Refer to note 38.1 for details of the characteristics considered in this judgement. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECL, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12-month or lifetime ECL but the amount of ECL changes because the credit risk of the portfolios differ.

**5.1.4 Models and assumptions used**

The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk. See note 3.22 and note 38.1 for more details on ECL and note 39 for more details on fair value measurement.

**5.1.5 Investment in MURJAN**

AKPI, a subsidiary of the Bank, has investment of 50% equity stake in MURJAN. In 2010, the court, on request of shareholders of MURJAN, issued an order to dissolve the company and approved appointment of liquidators. Since MURJAN is managed by liquidators, AKPI assessed that it does not exercise any control or significant influence over MURJAN and investment in MURJAN is classified as financial assets measured at FVTPL.



**5. Critical accounting judgments and key sources of estimation uncertainty (continued)**

**5.1 Critical judgments in applying the Group's accounting policies (continued)**

**5.1.6** Management applied significant judgement in concluding that the new equity investment amounting to AED 370 million does not meet the IFRS 9 definition of "held for trading" and, accordingly, made an irrevocable election at initial recognition to measure the instrument at fair value through other comprehensive income (FVOCI); this judgement was based on the purpose of the acquisition (received in settlement of debt), the absence at initial recognition and at 31 December 2025 of any plan, commitment or expectation to dispose of the shares in the near term in light of the investee's current financial position and the lack of an active market, and the fact that the investment is not managed to generate short-term profits or evaluated on a trading performance basis, and management reassessed these factors at the reporting date and concluded that the FVOCI classification remains appropriate.

**5.2 Key sources of estimation uncertainty**

The following are key estimations that the management has used in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements:

**5.2.1 Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and determining the forward looking information relevant to each scenario**

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Refer to note 38.1 for more details, including analysis of the sensitivity of the reported ECL to changes in estimated forward looking information.

**5.2.2 Probability of default**

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. See note 38.1 for more details.

**5.2.3 Loss Given Default**

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. See note 38.1.

**5.2.4 Fair value measurement and valuation process**

Certain assets and liabilities are measured at fair value for financial reporting purposes. The management determines the appropriate valuation techniques and inputs for fair value measurements. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group uses valuation models or engages third party qualified independent valuers to perform the valuation. Management works closely with the qualified independent valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 39.

**5.2.5 Impairment of property and equipment and investment properties**

The Group determines at each reporting date whether there is any objective evidence that the property and equipment and investment properties are impaired. The management estimates the market value of properties based on the current market conditions and comparative transactions conducted by the independent valuers not related to the Group and how have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. Whenever the carrying amount of any property exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



6. Cash and balances with the Central Bank of UAE

	2025 AED '000	2024 AED '000
Cash on hand	78,771	63,292
<b>Balance due from the Central Bank of UAE:</b>		
Current account	7,178	-
Statutory cash ratio requirements	774,250	510,142
Overnight deposits	950,000	1,000,000
	<u>1,810,199</u>	<u>1,573,434</u>

Statutory cash ratio requirements with the Central Bank of the UAE represent mandatory reserve deposits and are not available for use in the Group's day-to-day operations. The level of reserve required by Central Bank of the UAE changes every 14 days. Overnight deposits carry interest rate of 3.65% per annum (2024: 4.4% per annum).

7. Deposits and balances due from banks

	2025 AED '000	2024 AED '000
Demand and call deposits	146,756	96,092
Loan to banks	1,243,214	837,290
	<u>1,389,970</u>	<u>933,382</u>
ECL allowance	(4,920)	(3,020)
	<u>1,385,050</u>	<u>930,362</u>

Loan to banks carry interest rate of 4.7% to 6.7% per annum (2024: 3.8% to 7.8% per annum) maturing between 2026 to 2028 (2024: 2025 to 2027).

The geographical analysis of deposits and balances due to banks is as follows:

	2025 AED '000	2024 AED '000
Other G.C.C. Countries	194,253	133,528
Rest of the World	1,195,717	799,854
	<u>1,389,970</u>	<u>933,382</u>
ECL allowance	(4,920)	(3,020)
	<u>1,385,050</u>	<u>930,362</u>

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



8. Loans, advances and Islamic financing

	2025 AED '000	2024 AED '000
Mortgage loans	629,642	572,072
Credit cards	40,087	46,192
Other	421,616	385,902
	<u>1,091,345</u>	<u>1,004,166</u>
ECL allowance	(20,901)	(25,888)
<b>Net retail lending</b>	<u>1,070,444</u>	<u>978,278</u>
Loans	10,351,411	8,341,542
Overdrafts	1,267,174	1,603,448
Trust receipts	427,894	451,624
Bills discounted	364,859	337,424
	<u>12,411,338</u>	<u>10,734,038</u>
ECL allowance	(724,541)	(753,040)
<b>Net wholesale lending</b>	<u>11,686,797</u>	<u>9,980,998</u>
Murabaha	83,155	2,604,289
Ijarah	102,762	265,177
Others	-	6,269
	<u>185,917</u>	<u>2,875,735</u>
Deferred income	(3,369)	(63,432)
	<u>182,548</u>	<u>2,812,303</u>
ECL allowance	(11,863)	(188,667)
<b>Net Islamic financing</b>	<u>170,685</u>	<u>2,623,636</u>
<b>Net loans, advances and Islamic financing</b>	<u>12,927,926</u>	<u>13,582,911</u>

9. Investments in associates

Details of the Group's associates at the end of the reporting year are as follows:

	2025 AED '000	2024 AED '000
Investment in Tekle Holographics MENA Holding Ltd.	2,500	9,610
Investment in Arzaq Holdings (Private J.S.C.)	-	-
	<u>2,500</u>	<u>9,610</u>
Balance at 1 January	9,610	-
Acquisition during the year	-	10,000
Impairment Loss	(6,957)	-
Share of loss	(153)	(390)
Balance at 31 December	<u>2,500</u>	<u>9,610</u>



9. Investment in associates (continued)

These investments are accounted for using the equity method in these consolidated financial statements (note 3). In 2021, the Group stopped recognising its share of losses in Arzaq Holdings because it has no further obligations arising from incurring these losses. In 2025, the Group's proportionate share in the losses of Arzaq Holdings amounting to AED Nil (2024: AED 52000). Summarised financial information in respect of each of the Group's material associates is set out below

	Tekle Holographics MENA Holding Ltd		Arzaq Holdings (Private J.S.C.)	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Total assets	7,826	8,440	337	337
Total liabilities	-	-	18,608	18,608
(Loss) for the year	(613)	(1,560)	-	(52)

10. Receivables and other assets

	2025	2024
	AED '000	AED '000
Customer acceptances	607,483	427,063
Interest and profit receivable	46,369	38,810
Prepayments	14,918	13,668
Due from real estate developer and others	347,426	636,289
Sundry debtors and other receivables	165,771	182,311
	1,181,967	1,298,141
ECL allowance	(6,290)	(4,104)
	1,175,677	1,294,037

Due from real estate developer and others carry interest rate of 0% to 4.5% per annum (2024: 0% to 3.5% per annum) maturing between 2025 to 2028 (2024: 2025 to 2029).

11. Property inventory and others

The movements in property inventory and others during the year were as follows:

	2025	2024
	AED '000	AED '000
Balance at 1 January	213,761	458,670
Additions and repossessed during the year	139,736	410,786
Disposals during the year	(279,187)	(654,741)
Net realisable value adjustment during the year (note 32)	2,058	(954)
Balance at 31 December	76,368	213,761

All of the Group's property inventories and others are freehold properties located in the UAE and the MENA region.



11. Property inventory and others (continued)

The net realisable value of the Group's property inventory and others as at 31 December 2025 and 2024 has been arrived at on the basis of a valuation carried out on the respective dates by independent valuers not related to the Group. Independent valuers have appropriate qualifications and recent experience in the valuation of properties and others in the relevant locations. The net realisable value was determined based on either the market comparable approach that reflects recent transaction prices for similar properties or on a present value calculation of the estimated future cash flows supported by existing lease and current market rents for similar properties at the same location. The net realisable value adjustments have been included in profit or loss in the 'Net reversal of impairment on non-financial assets' line item.

12. Investment securities measured at fair value

The Group has designated the following investments in equity instruments and investment fund as these are investments that the Group plans to hold in the long term for strategic reasons. The Group has also assigned investment in equity stake in MURJAN and other investments as FVTPL (see note 5.1.5 of MURJAN). The table below shows fair value of these investments.

	2025	2024
	AED '000	AED '000
<b>Investment at FVTOCI</b>		
Investment in quoted shares	33,786	32,431
Investment in unquoted shares	392,903	14,486
Investment in unquoted investment fund	2,705	1,408
	429,394	48,325
<b>Investment at FVTPL</b>		
Investment in unquoted shares and others	365,253	259,463
	794,647	307,788

An analysis of concentration of investment securities measured at fair value by sector and by region is as follows:

	Within the UAE		Outside the UAE	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
Financial institutions	24,448	24,730	22,502	14,485
Government entities	8,759	8,426	-	-
Real estate	733,732	255,791	-	-
Other	5,206	4,357	-	-
	772,145	293,304	22,502	14,485



13. Investment securities measured at amortised cost

	2025 AED '000	2024 AED '000
Investment in debt instruments	1,598,648	1,436,862
Investment in Islamic Sukuk	980,419	820,953
Monetary bills	1,057,331	580,448
	<u>3,636,398</u>	<u>2,838,263</u>
ECL allowance	(17,890)	(13,702)
	<u>3,618,508</u>	<u>2,824,561</u>

The Group holds these investment securities with an average yield of 2.6 % to 8.6% per annum (2024: 2.7% to 8.6 % per annum). Monetary bills carry interest rate ranging between 3.9 % and 4.5 % per annum (2024: 4.2 % and 5.5 % per annum). At 31 December 2025, certain financial assets measured at amortised cost with an aggregate carrying value of AED 771.8 million (fair value of AED 792.3 million) (2024: carrying value of AED 420.7 million, fair value of AED 423.6 million) which were collateralised as at that date against repurchase agreements with banks ("Repo") of AED 719.4 million (2024: AED 384.1 million).

14. Investment properties

	2025 AED '000	2024 AED '000
<b>Cost:</b>		
Balance at 1 January	13,324	56,358
Disposals during the year	-	(43,034)
Balance at 31 December	<u>13,324</u>	<u>13,324</u>
<b>Accumulated depreciation and accumulated impairment:</b>		
Balance at 1 January	5,914	17,261
Disposals during the year	-	(11,251)
Depreciation charge for the year	518	710
Net impairment reversals during the year (note 32)	-	(806)
Balance at 31 December	<u>6,432</u>	<u>5,914</u>
<b>Carrying value:</b>		
Balance at 31 December	<u>6,892</u>	<u>7,410</u>



14. Investment properties (continued)

All of the Group's investment properties are freehold properties located in the U.A.E. These properties are classified as Level 3 in the fair value hierarchy, with a fair value as of 31 December 2025 amounting to AED 11.5 million (2024: AED 10.6 million). The Group's investment properties were valued as at 31 December 2025 by independent external professionally qualified valuers who hold recognized relevant professional qualifications and have recent experience in the locations and segments of the investment properties valued.

The valuations were determined based on a market value comparison / present value calculation of the estimated future cash flows supported by existing lease and current market rents for similar properties at the same locations. The interest rate, which is used to discount the future cash flows, reflects current market assessments of the uncertainty and timing of the cash flows. A 5% decrease in the recoverable amount would result in an impairment charge of AED 0.3 million (2024: AED 0.4 million).

