

Barclays Bank PLC – Dubai Branch Pillar 3 Report

For the year ended 31 December 2025

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1 Introduction

Barclays Bank UAE, incorporated in 1975 in the UAE, is a full branch of Barclays Bank PLC (the Group). It has a restricted wholesale banking license and is regulated by the Central Bank of the UAE (CBUAE), while the Head Office (BBPLC) is regulated by the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). The frameworks, policies, standards and procedures of Barclays Group are applied consistently across its operating businesses and subsidiaries, amended where necessary to ensure compliance with local regulatory requirements.

Barclays Corporate Banking is operating in the UAE with the following set-up:

- Barclays offers onshore transaction banking products (i.e., Cash Management, Overdrafts, Trade & Working Capital and FX) in foreign and local (AED) currencies.
- Debt Finance products (i.e., long term debt and revolving credit facilities) are booked and serviced out of Barclays offices in the UK and UAE.
- Corporate Banking clients are serviced by Barclays Bank UAE through teams based in UAE and is supplemented by support from other Barclays' offices.
- Focus is on a select client portfolio that is aligned to the global Corporate Banking client strategy (see below).

The registered office and the address of the Bank is Barclays, Office 109 , Level 1, The Offices 3, One Central , Dubai World Trade Centre, P.O.Box 1891,Dubai, United Arab Emirates

The Pillar 3 disclosures reflect the activities of the branch in the United Arab Emirates only and exclude all transactions, assets and liabilities of the head office and its other branches elsewhere.

1.1 Overview of Basel III requirements

The Basel III framework implemented in the Bank is made up of three pillars.

- Pillar 1: Minimum Capital Requirements - This Pillar includes the calculation of RWAs for credit risk including counterparty credit risk, market risk and operational risk.
- Pillar 2: Supervisory Review and Evaluation Process (SREP) – This Pillar covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. A firm's own internal models and assessments support this process
- Pillar 3: Market Discipline – This Pillar covers external communication of risk and capital information by banks as specified in the Basel rules to promote transparency and good risk management.

1.2 Basis of Preparation

The purpose of this public disclosure is to provide detailed information on Barclays Bank Plc, UAE Branch (herein also referred to as the 'Bank') capital structure, capital adequacy, risk exposure and risk-weighted assets ("RWA"), leverage ratio and liquidity ratios as of 31 December 2025.

The following public disclosure presents the annual Pillar 3 disclosure of Barclays Bank UAE which has been prepared in accordance with the Central Bank of UAE "Standards and Guidance re Capital Adequacy in the UAE", Reference to Notice CBUAE/BSD/2022/5280 dated 30 December 2022 and Explanatory notes updated date 09 May, 2022 (Notice No. : CBUAE/BSD/N/2022/1887), as applicable to branches of foreign banks with total RWA of less than AED 5 billion.

The Pillar 3 Disclosure document has been prepared and presented using local currency – UAE Dirhams (AED'000).

Capital, Liquidity and other regulatory information of the bank as at 31st December , 2025 are provided in our annual [financial statements](#).

Management's Responsibility Statement

Barclays Bank UAE management is responsible for the preparation and fair presentation of the annual financial statements of the Branch, comprising the statement of financial position as of 31 December 2025, and disclosure requirements.

Preparation and Approval

- The Pillar 3 report inputs are reviewed and approved by the heads of functions i.e. HR, Credit, Finance, Risk, Treasury and others.
- The Pillar 3 report is presented at the Asset Liability Forum (ALFo), where it is reviewed and challenged by the senior management.
- The Country Manager/ COO & CFO review and provide approval to publish the final report.

2 Overview of risk management and RWA

2.1 Key metrics (KM1)

The objective of the table below is to provide an overview of bank's prudential regulatory metrics, which covers the key prudential metrics related to regulatory capital, leverage ratio and liquidity standards.

Barclays Bank UAE capital and leverage position is managed within the risk appetite framework. Barclays Bank UAE is subject to regulatory capital standards issued by Central Bank of UAE. The bank manages its balance sheet proactively, with a particular focus on the efficient management of RWA. LCR and NSFR reporting is not applicable for Barclays Bank UAE. Only banks selected by Central Bank can use the LCR and NSFR for regulatory compliance.

- Total capital has increased by 3% to AED 2695m from AED 2617m primarily due to addition of 2025 profit after completion of statutory audit.
- RWAs also increased by 37% (AED 760m) in the same period, primarily due to increase of AED 650m in Credit RWA and AED 114m in Operational Risk RWA offset by other reductions
- Credit RWA
 - The 2025 credit risk RWAs have main contributors as banks (AED 796m) and PSE including GREs (AED 90m) Offset by AED 238m for corporates
- Operational Risk RWA
 - is calculated by the Basic Indicator Approach (BIA).
 - In BIA approach, bank calculates the capital for operational risk equal to the average over the previous three years of a fixed percentage (denoted alpha) of positive annual gross income.
 - The Operational Risk RWA has increased due to strong 2024 Gross Income.
- Market Risk RWA

Market Risk RWA is defined as the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.
- The decrease in foreign exchange exposure (2024: RWA AED 3.9 m) is mainly attributable to decrease in GBP Positions in 2025
 - Currently, the UAE Branch does not hold any positions in commodities or equities.
 - Bank also does not have trading book positions.
 - The UAE Branch has residual foreign currency exposures in its banking book, which are used in computing the market risk RWA. Market Risk RWA is calculated by using Standardized Approach (SA)
- The increase in RWA caused the reduction of the CAR ratio to 96.09% in Dec 25 from 127.99.4% in Dec 24.
- Barclays Bank UAE is not highly leveraged, with a leverage ratio of 32.37%, well above the

minimum leverage ratio requirement of 3%.

- Reduction in ELAR to 102.52% from 136.64% is contributable largely due to increase in liabilities balances by AED 671m
- Advances to Stables Resource Ratio is at 47.53% in Dec 25 vs 23.32% in Dec 24, due to increase in advances (AED 1,413m) and stable funding (AED 517m).

Key metrics (KM1)

		Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
SI No.	Available capital (amounts)	AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
1	Common Equity Tier 1 (CET1)	2,695,202	2,595,683	2,595,542	2,595,400	2,595,261
1a	Fully loaded ECL accounting model	2,695,202	2,595,683	2,595,542	2,595,400	2,595,261
2	Tier 1	2,695,202	2,595,683	2,595,542	2,595,400	2,595,261
2a	Fully loaded ECL accounting model Tier 1	2,695,202	2,595,683	2,595,542	2,595,400	2,595,261
3	Total capital	2,695,202	2,627,494	2,621,618	2,616,841	2,617,168
3a	Fully loaded ECL accounting model total capital	2,695,202	2,627,494	2,621,618	2,616,841	2,617,168
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	2,804,752	2,949,974	2,491,063	2,121,438	2,044,799
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	96.09%	87.99%	104.19%	122.34%	126.92%
5a	Fully loaded ECL accounting model CET1 (%)	96.09%	87.99%	104.19%	122.34%	126.92%
6	Tier 1 ratio (%)	96.09%	87.99%	104.19%	122.34%	126.92%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	96.09%	87.99%	104.19%	122.34%	126.92%
7	Total capital ratio (%)	96.09%	89.07%	105.24%	123.35%	127.99%
7a	Fully loaded ECL accounting model total capital ratio (%)	96.09%	89.07%	105.24%	123.35%	127.99%
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.08%	0.08%	0.09%	0.06%	0.05%
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.58%	2.58%	2.59%	2.56%	2.55%
12	CET1 available after meeting the bank's minimum capital requirements (%)	85.59%	78.57%	94.74%	112.85%	117.49%

		Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
SI No.	Available capital (amounts)	AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
	Leverage Ratio					
13	Total leverage ratio measure	8,325,471	9,205,411	8,392,111	7,675,187	7,675,187
14	Leverage ratio (%) (row 2/row 13)	32.37%	28.20%	30.93%	33.82%	33.82%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	32.37%	28.20%	30.93%	33.82%	33.82%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	32.37%	28.20%	30.93%	33.82%	33.82%
	Liquidity Coverage Ratio					
15	Total HQLA	N.A.	N.A.	N.A.	N.A.	N.A.
16	Total net cash outflow	N.A.	N.A.	N.A.	N.A.	N.A.
17	LCR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.
	Net Stable Funding Ratio					
18	Total available stable funding	N.A.	N.A.	N.A.	N.A.	N.A.
19	Total required stable funding	N.A.	N.A.	N.A.	N.A.	N.A.
20	NSFR ratio (%)	N.A.	N.A.	N.A.	N.A.	N.A.
		Dec-25	Sep-25	Jun-25	Mar-25	Dec-24
SI No.	ELAR	AED (000)	AED (000)	AED (000)	AED (000)	AED (000)
21	Total HQLA	3,622,056	4,430,422	4,322,715	4,146,605	3,911,032
22	Total liabilities	3,533,178	4,623,072	3,798,356	2,857,824	2,862,220
23	Eligible Liquid Assets Ratio (ELAR) (%)	102.52%	95.83%	113.80%	145.10%	136.64%
	ASRR					
24	Total available stable funding	5,338,484	5,451,554	4,587,870	4,545,925	4,821,917
25	Total Advances	2,537,340	2,905,214	2,218,424	1,390,676	1,124,350
26	Advances to Stable Resources Ratio (%)	47.53%	53.29%	48.35%	30.59%	23.32%

2.2 Bank Risk management approach (OVA)

The Barclays Enterprise Risk Management Framework (ERMF) governs the way in which Barclays (the firm) identifies and manages its risks.

Risk Exposure and Assessment

Introduction

The firm engages in activities which entail risk-taking, every day, throughout its business. The firm is vulnerable to credit losses in its lending and banking transactions which exposes the firm to Credit Risk. It experiences gains and losses from Market Risk in its traded positions. It is subject to Treasury and Capital Risk (including from changes in interest rates on its banking book positions, loss of liquidity and drawdowns in capital) in its financial management.

Across its business, the firm is subject to Operational Risk, including fraud, and process or technology failure. The firm is also exposed to Climate Risk losses due to potential transition and physical risks from climate change. Many important activities are managed and controlled by models, which introduce Model Risk in themselves. Our reputation is important when it comes to trust in the firm's integrity and competence, which gives rise to Reputation Risk. In addition, the firm may, in its activities, create Compliance Risk in relation to its conduct towards the customers, clients and the markets in which it operates as well as from the firm's failure to comply with applicable laws, rules and regulations.

The firm may also be exposed to Financial Crime Risk by enabling the firm and associated persons (employees or third parties) to commit or facilitate financial crimes. Lastly, the firm faces the Legal Risk of loss or imposition of penalties, damages or fines if it fails to meet applicable laws, rules, regulations or contractual requirements or to assert or defend its intellectual property rights. All employees regardless of their positions, functions or locations must play their part in the firm's risk management. Employees are required to be familiar with Risk Management Frameworks, Policies and Standards which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by the Enterprise Risk Management Framework (ERMF).

The Group CRO is accountable for ensuring that frameworks, policies and associated standards are developed and implemented for each of the Financial Principal Risks, Operational Risk and Model Risk and that they are subject to limits, monitored, reported on and escalated as required. The Group Chief Compliance Officer is likewise accountable for the Compliance, Financial Crime and Reputation Principal Risks and the Group General Counsel for Legal Risk.

The Group Chief Risk Officer (CRO) is the Senior Manager accountable for the creation, maintenance and implementation of the ERMF in the firm.

A full breakdown of the principal risks faced by Barclays Bank plc are covered below; The following ten risks, referred to as Principal Risks have been identified as accounting for the vast majority of the total risk faced by the firm:

Principal Risk	Description / Details
Credit Risk	The risk of loss to the firm from the failure of clients, customers or counterparties (including sovereigns), to fully honor their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables.
Market Risk	The risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.
Treasury & Capital Risk	<p>Liquidity Risk: The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.</p> <p>Capital Risk: The risk that the firm has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the firm's pension plans.</p> <p>Interest Rate Risk in the Banking Book: The risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities</p>
Operational Risk	The risk of loss to the firm from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.
Climate Risk	The risk of financial losses arising from climate change through, physical risks and risks associated with transitioning to a lower carbon economy. Climate Risk focuses on the Financial and Operational Risks associated with climate change.
Model Risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.
Reputation Risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the firm's integrity and/or competence.
Compliance Risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the firm's products and services (also known as 'Conduct Risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the firm (also known as Laws, Rules and Regulations Risk 'LRR Risk').
Legal Risk	The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.

Financial Crime
Risk

The risk that the firm and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the firm's products and services are used to facilitate financial crime. Financial Crime undermines market integrity and may result in: Harm to clients, customers, counterparties or employees; Diminished confidence in financial products and services; Damage to the firm's reputation; Regulatory breaches; and/or financial penalties.

Credit Risk, Market Risk, and Treasury and Capital Risk are collectively known as Financial Principal Risks. The remaining risks are referred to as Non-Financial Principal Risks.

Frameworks, Policies and Standards

The Enterprise Risk Management Framework outlines what Frameworks are required for each Principal Risk, to be developed by the accountable officer and must include a list of all the associated policies for that Principal Risk. These frameworks should be reviewed and approved by the respective accountable officer and the relevant Board committee. These frameworks are required to be uniformly understood and acted upon, and any question of interpretation may be decided only by the accountable officer for the Framework.

The Frameworks, Policies and Standards Requirements Document (FPSRD) contains the Group Document Hierarchy and covers all Group Frameworks (Level 1), Level 2 Frameworks, Group Policies and Group Standards, required Addenda and Supplemental Documents in use across Barclays' legal entities. It contains the requirements for the creation, approval and maintenance of these documents, as well as the governance and control processes around these.

Principal Risk Framework Owners are responsible for the identification and establishment of control objectives and control requirements to manage the Principal Risk. Legal is responsible for advising on control objectives/requirements and controls to comply with LRRs; the relevant Control Owners being responsible for implementing these controls. The implementation and execution of controls is performed in accordance with the control objectives within the Operational Risk Framework and specific control requirements outlined within the BCF.