During the year the Group recognised rental income of AED 1.3 million (2024: AED 0.2 million) from investment properties which is included in other operating income. The Group also incurred AED 0.3 million (2024: AED 0.4 million) operating expenses from investment property that generated rental income during the year.

15 Intangible assets

	IT Systems AED '000	Capital work in progress AED '000	Total AED '000
<b>Cost:</b>			
Balance at 1 January 2024	136,216	-	136,216
Additions during the year	1,018	13,601	14,619
Transfers from Capital work in progress (note 16)	2,012	-	2,012
Balance at 31 December 2024	<u>139,246</u>	<u>13,601</u>	<u>152,847</u>
Additions during the year	866	17,187	18,053
Transfers from Capital work in progress (note 16)	5,152	2,273	7,425
<b>Balance at 31 December 2025</b>	<u>145,264</u>	<u>33,061</u>	<u>178,325</u>
<b>Accumulated amortisation</b>			
Balance at 1 January 2024	109,046	-	109,046
Depreciation for the year	9,546	-	9,546
Balance at 31 December 2024	<u>118,592</u>	<u>-</u>	<u>118,592</u>
Depreciation for the year	8,653	-	8,653
<b>Balance at 31 December 2025</b>	<u>127,245</u>	<u>-</u>	<u>127,245</u>
<b>Carrying value:</b>			
<b>Balance at 31 December 2025</b>	<u>18,019</u>	<u>33,061</u>	<u>51,080</u>
Balance at 31 December 2024	<u>20,654</u>	<u>13,601</u>	<u>34,255</u>



Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)

16 Property and equipment

	Freehold land and buildings	Property improvements	Furniture, fixtures, equipment and vehicles	Right of use assets	Capital work in progress	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Cost:</b>						
Balance at 1 January 2024	41,285	37,218	72,999	42,825	7,170	201,497
Additions during the year	-	956	9,990	9,922	14,882	35,750
Transfers from Capital work in progress (note 15)	-	-	-	-	(2,012)	(2,012)
Disposals during the year	-	-	(249)	(10,653)	-	(10,902)
Adjustments	-	-	-	-	(418)	(418)
Balance at 31 December 2024	41,285	38,174	82,740	42,094	19,622	223,915
Additions during the year	-	163	1,852	4,713	11,540	18,268
Transfers from Capital work in progress (note 15)	-	-	1,912	-	(9,337)	(7,425)
Disposals during the year	-	(163)	-	(7,124)	-	(7,287)
<b>Balance at 31 December 2025</b>	<b>41,285</b>	<b>38,174</b>	<b>86,504</b>	<b>39,683</b>	<b>21,825</b>	<b>227,471</b>
<b>Accumulated depreciation and accumulated impairment:</b>						
Balance at 1 January 2024	2,882	21,101	61,422	21,630	-	107,035
Depreciation for the year	1,652	4,457	6,212	9,208	-	21,529
Disposals	-	-	(202)	(10,651)	-	(10,853)
Balance at 31 December 2024	4,534	25,558	67,432	20,187	-	117,711
Depreciation for the year	1,652	4,249	6,260	8,690	-	20,851
Disposals	-	(8)	-	(5,642)	-	(5,650)
<b>Balance at 31 December 2025</b>	<b>6,186</b>	<b>29,799</b>	<b>73,692</b>	<b>23,235</b>	<b>-</b>	<b>132,912</b>
<b>Carrying value:</b>						
<b>Balance at 31 December 2025</b>	<b>35,099</b>	<b>8,375</b>	<b>12,812</b>	<b>16,448</b>	<b>21,825</b>	<b>94,559</b>
Balance at 31 December 2024	36,751	12,616	15,308	21,907	19,622	106,204

43

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



17. Deposits and balances due to banks

	2025 AED '000	2024 AED '000
Demand and call deposits	89,752	175,187
Term borrowings	824,336	640,742
Islamic inter bank borrowings	18,638	367,290
Repurchase agreements with banks	719,359	384,179
	<b>1,652,085</b>	<b>1,567,398</b>

The above repurchase agreements with banks are at an average interest rate of 4.2% to 4.3% per annum (2024: 4.9% to 5% per annum). Collateral provided as security against these Repo borrowings are disclosed in Note 13 to the consolidated financial statements

The geographical analysis of deposits and balances due to banks is as follows:

	2025 AED '000	2024 AED '000
Within the UAE	1,152,989	577,449
Outside the UAE	499,096	989,949
	<b>1,652,085</b>	<b>1,567,398</b>

18. Customer accounts and other deposits

	2025 AED '000	2024 AED '000
Current accounts	2,692,800	2,483,321
Saving accounts	471,056	370,682
Time deposits	12,467,293	12,348,588
Other	275,221	227,556
	<b>15,906,370</b>	<b>15,430,147</b>

The geographical analysis of customers' deposits is as follows:

	2025 AED '000	2024 AED '000
Within the UAE	15,418,012	14,976,269
Outside the UAE	488,358	453,878
	<b>15,906,370</b>	<b>15,430,147</b>

Included in the above are Islamic accounts and deposits totalling to AED 926.6 million (2024: 3,317.6 million).

44



19. Payables and other liabilities

	2025 AED '000	2024 AED '000
Customer acceptances	607,483	427,063
Interest and profit payable	116,386	184,114
Provision for employees' end of service benefits (note 19.1)	56,761	52,049
ECL allowance on unfunded exposure	14,984	14,891
Tax payable (note 19.2)	30,912	20,796
Accounts payable, sundry creditors and other liabilities	219,426	146,136
	<u>1,045,952</u>	<u>845,049</u>

19.1 Retirement benefit plans

**Defined contribution plan**

The Group pays contributions for its eligible employees which are treated as defined contribution plans. The charge for the year in respect of these contributions is AED 7 million (2024: AED 5.4 million). As at the reporting date, pension payable of AED 0.9 million (2024: AED 0.7 million) has been classified under other liabilities.

**Defined benefit plan**

The Group provides for end of service benefits for its eligible employees. An actuarial valuation has been carried out as at 31 December 2025 and 2024 to ascertain present value of the defined benefit obligation. A registered actuary in the UAE was appointed to evaluate the same. The present value of the defined benefit obligation, and the related current and past service cost, were measured using the Projected Unit Credit Method. The principal assumptions used for the purposes of the actuarial valuations were as follows:

	2025	2024
Discount rate	4.91%	5.08%
Expected rate of salary increase	3.00%	3.00%

Movements in the present value of

	2025 AED '000	2024 AED '000
Balance at 1 January	52,049	47,706
Service cost	4,453	5,103
Interest expense	2,369	1,985
Remeasurement Loss	517	-
Benefits paid during the year	(2,627)	(2,745)
Balance at 31 December	<u>56,761</u>	<u>52,049</u>



19.1 Retirement benefit plans (continued)

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected rate of salary increase and turnover rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

If the discount rate increases by 50 basis points, the defined benefit obligation would decrease by 4.0% (2024: 4.2%), whereas a decrease in the discount rate by 50 basis points would result in a 4.2% increase in the obligation (2024: 4.5%).

Similarly, a 50 basis point increase in the expected rate of salary growth would lead to a 4.2% rise in the defined benefit obligation (2024: 4.4%), while a 50 basis point reduction in the expected salary growth rate would cause a 4% decrease in the obligation (2024: 4.2%).

19.2 Tax payable

The introduction of the UAE's Federal Corporate Tax regime in 2023 marked a fundamental milestone in the nation's fiscal framework, aligning the country with global tax standards and reinforcing its commitment to transparency and sustainable economic growth. The Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses became effective on 1 June 2023, and 2024 represented the first full year of implementation.

The Group's accounting year ends on 31 December, the tax period from 1 January 2025 to 31 December 2025 has to be filed on or before 30 September 2026. The taxable income of the entities that are in scope for UAE CT purposes is subject to the rate of 9% corporate tax.

The tax charge for year ended 31 December 2025 is AED 16.3 million (2024:AED 20.8 million), representing an Effective Tax Rate ("ETR") of 5.2%. (2024: 9.3%)

The tax liability of AED 30.9 million includes AED 13 million related to Value Added Tax (VAT).

20. Share capital

The authorised, issued, and paid-up capital of the Bank comprises 1,737,383,050 shares of AED 1 each (2024: 1,737,383,050 shares of AED 1 each). Fully paid-up shares carry one vote per share and carry a right to dividends.

21. Tier 1 Capital Securities

On 23 December 2015, the Bank issued Tier 1 Capital Securities (the "Capital Securities") through an SPV, CBI Tier 1 Private Ltd, (the "Issuer") amounting to USD 125 million (AED 459.1 million). These Capital Securities are perpetual and carry an interest rate of 5.993% per annum revised from the earlier rate of 6.5% per annum (calculated based on the relevant six-Years Mid Swap Rate plus 4.71% per annum) during the "initial period". After the initial period, at every reset date, interest would be calculated for the next reset period at the relevant six-Year Mid Swap Rate plus a margin of 4.71% per annum.

Interest is payable semi-annually in arrears on these Capital Securities. The "Initial Period" is the period (from and including) the Issue Date to (but excluding) the First Call Date. The "Reset Date" is the First Call Date and every sixth anniversary thereafter. These Capital Securities are callable by the Bank on 23 June 2026 and every interest payment date thereafter, subject to satisfying certain conditions (including the conditions of the agreement).

Tier 1 Capital Securities are perpetual, subordinated and unsecured. The Bank may elect not to pay a coupon at its own discretion, amongst other conditions. The holder of the Capital Securities does not have a right to claim the coupon and an election by the Bank not to service coupon is not considered an event of default.



22 Reserves

22.1 Statutory reserve

In accordance with UAE Federal Law no. 32 of 2021 on commercial companies and the Bank's Articles of Association, a transfer equivalent to at least 10% of the annual net profit is made annually to the statutory reserve until such reserve equals 50% of the paid-up share capital.

22.2 Investments revaluation reserve

The investments revaluation reserve represents accumulated gains and losses arising on the revaluation of financial assets carried at fair value through other comprehensive income.

22.3 CBUAE provision reserve

CBUAE provision reserve comprise of following.

	2025 AED '000	2024 AED '000
Specific provision reserve	-	-

In accordance with the requirements of CBUAE the excess of the credit impairment provisions calculated in accordance with CBUAE requirements over the ECL allowance for stage 3 exposures calculated under IFRS 9 was transferred to 'specific provision reserve' as an appropriation from retained earnings. This reserve was not available for payment of dividends. However, during the 2024 year, the CBUAE ceased the specific provision reserve requirements, leading to the release of all previously booked provisions back to retained earnings in the amount of AED 271.9 million in line with New Credit Risk Management Standards.

The movement in these reserves is as follows:

	Statutory reserve AED '000	Investment revaluation reserve AED '000	CBUAE specific provision reserve AED '000	Total AED '000
<b>2025</b>				
As at 1 January	337,530	(48,358)	-	289,172
Other comprehensive income	-	17,213	-	17,213
Transfer from retained earning	29,478	-	-	29,478
<b>As at 31 December</b>	<b>367,008</b>	<b>(31,145)</b>	<b>-</b>	<b>335,863</b>
<b>2024</b>				
As at 1 January	317,313	(63,921)	271,899	525,291
Other comprehensive income	-	2,634	-	2,634
Transfer from/(to) retained earning	20,217	12,929	(271,899)	(238,753)
<b>As at 31 December</b>	<b>337,530</b>	<b>(48,358)</b>	<b>-</b>	<b>289,172</b>



23. Non-controlling interests

Non-controlling interests in respect of the Group's non-wholly owned subsidiary is set out below.

	% of ownership and voting rights		Profit allocated to non-controlling interests for the year		Non-controlling Interests as at 31 December	
	2025	2024	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
AKPI	53.0%	53.0%	46,154	676	166,887	120,733
			<b>46,154</b>	<b>676</b>	<b>166,887</b>	<b>120,733</b>

Summarised financial information in respect of AKPI that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

	2025 AED '000	2024 AED '000
Current assets	360,626	255,791
Non-current assets	-	-
<b>Total assets</b>	<b>360,626</b>	<b>255,791</b>
Current and non-current liabilities	5,550	-
Equity attributable to the owners of AKPI	355,076	255,791
<b>Total liabilities and equity</b>	<b>360,626</b>	<b>255,791</b>
Net income from financial assets at FVTPL	104,792	2,096
<b>Profit for the year</b>	<b>104,792</b>	<b>2,096</b>
<b>Total comprehensive income for the year</b>	<b>104,792</b>	<b>2,096</b>
<b>Total comprehensive income for the year attributable to:</b>		
Owners of AKPI	58,638	1,420
Non-controlling interests	46,154	676
	<b>104,792</b>	<b>2,096</b>

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



24. Interest income

	2025 AED '000	2024 AED '000
Loans and overdrafts	664,716	738,649
Bills discounted	10,074	15,208
Loans to banks	55,206	57,782
Debt instruments	114,957	119,149
Placements with banks	39,778	47,676
	<u>884,731</u>	<u>978,464</u>

25. Income from Islamic financing and investing assets

	2025 AED '000	2024 AED '000
Murabaha	51,138	46,037
Ijarah	16,003	23,945
Islamic sukuk	38,443	34,521
	<u>105,584</u>	<u>104,503</u>

26. Interest expense

	2025 AED '000	2024 AED '000
Customers' deposits	467,577	508,237
Borrowings from banks	48,609	103,000
Others	3,299	2,637
	<u>519,485</u>	<u>613,874</u>

27. Distribution to Islamic depositors

	2025 AED '000	2024 AED '000
Islamic customers' deposits	72,502	97,783
Islamic investment deposits from banks	8,710	27,313
	<u>81,212</u>	<u>125,096</u>

28. Net fee and commission income

	2025 AED '000	2024 AED '000
<b>Fee and commission income:</b>		
Commission on trade finance products	71,504	59,622
Advisory fee	50,802	38,416
Facility processing fee	35,939	29,513
Clearing and settlement fee	6,617	10,791
Credit card related fee	9,659	8,926
Banking and account service fee and commission	8,837	7,476
Other	4,975	4,988
	<u>188,333</u>	<u>159,732</u>

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



28. Net fee and commission income (continued)

	2025 AED '000	2024 AED '000
<b>Fee and commission expense:</b>		
Credit card related expenses	(17,519)	(16,075)
Other	(4,626)	(5,327)
	<u>(22,145)</u>	<u>(21,402)</u>
	<u>166,188</u>	<u>138,330</u>

29. Other operating income, net

	2025 AED '000	2024 AED '000
Foreign exchange gains	31,582	7,370
Net income from financial assets at FVTPL	94,842	20,332
Gain on sale of non-financial assets	113,277	190,195
Other	2,940	3,398
	<u>242,641</u>	<u>221,295</u>

30. General and administrative expenses

	2025 AED '000	2024 AED '000
Payroll and related expenses	270,991	254,230
Depreciation and amortisation	30,025	31,785
Legal and consultation fees	16,192	17,088
Maintenance costs	29,415	28,824
Other	67,132	45,737
	<u>413,755</u>	<u>377,664</u>

There were no social contributions for the years ended 31 December 2025 and 2024.

31. Net impairment charge on financial assets

	2025 AED '000	2024 AED '000
ECL charge for the year, net of reversals	(109,823)	(140,448)
Net recoveries against written off loans	41,256	37,679
	<u>(68,567)</u>	<u>(102,769)</u>

32. Net Impairment reversal / (charge) on non-financial assets

	2025 AED '000	2024 AED '000
Impairment reversal / (charge) on property inventory (note 11)	2,058	(954)
Impairment reversal on investment properties (note 14)	-	806
	<u>2,058</u>	<u>(148)</u>



### 33. Income tax expense

The charge for the year is calculated based upon the adjusted net profit for the year at rates of tax applicable. The charge to the consolidated income statement for the year is as follows:

	2025 AED '000	2024 AED '000
<b>Corporation income tax</b>		
Charge for the year	16,287	20,796
<b>Tax recognised in Statement of other Comprehensive Income</b>		
Current tax in other comprehensive income	1,652	-

Reconciliation of Group's tax on profit based on accounting and profit as per the tax laws is as follows:

	2025 AED '000	2024 AED '000
<b>Profit before taxation</b>	311,073	222,651
Tax at the company domestic rate of 9%	27,963	20,039
Tax effect of income not taxable in determining taxable profit	(13,848)	(66)
Tax effect of expenses that are not deductible in determining taxable profit	2,172	823
<b>Total income tax expense for the year</b>	16,287	20,796
Effective Tax Rate	5.2%	9.3%

#### Statement of Other Comprehensive Income

Items that will not be reclassified subsequently to profit or loss:

Changes in fair value of financial assets measured at fair value through other comprehensive income	1,698	-
Remeasurement of net defined benefit liability	(46)	-
Tax charges	1,652	-

### 34. Contingent liabilities and commitments

To meet the financial needs of customers, the Group enters into various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to provide a loan. Even though these obligations may not be recognised on the consolidated statement of financial position, they do contain credit risk and are therefore part of the overall risk of the Group.

#### 34.1 Letters of credit and guarantees

Letters of credit and guarantees (including standby letters of credit) commit the Group to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Guarantees and standby letters of credit carry a similar credit risk to loans. The contractual amounts of contingent liabilities are set out in the following table by category. The amounts reflected in the table represent the maximum accounting loss that would be recognised at the end of reporting period if counterparties failed to perform as contracted.

	2025 AED '000	2024 AED '000
Guarantees	4,376,060	3,191,527
Letters of credit	623,496	419,363
	<u>4,999,556</u>	<u>3,610,890</u>



### 34.2 Other commitments

At any time, the Group has outstanding irrevocable commitments to provide a loan. These commitments are in the form of approved loan facilities. For the loan commitments reflected in the table below, it is assumed that the amounts are fully advanced

	2025 AED '000	2024 AED '000
Loan commitments	3,071,770	2,008,741
Capital commitments	44,836	42,441
	<u>3,116,606</u>	<u>2,051,182</u>

### 35 Basic and diluted earnings per share

Earnings per share are calculated by dividing the profit for the year attributed to the owners of the Bank less interest paid on Tier 1 Capital Securities by the weighted average number of shares in issue throughout the period as follows:

	2025 AED '000	2024 AED '000
Profit for the period attributable to owners of the Bank	248,632	201,179
Deduct: Interest on Tier 1 capital securities	(27,522)	(27,520)
Net profit attributable to equity holders	221,110	173,659
Weighted average number of shares in issue	1,737,383	1,737,383
Earnings per share* (AED)	0.13	0.10

\*The diluted and basic earnings per share were the same for the year ended 31 December 2025 and 2024.

### 36.1 Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following balances:

	2025 AED '000	2024 AED '000
Cash and balances with the Central Bank (note 6)	1,810,199	1,573,434
Deposits and balances due from banks (note 7)	1,389,970	933,382
Financial assets measured at amortized cost (note 13)	1,057,331	580,448
	<u>4,257,500</u>	<u>3,087,264</u>
Less: Statutory reserve with the Central Bank of the UAE	(774,250)	(510,142)
Less: Balances due from banks with original maturity of 90 days or more	(1,243,214)	(837,290)
Less: Financial assets measured at amortized cost with original maturity of 90 days or more	(952,780)	(175,000)
	<u>1,287,256</u>	<u>1,564,832</u>

### 36.2 Non-cash transactions

This is an addition of AED 364 million, during the year in Investment in fair value through OCI which was acquired through settlement of debt.



37. Classification of financial assets and financial liabilities

37.1 Non-derivative and derivative financial assets and financial liabilities

	At fair value		At amortised cost		Total	
	2025	2024	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Non-derivative financial assets</b>						
Cash and balances with the Central Bank	-	-	1,810,199	1,573,434	1,810,199	1,573,434
Deposits and balances due from banks	-	-	1,389,970	933,382	1,389,970	933,380
Loans, advances and Islamic financing	-	-	13,685,231	14,550,507	13,685,231	14,550,507
Receivables and other assets	-	-	1,161,350	1,278,775	1,161,350	1,278,775
Investment securities at fair value	794,647	307,788	-	-	794,647	307,788
Investment securities measured at amortised cost	-	-	3,636,398	2,838,263	3,636,398	2,838,263
	<b>794,647</b>	<b>307,788</b>	<b>21,683,148</b>	<b>21,174,359</b>	<b>22,477,795</b>	<b>21,482,147</b>
<b>Derivative financial assets - FVTPL</b>	<b>1,692</b>	<b>10,324</b>	<b>-</b>	<b>-</b>	<b>1,692</b>	<b>10,324</b>
	<b>796,339</b>	<b>318,112</b>	<b>21,683,148</b>	<b>21,174,359</b>	<b>22,479,487</b>	<b>21,492,471</b>
<b>Non-derivative financial liabilities</b>						
Balance due to the Central Bank	-	-	-	-	-	-
Deposits and balances due to banks	-	-	1,652,085	1,567,398	1,652,085	1,567,398
Customer accounts and other deposits	-	-	15,906,370	15,430,147	15,906,370	15,430,147
Payables and other liabilities	-	-	943,295	779,964	943,295	779,964
	-	-	18,501,750	17,777,509	18,501,750	17,777,509
<b>Derivative financial liabilities - FVTPL</b>	<b>6,821</b>	<b>2,155</b>	<b>-</b>	<b>-</b>	<b>6,821</b>	<b>2,155</b>
	<b>6,821</b>	<b>2,155</b>	<b>18,501,750</b>	<b>17,777,509</b>	<b>18,508,571</b>	<b>17,779,664</b>



38. Financial risk management

The Group has exposure to the following primary risks from its use of financial instruments. The exposures to these risks and how they arise has remained unchanged from last year.

- Credit Risk
- Liquidity risk
- Interest rate risk
- Market risk
- Operational risk

The following section discusses the Group's risk management policies which remain unchanged from last year.

38.1 Credit risk

Credit risk is the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's main income generating activity is lending to customers and therefore credit risk is a principal risk. Credit risk mainly arises from loans and advances to customers, Islamic financing and investing assets and other banks (including related commitments to lend such as loan or credit card facilities), investments in debt securities and derivatives that are an asset position. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

38.1.1 Management of credit risk

The Group's Credit and Risk Committee are responsible for managing the Group's credit risk by:

- Ensuring that the Group has appropriate credit risk practices, which is based on an approved risk appetite framework, including an effective system of internal control, to consistently determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS and relevant supervisory guidance.
- Identifying, assessing and measuring credit risk across the Group, from an individual instrument to a portfolio level.
- Creating credit policies to protect the Group against the identified risks including the requirements to obtain collateral from borrowers, to perform robust ongoing credit assessment of borrowers and to continually monitor exposures against internal risk limits.
- Limiting concentrations of exposure by type of asset, counterparties, industry, credit rating, geographic location etc.
- Establishing a robust control framework regarding the authorisation structure for the approval and renewal of credit facilities.