Frameworks are required for each Principal Risk, to be developed by the delegates nominated by the Group CRO or the Group Chief Compliance Officer or the Group General Counsel. All Principal Risk Frameworks must be uniformly understood and acted upon, and any question of interpretation may be decided only by the delegates for the Framework, Policies and Standards. Policies and Standards must satisfy the minimum requirements set out in the FPSRD. Both first and second line Policies are underpinned by supporting Standards which define the minimum control requirements which must be met by all business units and functions.

Risk Appetite

Risk Appetite is defined as the level of risk which the firm is prepared to accept in carrying out its activities. The Risk Appetite of the firm must;

- Specify the level of risk we are willing to take and why, to enable specific risk taking activities.
- Consider all Principal Risks individually and, where appropriate, in aggregate, and apply them only at these levels. All components of Principal Risks not specifically identified above may be subject to limits and tolerances which derive from the Principal Risk Appetite but will not have a separate specification of Risk Appetite.
- Consistently communicate the acceptable level of risk for different risk types. This may be expressed in financial or non-financial terms, and should be measured, as applicable, and effectively monitored.
- Describe agreed parameters for the firm's performance under varying levels of financial stress with respect to:
 - Profitability, loss and return metrics.
 - Capital ratios and Liquidity metrics.
- Be considered in key decision-making processes, including business planning, mergers and acquisitions, new product approvals and business change initiatives.

Internal Control Framework

All colleagues have a specific responsibility for enabling the firm to operate within its Risk Appetite. These responsibilities are defined in terms of the role of the employee in the “Three Lines of Defence”.

First Line of Defence:

The first line comprises all employees engaged in the revenue generating and client facing areas of the firm and all associated support functions, including Finance, Treasury, Technology and Operations, Human Resources, Administration etc. Employees in the first line have primary responsibility for their risks, including:

- Identifying and managing all the risks to which they are exposed as a result of the activities in which they are engaged.
- Operating within any and all limits which the Risk and Compliance functions, as the second line of defence, establish in connection with the Risk Appetite of the firm.
- Escalating risk events to senior managers and to Risk and Compliance (the latter where related to Conduct Risk).

The first line may establish their own Policies, Standards and controls (subject to the Barclays Control Framework) for their operational activities and require their colleagues to manage all controls to specified tolerances. These activities are permitted so long as they are within any applicable limits and/or tolerances, Policies and/or Standards.

Where activities are not within applicable limits and/or tolerances, Policies and/or Standards, the first line is responsible for identifying, raising and remediating these non-compliant activities.

All activities in the first line are subject to oversight from the relevant parts of the second and third lines.

Second Line of Defence :

Employees of Risk and Compliance comprise the second line of defence. The role of the second line is to establish the Frameworks, Policies and Standards, limits, rules and constraints under which all activities shall be performed, consistent with the Risk Appetite of the firm, and to oversee the performance of the firm against these Frameworks, Policies and Standards, limits, rules and constraints. Where these limits, rules and constraints are quantitative and/or model based, the measures may only be developed or approved by the second line. In the event that the first line breaches limits or contravenes rules or constraints, the second line may, at its discretion, direct the activities of the first line to bring it within compliance. Such activity will take place under the appropriate risk governance and/or oversight of the relevant risk committee. The second line has the authority and responsibility to perform independent challenge of all risks in the first line at any time.

The second line may establish limits for first line activities to manage risk exposure in line with Risk Appetite as appropriate. Controls for first line activities will ordinarily be established by the Control Officers operating within the Control Framework of the firm. The inherent and residual risks of the firm will be self- assessed through a Risk and Control Self-Assessment program defined in the Operational Risk Framework, and subject to second line oversight.

The second line is responsible for defining in its Policies and Standards details of its own responsibilities and activities and governing them, establishing controls to manage its performance, and assessing its conformance to these Policies and Standards as well as controls.

Third Line of Defence:

Employees of Internal Audit comprise the third line of defence. They provide independent assurance to the Board and Executive Management of the effectiveness of governance, risk management and controls over current, systemic and evolving risks.

Legal Function:

Legal has specific prescribed risk responsibilities under two Principal Risks, namely Legal Risk and Compliance Risk:

- Legal Risk: the risk management and mitigation of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.
- Compliance Risk: the management of LRR Risk as is relevant to Legal function and as further described in section 4.3.15 of the Group ERMF.

The Legal function and the services it provides does not sit in any of the three lines of defence, but

supports them all. The responsibilities of the Legal function supplement and do not replace any of the responsibilities of the first and second line. Except in relation to the legal advice it provides or procures, the Legal function is subject to oversight from Risk with respect to its own Operational Risk, and Compliance with respect to its own Compliance Risks (including LRR Risk). The Compliance function also provides oversight of Legal Risk. For the avoidance of doubt, LRR Risk is part of Compliance Risk and Compliance is responsible for second line of defence oversight over the Legal function in relation to LRR Risk except in relation to the legal advice the Legal function provides or procures.

Specifically in relation to LRRs, the Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations. This includes Legal having responsibility for ensuring that LRRs are effectively identified, defined, and allocated to appropriate Principal Risks and Horizontals, and adequately reflected within, the relevant Policies, Standards, and controls. Further, the Legal function has responsibility for providing the relevant information (including the requirements of LRRs) to the Policy and Standard owners to enable them to design and implement the controls that ensure compliance with relevant LRRs. As part of its role, Legal must satisfy itself that adequate controls have been established (for existing or newly identified LRR risks) based on its advice concerning control requirements, the results of second line oversight, and in accordance with Barclays Control Policy and Standard. This must be done both at inception of an LRR, when an LRR is updated or when there is a business process/product/service change impacting an LRR

2.3 Barclays MENA Corporate Governance

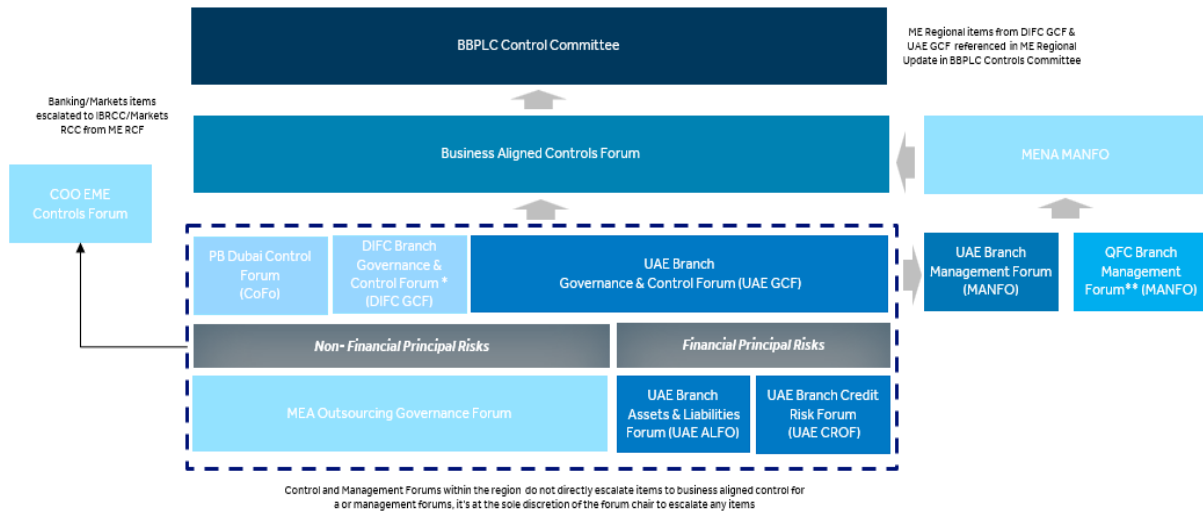
This section outlines the governing bodies that are in place in the region that support the Middle East Risk & Governance framework.