**38. Financial risk management** (continued)

**38.1 Credit risk** (continued)

- Developing and maintaining the Group's risk grading to categorise exposures according to the degree of risk of default. Risk grades are subject to regular reviews.
- Developing and maintaining the Group's processes for measuring ECL including monitoring of credit risk, incorporation of forward looking information and the method used to measure ECL.
- Ensuring that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.
- Establishing a sound credit risk accounting assessment and measurement process that provides it with a strong basis for common systems, tools and data to assess credit risk and to account for ECL. Providing advice, guidance and specialist skills to business units to promote best practice throughout the Group in the management of credit risk.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed and implemented.

**38.1.2 Significant increase in credit risk**

As explained in note 3 the Group monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Group will measure the loss allowance based on lifetime rather than 12-month ECL.

**Internal credit risk ratings**

The Group's credit risk grading framework comprises twenty-two categories. The credit rating information is based on a range of data that is determined to be predictive of the risk of default and applying experienced credit judgement. The nature of the exposure and type of borrower are taken into account in the analysis. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default.

The credit risk grades are designed and calibrated to reflect the risk of default as credit risk deteriorates. As the credit risk increases the difference in risk of default between grades changes. Each exposure is allocated to a credit risk grade at initial recognition, based on the available information about the counterparty. All exposures are monitored and the credit risk grade is updated to reflect current information. The monitoring procedures followed are both general and tailored to the type of exposure.

The following data are typically used to monitor the Group's exposures:

- Payment record, including payment ratios and ageing analysis;
- Extent of utilisation of granted limit;
- Forbearances (both requested and granted);
- Changes in business, financial and economic conditions;
- Credit rating information supplied by external rating agencies;
- For retail exposures: internally generated data of customer behaviour, affordability metrics etc.; and
- For wholesale exposures: information obtained by periodic review of customer files including review of audited financial statements, analysis of market data such as prices of credit default swaps (CDS) or quoted bonds where available, assessment for changes in the sector in which the customer operates etc.



**38. Financial risk management** (continued)

**38.1 Credit risk** (continued)

The Group uses credit risk grades as a primary input into the determination of the term structure of the PD for exposures. The Group collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading. The information used is both internal and external depending on the portfolio assessed. The table below provides a mapping of the Group's internal credit risk grades to external ratings.

Risk grade	Description	Moody's rating
1	Low to fair risk	Aaa
2+	Low to fair risk	Aa1
2	Low to fair risk	Aa2
2-	Low to fair risk	Aa3
3+	Low to fair risk	A1
3	Low to fair risk	A2
3-	Low to fair risk	A3
4+	Low to fair risk	Baa1
4	Low to fair risk	Baa2
4-	Standard monitoring	Baa3
5+	Standard monitoring	Ba1
5	Standard monitoring	Ba2
5-	Standard monitoring	Ba3
6+	Watch and special monitoring	B1
6	Watch and special monitoring	B2
6-	Watch and special monitoring	B3
7+	Watch and special monitoring	Caa1
7	Watch and special monitoring	Caa2
7-	Watch and special monitoring	Caa3
8	Default: Substandard	Ca - C
9	Default: Doubtful	Ca - C
10	Default: Impaired	Ca - C

The Group uses different criteria to determine whether credit risk has increased significantly per portfolio of assets. The criteria used are both quantitative changes in PDs as well as qualitative. The table below summarises certain indicative qualitative indicators assessed.

**Qualitative indicators assessed**

Retail lending	Changes in performance behaviour of borrower or portfolio (past due days), LTV ratio (for mortgage loans), extension to the terms granted, actual or expected forbearance or restructuring, blacklisted employers or loss of job, adverse change in economic conditions, uncollateralised bullet payment loans.
Wholesale lending	Significant change in operating results of a borrower, significant adverse change in regulatory, economic or technological environment, actual or expected forbearance or restructuring, early signs of cash flows and liquidity problems, past due days, internal ratings downgrade, significant increase in exposure at default due to change in collateral value, uncollateralised bullet payment loans.
Due from banks	increase in credit spread, external credit ratings
Debt instruments	Significant increase in credit spread, external credit ratings
Financial guarantee contract	Increase in credit risk of other financial instruments of the borrower



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.2 Significant increase in credit risk (continued)

Loan commitments are assessed along with the category of loan the Group is committed to provide, i.e. commitments to provide mortgages are assessed using similar criteria to mortgage loans, while commitments to provide a wholesale loan are assessed using similar criteria to wholesale loans.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group has monitoring procedures in place to make sure that the criteria used to identify significant increases in credit risk are effective, meaning that significant increase in credit risk is identified before the exposure is defaulted or when the asset becomes 30 days past due. The Group performs periodic back-testing of its ratings to consider whether the drivers of credit risk that led to default were accurately reflected in the rating in a timely manner.

38.1.3 Incorporation of forward-looking information

The Group incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. The expected credit losses have been determined using three forward-looking scenarios – Upside, Baseline and Downside. A single ECL is calculated for each deal/account weighted by the likelihood of scenario occurring.

Based on the historical data on key macroeconomic indicators which are sourced from Moody's Data Buffet, the Group formulates a 'base case' view of the future direction of the economic outlook that drives the default rates of each portfolio of financial instruments. The baseline scenario represents a most-likely outcome and is aligned with information used by the Group for other purposes such as strategic planning and budgeting and other business activities. The adverse scenario represent more pessimistic outcomes, while upside scenario represents a scenario where the economy will outperform the baseline.

The Group redeveloped macroeconomic models to incorporate the recent data and portfolio changes. Using robust macroeconomic modelling methodology, Group identified and documented the key macroeconomic factors that drives the change in default rates of each portfolio of financial instruments. Following key macroeconomic data and forecasts provided by Moody's Data Buffet have been utilized by the Group to incorporate the probability weighted forward-looking information into the PD and LGD term structures used for the ECL calculation :

- National Accounts: Potential Real Gross Domestic Product, (Bil. 2010 AED)
- Hotel occupancy, (%) - Abu Dhabi
- Residential property prices: All dwellings, (Index 2010=100) - Abu Dhabi
- Real Residential property prices: All dwellings, (Index 2010=100) - Abu Dhabi
- Residential property prices: All dwellings, (AED per m<sup>2</sup>) - Dubai
- Real Residential property prices: All dwellings, (2010 AED per m<sup>2</sup>) - Abu Dhabi
- Consumer Price Index, (Index 2021=100)
- Share Price Index: ADX General Index, (Index)
- Industrial Production: Total - Abu Dhabi, (Index 2021=100)
- Labor Force Survey: Unemployment Rate, (%)
- Interest Rate: 3-month EIBOR, (% p.a.)



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.3 Incorporation of forward-looking information (continued)

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2025 for the years 2026 to 2028, for the UAE, which is the country where the Group operates and therefore is the country that has a material impact on ECL.

December 25	2026	2027	2028
<b>National Accounts: Potential Real Gross Domestic Product, (Bil. 2010 AED)</b>			
· Upside scenario	2,033	2,135	2,223
· Baseline scenario	2,006	2,083	2,160
· Downside scenario	1,956	1,992	2,054
<b>Hotel occupancy, (%) - Abu Dhabi</b>			
· Upside scenario	74.00	73.21	72.51
· Baseline scenario	71.22	71.57	71.90
· Downside scenario	64.78	68.38	72.37
<b>Residential property prices: All dwellings, (Index 2010=100) - Abu Dhabi</b>			
· Upside scenario	122	129	135
· Baseline scenario	116	122	128
· Downside scenario	92	93	100
<b>Real Residential property prices: All dwellings, (Index 2010=100) - Abu Dhabi</b>			
· Upside scenario	109	111	113
· Baseline scenario	105	106	108
· Downside scenario	86	83	86
<b>Residential property prices: All dwellings, (AED per m<sup>2</sup>) - Dubai</b>			
· Upside scenario	25,386	28,498	31,593
· Baseline scenario	24,230	27,036	30,060
· Downside scenario	19,100	20,570	23,419
<b>Real Residential property prices: All dwellings, (2010 AED per m<sup>2</sup>) - Abu Dhabi</b>			
· Upside scenario	13,285	13,632	13,875
· Baseline scenario	12,795	13,012	13,246
· Downside scenario	10,520	10,177	10,475
<b>Consumer Price Index, (Index 2021=100)</b>			
· Upside scenario	112	114	117
· Baseline scenario	112	114	116
· Downside scenario	111	112	115
<b>Share Price Index: ADX General Index, (Index)</b>			
· Upside scenario	10,813	10,886	11,098
· Baseline scenario	10,078	10,251	10,505
· Downside scenario	7,436	8,092	8,740



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.3 Incorporation of forward-looking information (continued)

December 25

Industrial Production: Total - Abu Dhabi, (Index 2021=100)	2026	2027	2028
· Upside scenario	146	154	161
· Baseline scenario	143	150	157
· Downside scenario	135	139	149

Labor Force Survey: Unemployment Rate, (%)

· Upside scenario	1	2	2
· Baseline scenario	2	2	2
· Downside scenario	3	2	2

Interest Rate: 3-month EIBOR, (% p.a.,)

· Upside scenario	3	3	3
· Baseline scenario	3	3	3
· Downside scenario	2	1	2

The table below summarises the principal macroeconomic indicators included in the economic scenarios used at 31 December 2024 for the years 2025 to 2027, for the UAE, which is the country where the Group operates and therefore is the country that has a material impact on ECL.

December 24

General government debt to GDP ratio, (% NSA)	2025	2026	2027
· Upside scenario	22	23	25
· Baseline scenario	27	28	29
· Downside scenario	38	41	39

House Price Index: Real, (Index 2010=100, NSA)

· Upside scenario	143	150	159
· Baseline scenario	137	143	152
· Downside scenario	112	112	120

Energy: Production - Crude oil including lease condensate, (Mil. Bbl per day, NSA)

· Upside scenario	4	4	4
· Baseline scenario	4	4	4
· Downside scenario	3	4	4

National accounts: Gross domestic product [GDP] - Real - Abu Dhabi, (Mil. 2017 USD, SAAR)

· Upside scenario	248,984	255,266	263,632
· Baseline scenario	241,930	247,533	255,505
· Downside scenario	225,349	229,435	240,651

Residential property prices - Abu Dhabi: All dwellings, (Index 2010=100, NSA)

· Upside scenario	107	112	118
· Baseline scenario	102	106	112
· Downside scenario	80	81	87

Unit labor cost, (Index 2010=100, SA)

· Upside scenario	138	141	140
· Baseline scenario	134	136	136
· Downside scenario	136	136	134



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.3 Incorporation of forward-looking information (continued)

December 2024

Share Price Index: ADX General Index, (Index, NSA)	2025	2026	2027
· Upside scenario	9,871	9,911	10,274
· Baseline scenario	9,193	9,406	9,810
· Downside scenario	5,995	7,300	7,950

General Government Finance: Revenue, (Bil. AED, SAAR)

· Upside scenario	605	533	512
· Baseline scenario	513	507	489
· Downside scenario	367	419	427

National accounts: Gross domestic product [GDP] - Real - Dubai, (Mil. 2017 USD, NSAAR)

· Upside scenario	136,618	142,704	148,795
· Baseline scenario	132,748	138,381	144,208
· Downside scenario	123,650	128,264	135,825

Residential property prices - Dubai: All dwellings, (AED per m<sup>2</sup>, NSA)

· Upside scenario	21,006	23,364	26,078
· Baseline scenario	20,050	22,165	24,812
· Downside scenario	15,805	16,864	19,331

There has been no significant sensitivity impact on ECL if the macroeconomic variables (defined above) were to change by the base case, upside and downside scenarios.