The Key Risk Stakeholders may use governing bodies to support the management and escalation of risks regionally to the UAE ManFo and/or the UAE GCF. The Key Risk Stakeholders are clearly identified in the Terms of Reference for both the UAE ManFo and the UAE GCF.

In addition to the regional escalation channel, governance bodies (and 'Go-To' Risk Stakeholders in the absence of a governance body) within this framework are required to escalate issues to any relevant Group, Functional or Business forum. Reporting at lower levels will be relatively detailed as appropriate for the area covered by the forum. As reporting escalates through the Governance structure, content is aggregated into high level report summaries with significant issues distilled into clear messages for attention at the respective level.

The below diagram outlines the regional forums that are in place to support the regional Risk and Governance framework:

MENA Governance Framework



1. MENA Management Forum (MENA MANFO)

Geographies covered: Middle East and North Africa

Business units covered: All

Chair: Country CEO & Head of Investment Banking MENA Region

Members: Chief Operating Officer MEA, Head of International Corporate Bank MENA, Head of Private Bank MEA, Country CEO and Head of Investment Banking MENA Region, Head of Global Markets MEA, Chief of Staff MEA (Secretariat) and Ex-officio member (rotation every six months).

Mandate:

- The forum acts as the 'Board' for the entities and activities of Barclays in the Middle East & North Africa ("MENA") region in line with regulative requirements for Corporate Governance.
- Provide a forum for discussing priorities and resolving issues related to the activity of Barclays in the Middle East & North Africa ("MENA") region.
- Share information and improve coordination across all businesses in the region both internally within the region and externally with the center.
- Set and monitor the MENA business strategy.
- Ensure effective communication among the MENA regional management team while promoting an integrated approach.

- Promote a culture where risks, issues and regulatory requirements are escalated and discussed openly. Ensure senior visibility of key risks and mitigants related to Barclays activity in MENA (without substituting other risk and control forums).
- Discuss, monitor and as relevant, escalate all governance, control or policy issues which may give rise to reputation risk.
- Ensure that the Barclays Values and regulatory requirements across the franchise are embedded in all activities and actions.
- Ensure that all Barclays MENA teams carry out their responsibilities in line with the local regulatory environment and firm-wide standards.
- Align business activities with the firm's vision in the region.
- Resolve differences of interest between business areas within the Group.
- Provide senior sponsorship for other MENA-focused leadership forums.

Escalation Channel(s): The forum may escalate to the relevant Business Unit ExCo as appropriate. (NB escalation by MENA ManFo does not supersede the requirement of the UAE GCF to escalate risks to relevant Group forums and committees).

2. UAE Branch Management Forum (UAE MANFO)

Geographies covered: UAE

Business units covered: International Corporate Bank, Global Markets, Investment Banking

Chair: COO Middle East & Africa

Members: Chief Operating Officer MEA, Head of International Corporate Bank Middle East, Chief Financial Officer MEA, Chief Risk Officer MEA, Compliance Officer UAE, Government Relations & Chief Security UAE, Head of Government Related Entities UAE

Mandate:

- Provide a forum for discussing priorities and resolving issues related to the activity of the UAE Branch.
- Provide effective oversight of the UAE Branch's senior executive function and senior management function and hold them accountable for their actions;
- The Forum must set out the possible consequences (including dismissal) if those actions are not aligned with the body's performance expectations;
- Support the UAE Branch Senior Managers in the discharge of their responsibilities.
- Promote a culture where risks, issues and regulatory requirements are escalated and discussed openly. Maintain transparency and disclosure.
- Approve the corporate governance framework through which the firm is managed and controlled. Ensure the framework provides visibility of key risks and mitigants related to

Barclays activity from the UAE Branch (without substituting for the MENA Governance & Control Forum).

- Deal prudently with any conflicts of interest that may arise by ensuring that no individual or group of individuals unduly influences the body's decision-making;
- Discuss and as relevant, escalate all governance, control or policy issues which may give rise to reputational risk.
- Ensure that the firm has effective policies, procedures and controls to deter, prevent, detect, report and remedy fraud, and must ensure that appropriate resources are allocated for that purpose;
- Oversight on the business strategy for the UAE Branch. Align business activities with the firm's vision in the region.
- Review financial soundness of the business activities of the UAE Branch.
- Establish direct and independent contact with the firm's audit and risk functions;
- Ensure that the UAE Branch has succession plans for its key functions;
- Ensure that the Barclays Values and Mindset are embedded in all activities and actions.
- Provide senior sponsorship for any other MENA Forums or other governance fora that cover the UAE Branch.
- Oversee Fit and Proper processes for designated roles and functions
- Approve material regulatory submissions as required by local regulations.

Escalation Channel(s): The Forum escalates issues to the MENA ManFo on matters relevant for local review and to UK/Group Forums where required in accordance with the Group Governance and Control policies and guidelines. Risk items are escalated to the respective Business aligned Governance and Control Forum's (GCFs).

Escalation criteria are as below:

- Locally: (i) any issue out of the authority granted to each single member of the Forum, (ii) any material issue that would require disclosure to the local regulators and (iii) any issue that would determine a reputational issue for the brand of the Bank.
- To UK/ Group: according to Barclays Group Policies and Standards on escalation procedures.
- The Forum may escalate to the relevant Business Unit Governance Forum as appropriate¹.

¹ Escalation by MENA ManFo does not supersede the requirement to escalate risks to relevant BU Forums

3. UAE Branch Governance & Control Forum (UAE GCF)

Geographies covered: UAE

Business units covered: International Corporate Bank, Global Markets, Investment Banking

Chair: Chief Operating Officer (Country Manager), Middle East

Members: Business Heads, Key Risk Stakeholders from Infrastructure 1st and 2nd Line Functions and required Key Risk Assessors.

Mandate: The UAE GCF has been established to provide a formal governance body with overview of the regional risk profile for all principal risks under the Enterprise Risk Management Framework (ERMF). The forum covers of all issues and breaches, regulatory issues, changes and all risk and control related items escalated into the forum. This forum is the key governance and risk management forum for the UAE.

Escalation Channel: UAE ManFo and MENA ManFo and escalate risks to relevant Global forums and committees where required in accordance with the Group Governance and Control policies and guidelines.

4. Credit Risk Oversight Forum (CROF)

Geographies covered: UAE onshore

Business units covered: International Corporate Bank

Chair: Chief Operating Officer (Country Manager), Middle East

Members: Chief Operating Officer (Country Manager), Middle East, Head of Corporate Banking, Country CEO and Head of Investment Banking MENA , ,Chief Risk Officer, Middle East, Head of Credit Risk Middle East, Head of EMEA Special Asset Management , Head of GRE GC UAE, Credit officer EM Wholesale Credit Sanctioning .

Mandate: The Wholesale Credit Risk UAE Oversight Forum serves as a cross-functional governance forum to provide oversight on credit risk matters of Middle East clients pertaining to Barclays Bank PLC (“Barclays”) and its Dubai Branch (the “Branch”).

Escalation Channel(s): The Chairperson of the Forum will have responsibility to facilitate discussion and to resolve disagreement.

Where the Chairperson considers that the Forum does not have the requisite competency to fully consider an issue, or wishes to highlight a material issue, the Chair retains the discretion to escalate issues to the relevant business aligned, business services (Head of Business Services ‘HoBS’), or functional management and to relevant BI or group wide senior management as appropriate as well always to the Barclays Regional Headquarters Company and to the MENA /UAE Branch Management Forum.

5. Assets & Liabilities Forum (ALFO)

Geographies covered: UAE onshore

Business units covered: International Corporate Bank

Chair: Chief Finance Officer (CFO), Middle East & Africa

Members: COO, Middle East & Africa, Head of Corporate Banking, Middle East, Chief Finance Officer Middle East & Africa, Chief Risk Officer, Middle East & Africa, Head of Treasury UAE and Head of GRE UAE.

Mandate: The primary purpose of the Barclays Bank PLC UAE Branch Assets and Liabilities Forum (ALFO) is to establish a control framework covering all businesses and functions and all applicable Treasury & Capital Risk as per the ERMF, to address the following:

- To review, recommend and approve matters relating to regulatory capital, balance sheet and liquidity for the country balance sheet and its planned initiatives
- The ALFO will discuss key drivers, strategies and solutions to effectively manage its capital, balance sheet and liquidity resources from the perspective of both internal and regulatory guidelines

Escalation Channel(s):

- Business specific country items will be escalated to the Treasury functional chain.
- Liquidity-related items shall be escalated to the Group FLM Chain, through Treasury.
- ALM / FTP (funds transfer pricing) related items shall be escalated to the Group ALM Chain through Treasury.
- Capital-related items shall be escalated to the Group Capital chain through Treasury.
- Operational Control specific items will be escalated to UAE GCF and the UAE ManFo

Corporate Portfolio Review

Barclays Bank UAE has a dedicated Wholesale Credit Risk Team which is responsible for the management and oversight of the corporate portfolio. The key activities of the team include, but are not limited to, the following:

- Oversight of macroeconomic and market trends.
- Review of the trends in the portfolio and associated Key Risk Metrics.
- Risk appetite is managed globally and not at individual branch level in line with the methodology set out in the Credit Risk Appetite Standards. Globally, Credit Risk Appetite for Barclays Bank Plc is controlled through; 1) Setting Stress Loss Limits based on impairments arising from an adverse internal stress test scenario – setting limits seeks to contain these impairments within loss tolerances and 2) Mandate and Scale Exposure Controls
- Carry out credit risk review activities, monitoring and control, for a predefined portfolio of

corporate clients across multiple industries in the MENA region.

- Maintaining the asset quality of the designated portfolio supporting origination, interim reviews, annual reviews and on-going monitoring and control.
- Keep track of potential issues/concerns (internal and external impacts) and Identify “Early Warning List” /” Watch List” cases in a timely fashion, escalate any cases that may require referral to the Special Asset Management ("SAM") team.
- Credit Risk is managed in accordance with the Barclays Group ERMF, Barclays Group Principal Risk framework: Credit Risk and Barclays Group Wholesale Credit Risk Policies, Standards and Procedures. We do not set/adopt local concentration risk limits and continue to rely on those set globally which the UAE branch adheres to.
- To ensure BBPLC operates within Risk Appetite, the Board sets Stress Loss Limit Allowances (A level) by legal entity and risk type. Risk managers at various levels, starting with the Group CRO & Barclays International CRO, then set operational limits to manage portfolio (Mandate & Scale) and single name (Maximum Exposure Governance) concentrations. Stress Loss, Mandate & Scale, and Maximum Exposure Governance limit frameworks then ensure that concentration risks do not develop and that the bank operates with Risk Appetite.

2.4 Overview of RWA (OV1)

The purpose of these metrics is to provide an overview of total risk weighted assets.

	RWA	RWA	Minimum Capital Requirement
	31-Dec-25	30-Sep-25	31-Dec-25
	AED (000)	AED (000)	AED (000)
1 Credit risk (excluding counterparty credit risk)	2,400,802	2,544,583	252,084
2 Of which: standardised approach (SA)	2,400,802	2,544,583	252,084
3			
4			
5			
6 Counterparty credit risk (CCR)	284	292	30
7 Of which: standardised approach for counterparty credit risk	284	292	30
8			
9			
10			
11			
12 Equity investments in funds - look-through approach	0	0	0
13 Equity investments in funds - mandate-based approach	0	0	0
14 Equity investments in funds - fall-back approach	0	0	0
15 Settlement risk	0	0	0
16 Securitisation exposures in the banking book	0	0	0
17			
18 Of which: securitisation external ratings-based approach (SEC-ERBA)	0	0	0
19 Of which: securitisation standardised approach (SEC-SA)	0	0	0
20 Market risk	1,298	2,731	136
21 Of which: standardised approach (SA)	1,298	2,731	136
22			
23 Operational risk	402,368	402,368	42,249
24			
25			
26 Total (1+6+10+11+12+13+14+15+16+20+23)	2,804,752	2,949,974	294,499

Credit RWA

Credit Risk-Weighted Assets (RWA) decreased by AED 145m to AED 2,401 m as of December 2025, compared to AED 2,545 m reported in Sep 2025. This decrease was primarily attributable to a decrease in credit risk exposures for corporates (AED 197m) and offset by increases to bank exposures (AED 53m)

Market Risk is defined as the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Currently, the UAE Branch does not hold any positions in commodities or equities. Bank also does not have trading book positions. The UAE Branch has residual foreign currency exposures in its banking book, which are used in computing the market risk RWA. Market Risk RWA is calculated by using Standardized Approach (SA)

Operational Risk RWA is calculated by the Basic Indicator Approach (BIA).

In BIA approach, bank calculates the capital for operational risk equal to the average over the previous three years of a fixed percentage (denoted alpha) of positive annual gross income.