Following risk parameters have been used by the Bank to measure the ECL:

- (a) probability of default (PD);
- (b) loss given default (LGD); and
- (c) exposure at default (EAD).

As explained above these parameters are generally derived from internally developed statistical models and other historical data and they are adjusted to reflect probability-weighted forward-looking information.

PD is the predicted probability that a pool of obligors will default over the predefined future time horizon. For each portfolio of financial instruments, PDs are estimated using robust statistical models – rating models for wholesale facilities and roll rate models for retail facilities. These statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Macroeconomic adjustment of the PD has been carried out as described above to reflect forward-looking information.

LGD is an estimate of the loss arising on default. The Group estimates the LGD based on the difference between contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from any collateral. The LGD models for secured assets consider forecasts of future collateral valuation taking into account sale discounts, time to realisation of collateral, cross collateralisation and seniority of claim, cost of realisation of collateral and cure rates (i.e. exit from non-performing status).

LGD models for unsecured assets consider time of recovery, recovery rates and seniority of claims. The calculation is on a discounted cash flow basis, where the cash flows are discounted using the original EIR of the loan. Macroeconomic adjustment of the LGD has been carried out using the Basel LGD link function to reflect forward-looking information.

EAD is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and expected drawdowns on committed facilities.



**38. Financial risk management (continued)**

**38.1 Credit risk (continued)**

**38.1.4 Measurement of ECL (continued)**

The Group's modelling approach for EAD reflects expected changes in the balance outstanding over the lifetime of the loan exposure that are permitted by the current contractual terms, such as amortisation profiles, changes in utilisation of undrawn commitments and credit mitigation actions taken before default. The Group uses EAD models that reflect the characteristics of the portfolios.

The Group measures ECL considering the risk of default over the maximum contractual period (including extension options) over which the entity is exposed to credit risk and not a longer period, even if contract extension or renewal is common business practice. However, for financial instruments such as credit cards, revolving credit facilities and overdraft facilities that include both a loan and an undrawn commitment component, the Group's contractual ability to demand repayment and cancel the undrawn commitment does not limit the Group's exposure to credit losses to the contractual notice period.

For such financial instruments the Group measures ECL over the period that it is exposed to credit risk and ECL would not be mitigated by credit risk management actions, even if that period extends beyond the maximum contractual period. These financial instruments do not have a fixed term or repayment structure and have a short contractual cancellation period. However, the Group does not enforce, in the normal day-to-day management, the contractual right to cancel these financial instruments.

This is because these financial instruments are managed on a collective basis and are cancelled only when the Group becomes aware of a significant increase in credit risk at the facility level. This longer period is estimated taking into account the credit risk management actions that the Group expects to take to mitigate ECL, e.g. reduction in limits or cancellation of the loan commitment.

**38.1.5 Groupings based on shared risks characteristics**

When ECL are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics such as instrument type, credit risk grade, utilisation band and collateral type. The groupings are reviewed on a regular basis to ensure that each group is comprised of homogenous exposures.

**38.1.6 Credit quality**

**Credit risk concentrations**

An analysis of the Group's credit risk concentrations per class of financial asset, subject to impairment, is provided in the following tables. The amounts in the table represent gross carrying amounts. For loan commitments and financial guarantee contracts, the amounts in the table represent the amounts committed or guaranteed, respectively.

<b>Concentration by sector</b>	<b>2025</b>	<b>2024</b>
	<b>AED '000</b>	<b>AED '000</b>
<b>Balances with Central Bank</b>		
Central Bank of the UAE	1,810,199	1,573,434
<b>Deposits and balances due from banks</b>		
Other banks	1,389,970	933,382
<b>Loans, advances and Islamic financing</b>		
<i>Retail lending</i>		
Secured lending	629,642	572,072
Unsecured lending	461,702	432,094
	<b>1,091,344</b>	<b>1,004,166</b>



**38.1.6 Credit quality (continued)**

**Concentration by sector (continued)**

	<b>2025</b>	<b>2024</b>
	<b>AED '000</b>	<b>AED '000</b>
<i>Wholesale lending</i>		
Real estate	4,687,083	2,514,944
Construction	837,678	754,173
Trade	1,622,108	1,254,558
Manufacturing	1,075,898	1,114,576
Transport, storage and communication	237,083	245,349
Gas, electricity and water	696,384	1,014,539
Government	602,274	707,807
Non-banking financial institutions	239,785	166,753
Investment/ Holding Companies	1,375,795	1,786,780
Recreation/ Entertainment	344,104	537,438
Other	693,146	637,121
	<b>12,411,338</b>	<b>10,734,038</b>

*Islamic financing and investing assets (wholesale lending)*

Real estate	16,601	2,325,658
Construction	12,360	121,813
Trade	25,934	47,524
Manufacturing	24,729	63,044
Non-banking financial institutions	-	16,053
Other	102,925	238,211
	<b>182,549</b>	<b>2,812,303</b>
	<b>13,685,231</b>	<b>14,550,507</b>

**Receivables and other assets**

Construction	121,132	78,150
Trade	113,347	108,122
Manufacturing	386,858	247,681
Real Estate	261,288	636,289
Bank & Financial Institutions	46,272	-
Other	146,308	208,533
	<b>1,075,205</b>	<b>1,278,775</b>

**Investment securities measured at amortised cost**

Sovereign governments	2,675,853	2,201,141
Financial Institutions and other	659,829	637,122
Real Estate	263,992	-
Transport, Storage & Communication	36,724	-
	<b>3,636,398</b>	<b>2,838,263</b>

**Loan commitments, letters of credit and financial guarantee contracts**

Retail lending	175,010	171,370
Real estate	105,226	136,121
Construction	5,272,998	3,298,485
Trade	677,555	772,491
Manufacturing	1,001,665	642,570
Transport, storage and communication	23,889	15,889
Oil, gas, and petroleum products	-	89,974
Government	303,694	5,350
Financial institutions and non-banking financial institutions	97,666	176,153
Other	413,623	311,229
	<b>8,071,326</b>	<b>5,619,632</b>
	<b>29,668,329</b>	<b>26,793,993</b>

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.6 Credit quality (continued)

Concentration by region

	2025	2024
	AED '000	AED '000
The UAE	25,653,246	24,009,336
The GCC	1,932,753	1,066,284
Other Arab countries	224,855	292,797
Europe	128,919	102,093
The USA	60,497	53,917
Asia	1,270,779	1,034,710
Other	397,280	234,856
	<u>29,668,329</u>	<u>26,793,993</u>

Credit risk exposure per class of financial asset and stage

Summarised information of the Group's credit risk exposure per class of financial asset (subject to impairment) is provided in following table;

	31-Dec-25			31-Dec-24		
	Gross carrying amount	ECL allowance	Carrying amount	Gross carrying amount	ECL allowance	Carrying amount
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Balances with the Central Bank of the UAE</b>						
Stage 1	1,810,199	-	1,810,199	1,573,434	-	1,573,434
<b>Deposits and balances due from banks</b>						
Stage 1	1,389,970	(4,920)	1,385,050	933,382	(3,020)	930,362
<b>Loans, advances and Islamic financing</b>						
Stage 1	10,895,788	(44,153)	10,851,635	10,791,067	(52,678)	10,738,389
Stage 2	973,790	(165,811)	807,979	1,441,648	(231,830)	1,209,818
Stage 3	1,815,653	(547,341)	1,268,312	2,317,792	(683,088)	1,634,704
	<u>13,685,231</u>	<u>(757,305)</u>	<u>12,927,926</u>	<u>14,550,507</u>	<u>(967,596)</u>	<u>13,582,911</u>
<b>Receivables and other assets (excluding prepayments and advances)</b>						
Stage 1	911,134	(5,130)	906,004	1,073,438	(3,151)	1,070,287
Stage 2	54,096	(1,160)	52,936	42,214	(953)	41,261
Stage 3	109,975	-	109,975	163,123	-	163,123
	<u>1,075,205</u>	<u>(6,290)</u>	<u>1,068,915</u>	<u>1,278,775</u>	<u>(4,104)</u>	<u>1,274,671</u>
<b>Investment securities measured at amortised cost</b>						
Stage 1	3,636,398	(17,890)	3,618,508	2,838,263	(13,702)	2,824,561
<b>Loan commitments, letters of credit and financial guarantee contracts</b>						
Stage 1	7,777,400	(11,908)	7,765,492	5,262,564	(9,243)	5,253,321
Stage 2	270,382	(2,855)	267,527	277,052	(5,427)	271,625
Stage 3	23,544	(221)	23,323	80,015	(221)	79,794
	<u>8,071,326</u>	<u>(14,984)</u>	<u>8,056,342</u>	<u>5,619,631</u>	<u>(14,891)</u>	<u>5,604,740</u>

Commercial Bank International P.J.S.C.  
Notes to the consolidated financial statements (continued)



38. Financial risk management (continued)

38.1 Credit risk (continued)

38.1.6 Credit quality (continued)

The tables below provide an analysis of the movement in the Expected Credit Loss (ECL) allowance and the gross carrying amount during the period for Loans, Advances, and Islamic Financing.