3 Linkages between financial statements and regulatory exposures

3.1 Main source of differences between regulatory exposures and financial statements (LI2)

Schedule of differences between financial statements and BRF 1, BRF 2 and BRF 3

		Dec-25
		AED'000
1	Cash & Balances with Central Bank as per BRF1 (Item 1)	3,622,056
	Less: Provision on balances with Central Bank as per FS (part of BRF 2 (Item 25.2))	-
	Balance as per financial statements	3,622,056
2	Due from Head Office and branches as per BRF1 (Item 2)	28,243
	Less: Provision on Bills discounted on own branches as per FS (part of BRF 2 (Item 25.2))	-
	Less: Deferred Income on Bills discounted with own branches as per FS (part of BRF 2 (Item 26.4))	-
	Add: Interest Receivable on group placements as per FS (part of BRF 1 (Item 11.1))	-
	Add: Fair value of derivatives from Head Office as per BRF 1 (Item 12.1)	300
	Balance as per financial statements	28,543
3	Balance due from other banks as per BRF 1 (Item 3)	1,826,240
	Less: Provision on Bills discounted with other banks as per FS (part of BRF 2 (Item 25.2))	-500
	Less: Deferred Income on Bills discounted with other banks as per FS (part of BRF 2 (Item 26.4))	-31,373
	Balance as per financial statements	1,794,367
4	Loans and advances as per BRF 1 (Items 4,7,8)	805,900
	Less: Interest In Suspense as per BRF 2 (Item 25.3)	-
	Less: Provision for specific bad & doubtful debts as per BRF2 (Item 25.1)	-30,742
	Less: Gen. Prov. for bad & doubtful debts as per BRF 2 (Item 25.2)	-36,016
	Add: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))	33,297
	Add: Provision on balances with Central Bank as per FS (part of BRF 2 (Item 25.2))	-
	Add: Provision on Bills discounted with other banks as per FS (part of BRF 2 (Item 25.2))	500
	Add: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Item 25.2))	1,871
	Add: Interest receivable from customers as per BRF 1 (Item 11.1)	5,299
	Less: Deferred Income (part of BRF 2 (Item 26.4))	-295
	Balance as per financial statements	779,814

		Dec-25
		AED'000
5	Other assets as per BRF 1 (Item 11)	13,261
	Less: Deferred tax assets as per FS (part of BRF 1 (Item 11.7))	-4,395
	Less: Interest Receivable on group placements as per FS (part of BRF 1 (Item 11.1))	-
	Less: Interest receivable from customers as per FS (part of BRF 1 (Item 11.1))	-5,299
	Less: Intangible Assets as per BRF 1 (Item 11.4)	-
	Balance as per financial statements	3,567
6	Deposit as per BRF 2 (Items 14,15,16,17)	3,068,887
	Add: Interest accrual on deposits as per BRF 2 (Item 26.1)	3,807
	Balance as per financial statements	3,072,694
7	Due to Head Office and branches as per BRF 2 (Item 21)	360,509
	Add: Internal balance sheet liability -fair value uplift as per BRF 2 (part of Item 27.1)	41
	Balance as per financial statements	360,550
8	Impairment provision as per BRF 2 (Item 25.1 & 25.2)	66,758
	Less: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))	-33,297
	Less: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Item 25.2))	-1,871
	Balance as per financial statements	31,590
9	Other liabilities as per BRF 2 (Item 26)	89,476
	Add: Staff benefits as per BRF 2 (Item 25.5)	1,977
	Add: Other provisions as per BRF 2 (Item 25.6)	2,150
	Add: Other Provision - Off Balance Sheet as per FS (part of BRF 2 (Item 25.2))	1,871
	Less: Deferred Income on Bills discounted with other banks as per FS (part of BRF 2 (Item 26.4))	-31,373
	Less: Interest accrual on deposits as per BRF 2 (Item 26.1)	-3,807
	Add: Bankers Draft as per BRF 2 (Item 19)	12,288
	Less: Deferred Income on loans and advances to customers (part of BRF 2 (Item 26.4))	-295
	Balance as per financial statements	72,287

		Dec-25
		AED'000
10	Capital & Reserves as per BRF 2 (Item 28)	2,695,202
	Add: Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 2 (Item 25.2))	33,297
	Balance as per financial statements	2,728,499
11	Letter of Credit as per BRF3 (Item 1)	26,861
	Add: Acceptances (part of item 1 in BRF 3)	-5,351
	Balance as per financial statements	21,510
12	Guarantees as per BRF3 (Item 2)	2,296,416
	Less: Acceptances (part of item 1 in BRF 3)	5,351
	Balance as per financial statements	2,301,767
13	Other commitments to extend credit as per BRF3 (Item 3)	5,844,129
	Balance as per financial statements	5,844,129
14	Profit after tax as per BRF 4	99,479
	Add: Addition for the year- Difference between CB 1.5% and Stage 1 & 2 provision under IFRS 9 (part of BRF 4 (Item 8.2.3))	7,924
	Balance as per financial statements	107,396

The reason for the differences between Financial Statement (FS) and BRF Return arise from the different approaches in reporting.

- Central Bank reporting has specific sections to be reported under liabilities whereas in Financial Statement (FS) the reporting of balances is on a net basis.
- (1) The difference is the impairment provision on cash and Central Bank balances which is reported under BRF2.
 - (2) Under FS, the Principal (Own bills discounting and Group deposits) and its Int Receivable, Deferred Income and the Provision is reported consolidated under this schedule, where as in BRF it is reported under respective lines of Interest Receivable (BRF1), Deferred Income (BRF2) and Impairment Provision (BRF2).
 - (3) Under FS, the Principal (Bank Bills and Nostros) and its Int Receivable, Deferred Income and the Provision is reported consolidated under this schedule, where as in BRF it is reported under respective lines of Interest Receivable (BRF1), Deferred Income (BRF2) and Impairment Provision (BRF2).
 - (4) Under FS, the Principal (Debt products) and its Int Receivable and Provision is reported consolidated under this schedule, where as in BRF it is reported under respective lines of Interest Receivable (BRF1), Deferred Income (BRF2) and Impairment Provision (BRF2).
 - (5) Under FS, the Other Assets includes only the Prepayments, debtors and Commission receivable, where as in BRF the Interest receivable and Deferred Tax assets is reported as additional in this section.

- (6) Under FS, The deposits and Interest payable is reported consolidated whereas in BRF both the components are reported under different sections.
- (7) The only difference is the Fair Value uplift which is reported in separate section under BRF 2.
- (8) In FS, the Impairment provision is reported under specific products (Schedules) whereas in BRFs the amount is reported at consolidated level.
- (9) Under FS, the Other liabilities includes Staff benefits, deferred income, Impairment on Off BS, where as in BRF the Interest payable and Deferred income is reported as additional in this section.
- (10) The difference is the 1.5% of CRWA which is reported separately under FS as General Reserve whereas in Central Bank reporting this forms part of the Impairment - General Provision.
- (11) Acceptance is reported as part of Guarantees in BRF 3.
- (12) Acceptance is reported as part of Guarantees in BRF 3.

4 Composition of capital

4.1 Composition of regulatory capital (CC1)

This template provides the breakdown of the constituent elements of a bank's capital.