	Stage 1	Stage 2	Stage 3	POCI	Total
	12 months	Lifetime	Lifetime		
	ECL	ECL	ECL		
	AED '000	AED '000	AED '000	Lifetime ECL	(AED '000)
<b>The movement of ECL</b>					
As at 1 January 2025	52,678	231,830	683,088	-	967,596
Transfer to stage 1	2,143	(2,143)	-	-	-
Transfer to stage 2	(885)	3,339	(2,454)	-	-
Transfer to stage 3	(101)	(55,453)	55,554	-	-
Change in ECL	(10,781)	1,911	247,396	-	238,526
Write-offs	-	-	(300,543)	-	(300,543)
New financial assets recognised	7,375	-	-	-	7,375
Financial assets derecognised	(6,276)	(13,673)	(135,700)	-	(155,649)
As at 31 December 2025	<u>44,153</u>	<u>165,811</u>	<u>547,341</u>	-	<u>757,305</u>
As at 1 January 2024	46,575	201,425	538,439	-	786,439
Transfer to stage 1	9,609	(9,609)	-	-	-
Transfer to stage 2	(358)	22,995	(22,637)	-	-
Transfer to stage 3	(190)	(24,806)	24,996	-	-
Change in ECL	(7,469)	41,966	272,808	-	307,305
Write-offs	-	-	(34,264)	-	(34,264)
New financial assets recognised	10,309	-	-	-	10,309
Financial assets derecognised	(5,798)	(141)	(96,254)	-	(102,193)
As at 31 December 2024	<u>52,678</u>	<u>231,830</u>	<u>683,088</u>	-	<u>967,596</u>
	Stage 1	Stage 2	Stage 3	POCI	Total
<b>The movement of gross exposure</b>	AED '000	AED '000	AED '000	AED '000	AED '000
As at 1 January 2025	10,791,067	1,441,648	2,317,792	-	14,550,507
Transfer to stage 1	110,362	(110,362)	-	-	-
Transfer to stage 2	(119,098)	256,348	(137,250)	-	-
Transfer to stage 3	(4,641)	(316,180)	320,821	-	-
Change in exposure	(501,419)	(226,922)	(8,638)	-	(736,979)
Write-offs	-	-	(300,543)	-	(300,543)
New financial assets recognised	1,941,910	-	-	-	1,941,910
Financial assets derecognised	(1,322,393)	(70,742)	(376,529)	-	(1,769,664)
As at 31 December 2025	<u>10,895,788</u>	<u>973,790</u>	<u>1,815,653</u>	-	<u>13,685,231</u>

**38. Financial risk management** (continued)**38.1 Credit risk** (continued)**38.1.6 Credit quality** (continued)

	Stage 1	Stage 2	Stage 3	POCI	Total
The movement of gross exposure	AED '000	AED '000	AED '000	AED '000	AED '000
As at 1 January 2024	9,244,655	1,731,739	2,418,484	-	13,394,878
Transfer to stage 1	77,529	(77,529)	-	-	-
Transfer to stage 2	(98,294)	182,265	(83,971)	-	-
Transfer to stage 3	(10,777)	(404,235)	415,012	-	-
Change in exposure	1,390,986	19,566	126,214	-	1,536,766
Write-offs	-	-	(34,264)	-	(34,264)
New financial assets recognised	1,760,199	-	-	-	1,760,199
Financial assets derecognised	(1,573,231)	(10,158)	(523,683)	-	(2,107,072)
As at 31 December 2024	<u>10,791,067</u>	<u>1,441,648</u>	<u>2,317,792</u>	<u>-</u>	<u>14,550,507</u>

There were no significant movements between stages in other classes of financial assets subject to impairment.

**38.1.7 Identification of SICR event**

As explained in note 38.1.2, if there is a significant increase in credit risk since initial recognition, the Group measures the loss allowance based on lifetime rather than 12-month ECL i.e. financial assets are migrated from stage 1 to stage 2. A SICR event occurs when there has been a significant increase in the risk of a default occurring, over the expected life of a financial instrument. The Group continuously reviews its portfolio for other credit risk indicators, any financial deterioration beyond temporary liquidity stress and whether it is likely to be short term or longer term.

**Reasonableness of forward-looking information and probability weights**

As explained in note 38.1.3, through robust modelling technique, the Group has identified key macroeconomic variables influencing credit risk of each portfolio. Forecasts for these economic variables (upside, baseline and downside economic scenario) are sourced from Moody's Data buffet, which reflect the current and forecasted economic impacts in the fallout of Geopolitical situations etc.

**38.1.8 Collateral held as security and other credit enhancements**

The Group holds collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Group holds financial instruments of AED 4,677 million (2024: AED 4,727 million) for which no loss allowance is recognized because of collateral at the end of the reporting period. The estimated value of collaterals held at end of the reporting period is AED 10,343 million (2024: AED 10,410 million). This value of the collateral is only considered to the extent that mitigates the credit risk. There was no change in the Group's collateral policy during the year. The main types of collateral and the types of assets these are associated with are listed below.

**38. Financial risk management** (continued)**38.1 Credit risk** (continued)**38.1.8 Collateral held as security and other credit enhancements** (continued)**Derivatives**

The Group enters into derivatives bilaterally under International Swaps and Derivative Association (ISDA) master netting agreements. ISDA master netting agreements give either party the legal right of offset on termination of the contract or on default of the other party. No financial instruments subject to master netting agreements are setoff in the consolidated statement of financial position. The Group executes a credit support annex in conjunction with each ISDA agreement, which requires the Group and each counterparty to post collateral to mitigate credit risk. Collateral is also posted daily in respect of derivatives transacted. The collateral posted with regards to open derivatives is cash or marketable securities.

**Reverse sale and repurchase agreements (Reverse REPO)**

Reverse sale and repurchase agreement (Reverse REPO) lending are collateralised by marketable securities. These lending agreements require the Group and each counterparty to post collateral to mitigate credit risk. Collateral is also posted daily in respect of shortfall in value of collaterals. The collateral posted with regards to Reverse REPO is cash or marketable securities.

**Mortgage lending**

The Group holds residential properties as collateral for the mortgage loans it grants to its customers. The Group monitors its exposure to retail mortgage lending using the LTV ratio, which is calculated as the ratio of the gross amount of the loan, or the amount committed for loan commitments, to the value of the collateral. The valuation of the collateral excludes any adjustments for obtaining and selling the collateral. At 31 December 2025 the net carrying amount of credit impaired mortgage lending was AED 3.4 million (2024: AED 23.2 million) and the value of the respective collateral was AED 4.2 million (2024: AED 29.16 million).

**Personal lending**

The Group's personal lending portfolio consists of unsecured loans and credit cards.

**Wholesale lending**

At 31 December 2025 the net carrying amount of credit impaired loans and advances and Islamic financing and investing assets to wholesale customers was AED 1,116.5 million (2024: AED 1,693 million) and the value of the respective collateral was AED 1,356.3 million (2023: AED 1,856 million). This value of the collateral is only considered to the extent that mitigates the credit risk

**Investment securities**

The Group holds investment securities measured at amortised cost. The investment securities held by the Group are not collateralised.

**Assets obtained by taking possession of collateral**

The Group obtained the following financial and non-financial assets during the year by taking possession of collateral held as security against loans and advances and held at the year end. The Group's policy is to realise collateral on a timely basis. The Group does not use non-cash collateral for its operations.

	2025	2024
	AED '000	AED '000
Property	<u>131,000</u>	406,766
Equity Share	<u>364,000</u>	-
Total	<u>495,000</u>	<u>406,766</u>



38. Financial risk management (continued)

38.2 Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations as they fall due, or will have to do so at an excessive cost. This risk arises from mismatches in the timing of cash flows which is inherent in all banking operations and can be affected by a range of Group-specific and market-wide events.

38.2.1 Management of liquidity risk

Liquidity risk is managed by the Treasury in line with the regulatory and internal policies and guidelines.

The Group's approach to managing liquidity risk is to ensure that it has adequate funding from diversified sources at all times and that it can withstand any major shocks to its liquidity position. Funds are raised using a broad range of instruments including customer deposits, money market instruments and capital. The Treasury monitor the liquidity profile of financial assets and liabilities and the projected cash flows arising from existing and future business. Treasury maintains a portfolio of short-term liquid assets and inter-bank placements to ensure that sufficient liquidity is maintained. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and abnormal market conditions. The Group's liquidity policy is set by the Board of Directors and is subject to annual review. Adherence to the policies is monitored by the Group's Risk Management Department and Assets and Liability Committee (ALCO).

38.2.2 Exposure to liquidity risk

The key measures used by the Group for measuring liquidity risk are advances to stable resources (which is a regulatory measure) as well as the ratio of net liquid assets, i.e., total assets by maturity against total liabilities by maturity.

The Bank performs product-wise behavioural analysis for its financial instruments (including financial guarantee contracts) in order to analyse and ascertain appropriate level of liquidity requirements.

The following table summarises the maturity profile of the cash flows of the Bank's financial assets and financial liabilities at the end of the reporting period based on their carrying amounts. The amounts disclosed in the table are determined on the basis of their earliest possible contractual maturity.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the management expects that many customers will not request repayment on the earliest date the Bank could be required to pay and the table does not reflect the expected cash flows indicated by the Bank's deposit retention history.

As at 31 December 2025

	Less than 3 months	3 to 6 months	6 to 12 months	More than 1 year	No fixed maturity	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Non-derivative financial assets</b>						
Cash and balances with the Central Bank	1,028,770	-	-	781,429	-	1,810,199
Deposits and balances due from banks	146,755	147,348	283,307	807,639	-	1,385,049
Loans, advances and Islamic financing	4,044,244	527,145	1,989,809	4,568,285	1,798,443	12,927,926
Receivables and other assets	535,035	71,769	228,850	504,708	-	1,340,362
Investment securities at fair value	-	-	-	-	491,316	491,316
Investment securities measured at amortised cost	264,551	576,122	586,622	2,191,214	-	3,618,509
	<u>6,019,355</u>	<u>1,322,384</u>	<u>3,088,588</u>	<u>8,853,275</u>	<u>2,289,759</u>	<u>21,573,361</u>
Derivative financial assets	34	-	-	1,658	-	1,692
	<u>6,019,389</u>	<u>1,322,384</u>	<u>3,088,588</u>	<u>8,854,933</u>	<u>2,289,759</u>	<u>21,575,053</u>



38. Financial risk management (continued)

38.2 Liquidity risk (continued)

38.2.2 Exposure to liquidity risk (continued)

	Less than 3 months	3 to 6 months	6 to 12 months	More than 1 year	No fixed maturity	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Balance due to the Central Bank	-	-	-	-	-	-
Deposits and balances due to banks	1,634,364	17,720	-	-	-	1,652,084
Customer accounts and other deposits	7,771,656	2,322,153	2,458,263	192,592	3,163,020	15,907,684
Payables and other liabilities	683,320	71,770	200,779	89,875	-	1,045,744
	<u>10,089,340</u>	<u>2,411,643</u>	<u>2,659,042</u>	<u>282,467</u>	<u>3,163,020</u>	<u>18,605,512</u>
Derivative financial liabilities	314	104	1,379	5,024	-	6,821
Issued financial guarantee contacts	4,288,785	493,191	165,768	51,812	-	4,999,556
Loan commitments	1,661,162	288,320	535,692	586,596	-	3,071,770
	<u>16,039,601</u>	<u>3,193,258</u>	<u>3,361,881</u>	<u>925,899</u>	<u>3,163,020</u>	<u>26,683,659</u>
Liquidity gap	<u>(10,020,212)</u>	<u>(1,870,874)</u>	<u>(273,293)</u>	<u>7,929,034</u>	<u>(873,261)</u>	<u>(5,108,606)</u>

As at 31 December 2024

	Less than 3 months	3 to 6 months	6 to 12 months	More than 1 year	No fixed maturity	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Non-derivative financial assets</b>						
Cash and balances with the Central Bank	1,063,292	-	-	510,142	-	1,573,434
Deposits and balances due from banks	96,092	271,481	308,632	254,157	-	930,362
Loans, advances and Islamic financing	2,668,518	534,880	2,007,378	6,018,530	2,353,605	13,582,911
Receivables and other assets	322,551	95,513	151,002	1,044,822	-	1,613,888
Investment securities at fair value	-	-	-	-	110,589	110,589
Investment securities measured at amortised cost	628,230	171,078	-	2,025,253	-	2,824,561
	<u>4,778,683</u>	<u>1,072,952</u>	<u>2,467,012</u>	<u>9,852,904</u>	<u>2,464,194</u>	<u>20,635,745</u>
Derivative financial assets	5,387	650	1,119	3,168	-	10,324
	<u>4,784,070</u>	<u>1,073,602</u>	<u>2,468,131</u>	<u>9,856,072</u>	<u>2,464,194</u>	<u>20,646,069</u>
Deposits and balances due to banks	1,567,398	-	-	-	-	1,567,398
Customer accounts and other deposits	7,632,529	1,460,006	3,185,773	247,452	2,907,329	15,433,089
Payables and other liabilities	543,280	95,513	132,453	83,220	-	854,466
	<u>9,743,207</u>	<u>1,555,519</u>	<u>3,318,226</u>	<u>330,672</u>	<u>2,907,329</u>	<u>17,854,953</u>
Derivative financial liabilities	9	660	47	1,439	-	2,155
Issued financial guarantee contacts	2,968,090	350,142	226,153	66,505	-	3,610,890
Loan commitments	1,046,379	22,805	490,556	449,001	-	2,008,741
	<u>13,757,685</u>	<u>1,929,126</u>	<u>4,034,982</u>	<u>847,617</u>	<u>2,907,329</u>	<u>23,476,739</u>
Liquidity gap	<u>(8,973,615)</u>	<u>(855,524)</u>	<u>(1,566,851)</u>	<u>9,008,455</u>	<u>(443,135)</u>	<u>(2,830,670)</u>



38. Financial risk management (continued)

38.3 Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Group's income and/or the value of the financial instrument. The Group manages its market risk in order to achieve an optimum return while maintaining market risk exposure within prudent limits.