		Amount AED(000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	2,540,214	Same as (h) from CC2 template
2	Retained earnings	-41,856	
3	Accumulated other comprehensive income (and other reserves)	196,844	
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	-	
5	Common share capital issued by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory deductions	2,695,202	
Common Equity Tier 1 capital regulatory adjustments			
7	Prudent valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	0	CC2 (b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	
11	Cash flow hedge reserve	-	
12	Securitisation gain on sale	-	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
14	Defined benefit pension fund net assets	-	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	

		Amount AED(000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	
20	Amount exceeding 15% threshold	-	
21	Of which: significant investments in the common stock of financials	-	
22	Of which: deferred tax assets arising from temporary differences	-	
23	CBUAE specific regulatory adjustments	-	
24	Total regulatory adjustments to Common Equity Tier 1	-	
25	Common Equity Tier 1 capital (CET1)	2,695,202	
Additional Tier 1 capital: instruments			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	CC2 (i)
27	Of which: classified as equity under applicable accounting standards	-	
28	Of which: classified as liabilities under applicable accounting standards	-	
29	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	-	
30	Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in AT1)	-	
31	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-	
32	Additional Tier 1 capital before regulatory adjustments	-	
33	Investments in own additional Tier 1 instruments	-	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	-	
36	CBUAE specific regulatory adjustments	-	
37	Total regulatory adjustments to additional Tier 1 capital	-	
38	Additional Tier 1 capital (AT1)	0	
39	Tier 1 capital (T1= CET1 + AT1)	2,695,202	

		Amount AED(000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	0	
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	0	
42	Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 30) issued by subsidiaries and held by third parties (amount allowed in group Tier 2)	0	
43	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	0	
44	Provisions	0	
45	Tier 2 capital before regulatory adjustments	0	
Tier 2 capital: regulatory adjustments			
46	Investments in own Tier 2 instruments	0	
47	Investments in capital, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	0	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
49	CBUAE specific regulatory adjustments	0	
50	Total regulatory adjustments to Tier 2 capital	0	
51	Tier 2 capital (T2)	0	
52	Total regulatory capital (TC = T1 + T2)	2,695,202	
53	Total risk-weighted assets	2,804,752	
Capital ratios and buffers			
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	96.09%	
55	Tier 1 (as a percentage of risk-weighted assets)	96.09%	
56	Total capital (as a percentage of risk-weighted assets)	96.09%	
57	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.58%	
58	Of which: capital conservation buffer requirement	2.50%	
59	Of which: bank-specific countercyclical buffer requirement	0.08%	
60	Of which: higher loss absorbency requirement (e.g. DSIB)	-	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	85.59%	

		Amount AED(000)	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
The CBUAE Minimum Capital Requirement			
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
Amounts below the thresholds for deduction (before risk weighting)			
66	Significant investments in common stock of financial entities	0	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	0	
Applicable caps on the inclusion of provisions in Tier 2			
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	0	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	0	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
73	Current cap on CET1 instruments subject to phase-out arrangements	0	
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	
75	Current cap on AT1 instruments subject to phase-out arrangements	0	
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	0	
77	Current cap on T2 instruments subject to phase-out arrangements	0	
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	0	

The primary composition of the capital base are the funds injected by Barclays Head Office. The Bank does not have any additional Tier 1 and Tier 2 capital instruments except provisions calculated as 1.25% of credit risk RWA. Retained earnings are the losses reported till date and other accumulated comprehensive income relates to legal reserves which is 10% of the yearly profits

As of December 2025, the bank is strongly capitalized at 96.09% (based on Basel III) vs the 10.5% minimum Capital Adequacy ratio (CAR) regulatory requirement and 13.05% minimum CAR requirement – including Capital Conservation and Countercyclical Buffers.

In line with CBUAE Notice No. 4613.2025, the previous regulatory allowance to include up to 1.25% in Tier 2 capital has been withdrawn; resulting in a reduction in eligible Tier 2 capital.

4.2 Reconciliation of regulatory capital to balance sheet (CC2)

This template enables users to identify the differences between the scope of accounting consolidation and the scope of regulatory consolidation, and to show the link between a bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template set out in Template CC1.

Please refer to note on Linkages between financial statements and regulatory exposures for the reconciliation.

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 31 Dec 2025 AED (000)	As at 31 Dec 2025 AED (000)	
Assets			
Cash and balances at central banks	3,622,056	3,622,056	(a)
Items in the course of collection from other banks	-	-	(b)
Trading portfolio assets	-	-	
Financial assets designated at fair value	-	-	
Derivative financial instruments	-	-	
Loans and advances to banks	1,822,910	1,854,483	(c)
Loans and advances to customers	779,814	805,900	(d)
Reverse repurchase agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	(a)
Current and deferred tax assets	4,395	4,395	
Prepayments, accrued income and other assets	3,567	9,166	
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	-	-	
Of which: goodwill	-	-	
Of which: intangibles (excluding MSRs)	-	-	
Of which: MSRs	-	-	
Property, plant and equipment	1,288	1,288	
Total assets	6,234,030	6,297,288	

(a) SI No. 1 of Template LI2

(b) SI No. 3 of Template LI2

(c) SI No. 2 of Template LI2

(d) SI No. 4 of Template LI2

	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	As at 31 Dec 2025 AED (000)	As at 31 Dec 2025 AED (000)	
Liabilities			
Deposits from banks	360,550	360,509	(e)
Items in the course of collection due to other banks	-	-	
Customer accounts	3,072,694	3,068,887	(f)
Repurchase agreements and other similar secured borrowing	-	-	
Trading portfolio liabilities	-	-	
Financial liabilities designated at fair value	-	-	
Derivative financial instruments	-	-	
Debt securities in issue	-	-	
Accruals, deferred income and other liabilities	70,414	99,932	(g)
Current and deferred tax liabilities	-	-	
Of which: DTLs related to goodwill	-	-	
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	
Of which: DTLs related to MSRs	-	-	
Subordinated liabilities	-	-	
Provisions	-	70,885	
Retirement benefit liabilities	1,873	1,873	
Total liabilities	3,505,531	3,602,086	
Shareholders' equity			
Paid-in share capital			
Of which: amount eligible for CET1	2,540,214	2,540,214	
Of which: amount eligible for AT1	-	-	
Retained earnings	188,285	154,988	
Accumulated other comprehensive income	-	-	
Total shareholders' equity	2,728,499	2,695,202	(h)

The reason for the differences between Financial Statement (FS) and BRF Return arise from the different approaches in reporting.

- Central Bank reporting has specific sections to be reported under liabilities whereas in Financial Statement (FS) the reporting of balances is on a net basis.

(e) The difference is the impairment provision on cash and Central Bank balances which is reported under BRF2.

(f) -

(g) Under FS, the Principal (Own bills discounting, bank bills, Nostro and Group deposits) and its Int Receivable, Deferred Income and the Provision is reported consolidated under this schedule, where as in BRF it is reported under respective lines of Interest Receivable (BRF1), Deferred Income (BRF2) and Impairment Provision (BRF2).

(h) Under FS, the Principal (Debt products) and its Int Receivable and Provision is reported consolidated under this schedule, where as in BRF it is reported under respective lines of Interest Receivable (BRF1), Deferred Income (BRF2) and Impairment Provision (BRF2).