38.3.1 Management of market risk

The Board of Directors has set risk limits based on sensitivity analysis and notional limits which are closely monitored by the Risk Management Department, reported frequently to Senior Management and discussed monthly by the ALCO.

The Group separates its exposure to market risk between trading and non-trading portfolios with overall responsibility vested in the ALCO. The Risk Management Department is responsible for the development of detailed risk management policies and for the day-to-day review of their implementation subject to the review and approval by the

38.3.2 Exposure to interest rate risk

The principal risk to which interest-bearing financial instruments are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. The Group manages the risk principally through monitoring interest rate gaps, matching the re-pricing profile of assets and liabilities. The ALCO monitors compliance with these limits and is assisted by the Risk Management Department for day-to-day monitoring of activities. The table below analyses the Group's interest rate risk exposure on financial assets and liabilities. The Banks's assets and liabilities are included at carrying amount and categorised by the earlier of contractual re-pricing or maturity dates.

As at 31 December 2025

	Less than 3 months AED '000	3 to 6 months AED '000	6 to 12 months AED '000	More than 1 year AED '000	Total AED '000
<b>Interest-rate sensitive financial assets</b>					
Cash and balances with the Central Bank	950,000	-	-	-	950,000
Deposits and balances due from banks	1,162,077	227,893	-	-	1,389,970
Loans, advances and Islamic financing	9,366,775	834,423	266,632	3,217,400	13,685,230
Investment securities measured at amortised cost	264,551	576,122	586,622	2,209,103	3,636,398
	<b>11,743,403</b>	<b>1,638,438</b>	<b>853,254</b>	<b>5,426,503</b>	<b>19,661,598</b>
<b>Interest-rate sensitive financial liabilities</b>					
Deposits and balances due to banks	1,634,364	17,720	-	-	1,652,084
Customer accounts and other deposits	10,305,157	1,706,148	1,804,155	2,092,225	15,907,685
	<b>11,939,521</b>	<b>1,723,868</b>	<b>1,804,155</b>	<b>2,092,225</b>	<b>17,559,769</b>
Commitments	332,232	57,664	111,905	117,319	619,120
Effect of derivatives held	-	-	-	-	-
Net interest gap	(528,350)	(143,094)	(1,062,806)	3,216,959	1,482,709
Impact on profit and loss if interest rates had been 200 bps higher	(14,136)	(1,803)	(6,597)	63,765	41,229



38. Financial risk management (continued)

38.3 Market risk (continued)

Exposure to interest rate risk (continued)

As at 31 December 2024

	Less than 3 months AED '000	3 to 6 months AED '000	6 to 12 months AED '000	More than 1 year AED '000	Total AED '000
<b>Interest-rate sensitive financial assets</b>					
Cash and balances with the Central Bank	1,000,000	-	-	-	1,000,000
Deposits and balances due from banks	896,384	36,998	-	-	933,382
Loans, advances and Islamic financing	8,741,431	303,757	1,246,987	4,258,332	14,550,507
Investment securities measured at amortised cost	628,231	171,078	-	2,038,954	2,838,263
	<b>11,266,046</b>	<b>511,833</b>	<b>1,246,987</b>	<b>6,297,286</b>	<b>19,322,152</b>
<b>Interest-rate sensitive financial liabilities</b>					
Deposits and balances due to banks	1,567,398	-	-	-	1,567,398
Customer accounts and other deposits	7,764,596	2,414,860	2,593,616	2,660,017	15,433,089
	<b>9,331,994</b>	<b>2,414,860</b>	<b>2,593,616</b>	<b>2,660,017</b>	<b>17,000,487</b>
Commitments	154,897	65,267	71,748	120,724	412,637
Effect of derivatives held	5,377	(10)	1,072	1,729	8,169
Net interest gap	1,784,532	(1,968,304)	(1,417,305)	3,518,273	1,917,198
Impact on profit and loss if interest rates had been 200 bps higher	23,859	(24,806)	(3,561)	63,787	59,278

38.3.3 Exposure to currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates and arises from financial instruments denominated in a foreign currency. The Group's functional currency is the AED. The Board of Directors has set limits on positions by currency. Positions are closely monitored to ensure positions are maintained within established limits. At the end of the reporting period, the Group had the following significant net exposure denominated in foreign currencies:

Currency	Net spot position		Forward position		Total	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
USD	3,984,918	3,559,386	(1,253,230)	(1,207,797)	2,731,689	2,351,589
GBP	(95)	41	-	-	(95)	41
JPY	(336)	26	633	70	297	96
EUR	396	4,522	238	(4,012)	634	510
BHD	94,215	186,839	-	-	94,215	186,839
Other	(48,124)	1,456	48,963	-	839	1,456



38. Financial risk management (continued)

38.3 Market risk (continued)

Foreign currency sensitivity analysis

The following table details the Group's sensitivity to a 10% adverse change in the relevant foreign currency position against AED both for a long and short position in order to assess the impact of loss on profit and loss.

	2025 AED '000	2024 AED '000
GBP	(10)	4
JPY	30	10
EUR	63	50
BHD	9,421	18,683

There are no exchange rate risks relating to financial assets and financial liabilities denominated in USD, which is pegged to the AED.

39. Fair value of financial instruments

This note provides information about how the Group determines the fair value of various financial assets and financial liabilities.

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

39.1

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The fair value of financial assets and financial liabilities are determined as follows:

- Fair value of all quoted investments measured at fair value through profit or loss and at fair value through other comprehensive income (note 12) are based on quoted bid prices in an active market;
- Fair value of all unquoted equity investments and unquoted investment funds measured at fair value through other comprehensive income (note 12) is mainly based on market approach based valuation technique using price/book value multiple of trading peers and precedent transactions. These price/book values multiples and precedent transactions are unobservable inputs. Fair value of investment in MURJAN is calculated by taking proportionate share of the fair value of its assets (real estate) and liabilities; and
- Fair value of all derivatives (note 40) is calculated using discounted cash flows. Discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives. Derivatives are measured using quoted rates and yield curves derived from quoted rates matching maturities of the contracts.



39. Fair value of financial instruments (continued)

39.1 Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis

The table below summarises the Group's financial instruments fair value according to fair value hierarchy:

	Level 1		Level 2		Level 3	
	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000	2025 AED '000	2024 AED '000
<b>Financial assets at fair value through other comprehensive income</b>						
Equity shares	33,786	32,431	-	-	392,903	14,486
Investment funds	-	-	-	-	2,705	1,408
<b>Financial assets at fair value through profit or loss</b>						
Equity shares and others	-	-	-	-	365,253	259,463
Positive fair value of derivatives financial assets	-	-	1,692	10,324	-	-
<b>Financial liabilities at fair value through profit or loss</b>						
Negative fair value of derivatives financial liabilities	-	-	6,821	2,155	-	-



### 39.1 Fair value of financial instruments (continued)

Level 3 investments are measured at fair value using valuation techniques under IFRS 13, primarily based on unobservable inputs.

The valuation approaches applied include Price-to-Book Value multiples ranging from 0.81x to 1.31x (2024: 0.81x to 1.22x) for financial services entities, Revenue-based multiples (EV/Revenue) in the range of 3.49x to 29.5x for technology investments and Net Asset Value (NAV) approaches for real estate investments.

The fair value of the remaining unquoted equity investment has been determined using a discounted cash flow (DCF) model. The valuation technique is considered appropriate as it reflects the present value of expected future economic benefits derived from the asset and is consistent with market participant assumptions. The significant unobservable inputs include forecast cash flows and the discount rate.

The following table illustrates the sensitivity of the fair value measurement to changes in significant unobservable inputs. The analysis reflects reasonably possible changes in these inputs, with all other assumptions held constant.

Input	Change in Input	Increase	Decrease
		AED '000	AED '000
Price-to-Book Value	5% +/-	1,125	(1,125)
Revenue-based multiples	5% +/-	231	(231)
Net Asset Value (NAV)	5% +/-	18,031	(18,031)
Forecasted Cash flow	5% +/-	18,500	(18,500)
Discounted Cash flow	5% +/-	47,481	(38,725)

There were no transfers between Level 1 and 2 during the years ended 2025 and 2024.

	2025	2024
	AED '000	AED '000
Balance at January 1	275,357	270,665
Additions	364,000	3,672
Return of capital	(1,796)	-
Total gains in profit or loss	105,790	2,096
Total other comprehensive income/( loss)	17,510	(1,076)
Balance at December 31	760,861	275,357

The financial liabilities subsequently measured at fair value are classified as level 2 in the fair value hierarchy. There are no financial liabilities classified at fair value as level 3 in the fair value hierarchy.

All gains and losses included in other comprehensive income relate to FVTOCI (quoted investments or unquoted investments) held at the end of the period and are reported as changes in investment revaluation reserve.

### 39.2 Fair value of the Group's financial assets and financial liabilities that are measured at amortised cost

Except as detailed below, the Board of Directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values.

	Carrying amount		Fair value	
	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000
Investment securities measured at amortised cost	3,618,508	2,824,561	3,684,727	2,813,760

Investment securities measured at amortised cost are quoted instruments and categorised as level 1 in the fair value hierarchy. The fair value is determined using unadjusted quoted market prices.



### 40. Derivative financial instruments

Derivative financial instruments are utilised by the Group primarily to satisfy the requirements of its customers and are also used to a limited extent to manage the Group's own exposure to currency, interest rate and other market risks. The derivatives most frequently used by the Group are as follows:

#### Swaps

Swaps are commitments to exchange one set of cash flows for another. For interest rate swaps, counter-parties generally exchange fixed and floating rate interest payments in a single currency without exchanging principal. For currency swaps, fixed interest payments and principal are exchanged in different currencies. For cross-currency rate swaps, principal, fixed and floating interest payments are exchanged in different currencies.

#### Interest rate Caps and Floor

An interest rate cap is a type of interest rate derivative in which the buyer receives payments at the end of each period in which the interest rate exceeds a pre-agreed rate. Similarly, an interest rate floor is a derivative contract in which the buyer receives payments at the end of each period in which the interest rate is below the pre-agreed rate.

#### Foreign exchange forwards contracts

Foreign exchange forwards contracts are contractual agreements to either buy or sell a specified currency at a specified price and date in the future. Forwards are customised contracts transacted in the over-the counter market.

The table below shows the positive and negative fair values of derivative financial instruments, which are equivalent to the market values, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year end, do not necessarily reflect the amounts of future cash flows involved. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	Foreign exchange forward contracts		Interest rate and currency swaps		Interest rate Caps and Floor		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
Positive fair value	33	819	-	8,217	1,659	1,288	1,692	10,324
Negative fair value	443	857	4,719	10	1,659	1,288	6,821	2,155

#### Maturity of notional amounts

Up to 3 months	1,239,319	497,489	-	158,541	-	-	1,239,319	656,030
3 to 6 months	440,397	572,930	-	42,495	-	-	440,397	615,425
6 to 12 months	91,718	363,311	41,595	-	-	-	133,313	363,311
1 to 5 years	-	-	46,561	35,930	180,824	-	227,385	35,930
More than 5 years	-	-	-	-	56,500	285,052	56,500	285,052
	1,771,434	1,433,730	88,156	236,966	237,324	285,052	2,096,914	1,955,748



#### 41. Capital management

The Group's lead regulator, the Central Bank of the UAE, sets and monitors regulatory capital requirements.

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern and to increase returns for shareholders; and
- To comply with regulatory capital requirements set by the Central Bank of the UAE.

In implementing current capital requirements, the Group calculates its capital adequacy ratio in accordance with the Basel III guidelines issued by the Central Bank of the UAE. Under these regulations, minimum capital requirements are monitored at three levels, namely Common Equity Tier 1 ('CET1'), Tier 1 ('T1') and Total Capital.

##### 41.1 Regulatory capital

The Bank calculates its Capital Adequacy Ratio in line with guidelines issued by the Central Bank of the UAE.

The Group's regulatory capital is analysed into different tiers:

- Common Equity Tier 1 Capital, which includes Common shares issued by a Bank, share premium resulting from the issue of instruments included in CET1, retained earnings, legal reserves, statutory reserves, accumulated other comprehensive income and other disclosed reserves, non-controlling interest, which are eligible for inclusion in CET1 and regulatory adjustments applied in the calculation of CET1;

- Additional Tier 1 Capital (AT1);
- Tier 1 capital, which is the total of Common Equity Tier 1 (CET1) Capital and Additional Tier 1 (AT1) capital;
- Tier 2 capital, which includes general provisions (Collective allowance for impairment subject to a limit of 1.25% of credit 'Risk Weighted Assets' (RWA)), perpetual equity instruments not included in Tier 1 capital and instruments which are eligible for inclusion of Tier 2 e.g. subordinated loan.

The additional capital buffers (Capital Conservation Buffer (CCB) and Countercyclical Capital Buffer (CCyB) - maximum up to 2.5% for each buffer) introduced under Basel III guidelines are over and above the minimum CET1 requirement of 7%.

For the purpose of Basel III capital adequacy reporting, only financial subsidiaries are consolidated. Commercial subsidiaries are excluded from consolidated reporting.

The Bank's RWA are weighted as to their relative credit, market, and operational risk. Credit risk includes both on and off-balance sheet risks. Market risk is defined as the risk of losses in on and off-balance sheet positions arising from movements in market prices and includes interest rate risk, foreign exchange risk, equity exposure risk, commodity risk, and options risk. Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The Bank is following the standardised measurement approach for credit, market and operational risk, as per Basel Requirements.



#### 41. Capital management (continued)

##### 41.1 Regulatory capital (continued)

The Group has complied with all externally imposed capital requirements throughout the period.

The Group's regulatory capital position at the end of reporting period under Basel III is as follows:

	2025 AED '000	2024 AED '000
<b>Capital base</b>		
Share capital	1,737,383	1,737,383
Statutory reserve	364,238	334,760
Accumulated other comprehensive income	(28,379)	(42,509)
IFRS transitional arrangement: Partial addback of ECL impact to CET1	-	35,609
Retained earnings	429,505	309,865
<b>CET1 capital (prior to regulatory deductions)</b>	<b>2,502,747</b>	<b>2,375,108</b>
Intangible assets	(51,080)	(34,255)
<b>Total CET1 capital</b>	<b>2,451,667</b>	<b>2,340,853</b>
Additional Tier 1 (AT1) Capital	459,125	459,125
<b>Total AT1 capital</b>	<b>459,125</b>	<b>459,125</b>
<b>Total Tier 1 Capital</b>	<b>2,910,792</b>	<b>2,799,978</b>
Eligible general provision	211,134	195,206
<b>Total Tier 2 (T2) Capital</b>	<b>211,134</b>	<b>195,206</b>
<b>Total capital base</b>	<b>3,121,926</b>	<b>2,995,184</b>
Risk weighted assets		
Credit risk	16,890,747	15,616,448
Market risk	96,002	188,943
Operational risk	1,169,470	1,102,634
<b>Total risk weighted assets</b>	<b>18,156,219</b>	<b>16,908,025</b>
CET1 capital ratio	13.50%	13.84%
Tier 1 capital ratio	16.03%	16.56%
<b>Total capital ratio</b>	<b>17.19%</b>	<b>17.71%</b>

##### 41.2 Capital allocation

The Group also assesses internally its capital requirements taking into consideration its growth requirements and business plans and quantifies its regulatory and risk/economic capital requirements within its integrated ICAAP Framework. Risks such as interest rate risk on the banking book, concentration risk, stress testing, strategic risk, legal and compliance risk, and reputational risk are all part of the ICAAP. The Group also calculates Risk Adjusted Return on Capital (RAROC) for credit applications that are priced on a risk-adjusted basis.



42. Related party transactions

The Group enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 Related Party Disclosures. Related parties comprise companies under common ownership and/or common management and control, their shareholders and key management personnel. Transactions with associate and other related parties are made on substantially the same terms, as those prevailing at the same time for comparable transactions with external customers and parties.

	Terms	2025	2024
	%	AED '000	AED '000
<b>Balances at the end of the reporting period</b>			
<i>Associate</i>			
Customers' deposits	-	12	2,711
<i>Key management personnel (including directors)</i>			
Loans and advances to customers	3.7 - 7.3	26,691	22,520
Customers' deposits	0 - 4.5	13,552	9,011
<i>Other related parties</i>			
Deposits and balances due from banks	0 - 5.7	239,485	204,360
Deposits and balances due to banks	-	88,849	168,922
Loans and advances	4.9 - 5.2	3,336	2,331
Customers' deposits	0.2 - 4.5	82,044	80,776
Tier 1 Capital Securities	6	459,125	459,125
<i>Key management personnel (including directors)</i>			
Interest income		1,084	1,311
Interest expense		759	879
<i>Other related parties</i>			
Interest income		10,479	16,518
Interest expense		2,969	3,629
Compensation of key management personnel (i)		36,995	38,115



43. Operating segments

Operating segments are identified on the basis of internal reports about the components of the Group that are regularly reviewed by the Group's CEO in order to allocate resources to the segment and to assess its performance. The Group's reportable segments under IFRS 8 are therefore as follows:

- Wholesale banking;
- Retail banking;
- Treasury;
- Real estate;
- Others

The segmental information provided to the Group's CEO for the reportable segments for the years ended 31 December 2025 and 31 December 2024 were as follows:

	Wholesale banking	Retail banking	Treasury	Real estate	Other	Total
	AED '000	AED '000	AED '000	AED '000	AED '000	AED '000
<b>Year ended 31 December 2025</b>						
Net interest income	266,067	42,782	48,603	3,718	28,448	389,618
Net fees, commission and other operating income	186,561	(1,283)	2,539	114,612	99,290	401,719
	<u>452,628</u>	<u>41,499</u>	<u>51,142</u>	<u>118,330</u>	<u>127,738</u>	<u>791,337</u>
General and administrative expenses	(276,322)	(83,424)	(44,334)	(8,785)	(890)	(413,755)
Impairment losses and provisions, net	(80,203)	15,823	(4,187)	2,058	-	(66,509)
<b>Profit/(loss) before tax for the year</b>	<u>96,103</u>	<u>(26,102)</u>	<u>2,621</u>	<u>111,603</u>	<u>126,848</u>	<u>311,073</u>
<b>As at 31 December 2025</b>						
Assets	<u>14,056,399</u>	<u>1,070,444</u>	<u>6,003,844</u>	<u>85,965</u>	<u>728,446</u>	<u>21,945,098</u>
Liabilities	<u>13,329,569</u>	<u>3,274,036</u>	<u>1,569,154</u>	<u>-</u>	<u>438,469</u>	<u>18,611,228</u>
<b>Year ended 31 December 2024</b>						
Net interest income	268,421	43,783	31,301	492	-	343,997
Net fees, commission and other operating income	160,566	(1,433)	4,801	193,205	2,096	359,235
	<u>428,987</u>	<u>42,350</u>	<u>36,102</u>	<u>193,697</u>	<u>2,096</u>	<u>703,232</u>
General and administrative expenses	(244,418)	(82,961)	(40,291)	(9,994)	-	(377,664)
Impairment losses and provisions, net	(128,769)	18,878	7,123	(149)	-	(102,917)
<b>Profit/(loss) before tax for the year</b>	<u>55,800</u>	<u>(21,733)</u>	<u>2,934</u>	<u>183,554</u>	<u>2,096</u>	<u>222,651</u>
<b>As at 31 December 2024</b>						
Assets	<u>14,462,919</u>	<u>978,277</u>	<u>4,551,329</u>	<u>267,629</u>	<u>634,505</u>	<u>20,894,657</u>
Liabilities	<u>12,649,334</u>	<u>3,207,874</u>	<u>1,569,553</u>	<u>247</u>	<u>417,741</u>	<u>17,844,749</u>



**44. Comparative figures**

The comparative figures for the previous period have been presented as originally reported. There have been no changes or adjustments made to these figures.

**45. Events after the reporting date**

No adjusting or significant non-adjusting events have occurred between the 31 December 2025 and the date of authorisation.

**46. Approval of the consolidated financial statements**

The consolidated financial statements for the year ended 31 December 2025 were approved by the Board of Directors and authorised for issue on 26 January 2026.

**Glossary of abbreviations**



ACADL	Al Caribi Antigua Development Limited
ACDL	Al Caribi Development Limited
AED	United Arab Emirates Dirham
AKPI	Al Khaleejiah Property Investments LLC
ARZAQ	Arzaq Holdings (Private J.S.C.)
AT1	Additional Tier 1
Basel III	Basel III: International regulatory framework for banks
BVI	British Virgin Islands
CBI	Commercial Bank International PSC
CBUAE	The Central Bank of the UAE
CDs	Certificates of Deposit
CDS	Credit Default Swaps
CEO	Chief Executive Officer
CET1	Common Equity Tier 1
ECL	Expected Credit Losses
EIR	Effective Interest Rate
EPS	Earnings Per Share
EUR	Euro
FVTOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
GBP	British pound sterling
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IASs	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
IFRSs	International Financial Reporting Standards
JPY	Japanese yen
LGD	Loss Given Default
LLC	Limited Liability Company
MURJAN	Al Murjan Real Estate LLC
OCI	Other Comprehensive Income
PD	Probability of Default
POCI	Purchased or Originated Credit Impaired
SCA	Securities and Commodities Authority of the UAE
SIC	Standard Interpretations Committee
SICR	Significant Increase in Credit Risk
SPPI	Solely Payments of Principal and Interest
SPV	Special Purpose Vehicle
T2	Tier 2
the GCC	the Gulf Cooperation Council
the UAE	the United Arab Emirates
the USA	the United States of America
TRE	Takamul Real Estate LLC
USD	United States dollar



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