- (i) The only difference is the Fair Value uplift which is reported in separate section under BRF 2.
- (j) Under FS, The deposits and Interest payable is reported consolidated whereas in BRF both the components are reported under different sections.
- (k) Under FS, the Other liabilities includes Staff benefits, deferred income, Impairment on Off BS, where as in BRF the Interest payable and Deferred income is reported as additional in this section.
SI No. 11 of Template LI2
- (l) The difference is the 1.5% of CRWA which is reported separately under FS as General Reserve whereas in Central Bank reporting this forms part of the Impairment - General Provision.

4.3 Main features of regulatory capital instruments (CCA) Quantitative Disclosures

The Bank operates as a branch of foreign bank in the UAE and share capital is composed only of the funding from the head office.

		Quantitative /Qualitative information
1	Issuer	Not Applicable
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional arrangement rules (i.e. grandfathering)	
5	Post-transitional arrangement rules (i.e. grandfathering)	
6	Eligible at solo/group/group and solo	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognized in regulatory capital (currency in ms, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step-up or other incentive to redeem	

		Quantitative /Qualitative information
27	If write down, permanent or temporary	Not Applicable
22	Non-cumulative or cumulative	
23	Convertible or non-convertible	
24	Writedown feature	
25	If writedown, writedown trigger(s)	
26	If writedown, full or partial	
27	If write down, permanent or temporary	
28	If temporary write-own, description of writeup mechanism	
28a	Type of subordination	
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	
30	Non-compliant transitioned features	
31	If yes, specify non-compliant features	

5 Macro prudential Supervisory measures

5.1 Geographical distribution of credit exposures used in the countercyclical buffer

For the purposes of the countercyclical capital buffer, the Bank classified to the extent possible, private sector exposures on an “ultimate risk” basis. The countercyclical buffer for jurisdictions is referenced as per Global BIS publications.

The below table reflects the geographic composition of its portfolio of credit exposures booked in UAE and relevant countercyclical buffer in the relevant country on a weighted average basis.

Currently the CCYB buffer for United Arab Emirates exposures is zero (RWA AED 682m)

Geographical breakdown	a	b		c	D	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Risk-weighted assets (AED'000)	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values (AED'000)				
UAE	0.00%	1,817,504	682,215		0.00%	-
Switzerland	0.00%	422,395	247,928		0.00%	-
Cayman Islands	0.00%	128,555	0		0.00%	-
United Kingdom	2.00%	26	0		0.00%	-
Germany	0.75%	15,000	1,702		0.00%	0.02
Ireland	1.00%	200,002	26,669		0.02%	6.05
Kuwait	0.00%	91,825	29,404		0.00%	-
Luxembourg	0.50%	117,913	23,802		0.01%	2.41
Netherlands	2.00%	4,000	974		0.00%	0.02
Poland	0.00%	7,346	3,673		0.00%	-
Sweden	2.00%	45,298	10,010		0.02%	1.70
United States	0.00%	1,199,791	149,455		0.00%	-
Total		4,049,655	1,175,832		0.05%	618.145

6 Leverage ratio

6.1 Leverage ratio common disclosure template (LR2)

This template provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

		Dec-25	Sep-25
		AED (000)	AED (000)
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	6296988	7364843
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	0	-47
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	6,296,988	7,364,796
Derivative exposures			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	420.36	208.26
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	1,027.00	1,249.43
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivative exposures (sum of rows 8 to 12)	1,447.36	1,457.69
		Dec-25	Sep-25
Securities financing transactions		AED (000)	AED (000)
14	Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	CCR exposure for SFT assets	-	-
17	Agent transaction exposures	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-

	Dec-25	Sep-25	
	AED (000)	AED (000)	
On-balance sheet exposures			
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	8,167,406	7,828,184
20	(Adjustments for conversion to credit equivalent amounts)	- 6,140,370	- 5,989,027
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	Off-balance sheet items (sum of rows 19 to 21)	2,027,036	1,839,157
Capital and total exposures			
23	Tier 1 capital	2,695,202	2,595,683
24	Total exposures (sum of rows 7, 13, 18 and 22)	8,325,471	9,205,411
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	32.37%	28.20%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	32.37%	28.20%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	29.37%	25.20%

On-balance sheet exposures primarily comprise cash and balances with the Central Bank (AED 3,622m), balances due from banks including Head Office and own branches (AED 1,855m), exposures to Public Sector Enterprises (AED 564m), and loans and advances (AED 241m). These exposures reflect the Bank's predominantly liquidity-driven balance sheet, with a significant portion held in high-quality liquid assets and interbank placements.

Derivative exposures relate to foreign exchange (FX) swap transactions executed with Barclays Bank London

Off-balance sheet exposures primarily consist of guarantees (AED 2,296m), letters of credit (AED 27m), and commitments (predominantly other commitments amounting to AED 5,844m) extended to corporates and financial institutions. These exposures are largely contingent in nature and support client financing and trade-related activities.

7 Liquidity

7.1 Liquidity risk management (LIQA)

Barclays defines liquidity risk as the risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Liquidity risk management framework

The efficient management of liquidity is essential to the Bank in retaining the confidence of financial markets and ensuring that business is sustainable. The liquidity risk control framework is used to manage all liquidity risk exposures under both BAU and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the liquidity risk appetite as expressed by the Barclays PLC Board. The liquidity risk appetite is monitored against both internal and regulatory liquidity metrics.

Treasury has the primary responsibility for managing liquidity risk within the set risk appetite. Both Risk and Treasury contribute to the production of the Internal Liquidity Adequacy Assessment Process (ILAAP). The Treasury and Capital Risk function is responsible for the management and governance of the liquidity risk mandate, as defined by the Board. The liquidity risk control framework is designed to deliver the appropriate term and structure of funding, consistent with the liquidity risk appetite set by the Board. The control framework incorporates a range of ongoing business management tools to monitor, limit and stress test the Group's balance sheet, contingent liabilities and the recovery plan. Limit setting and transfer pricing are tools that are designed to control the level of liquidity risk taken and drive the appropriate mix of funds. Together, these tools reduce the likelihood that a liquidity stress event could lead to an inability to meet Group's obligations as they fall due.

The liquidity requirements could arise through (but not be limited to) customer withdrawals, wholesale counterparties removing financing, or loan draw downs. Liquidity risk is inherent in all banking operations and can be affected by a range of name-specific and market-wide events which can result in:

- Inability to support normal business activity; and
- A failure to meet liquidity requirements.

At a Group level, Barclays undertakes an Individual Liquidity Adequacy Assessment Process (ILAAP). The ILAAP is produced for BPLC (Group) and material entities and is reviewed annually or as and when circumstances require (e.g., markets events, new business activities, etc.). The ILAAP contains an assessment of the key liquidity risk drivers along with a description of the controls in place to manage and mitigate these. These risks are analysed, and assumptions are determined about potential outflows that could arise from these risks in the suite of internal liquidity stress testing scenarios known as the ILST. The sources of risk are analysed at least annually.

The ILAAP is fully documented and is subject to review and approval by the Board Risk Committee at least annually. Barclays has established a set of Liquidity Risk constraints which have been approved by the Board. This is reviewed on a continuous basis and is subject to formal review at least annually as part of the ILAAP.

Risk Appetite and planning

Barclays has established ILST stress scenarios to restrict the liquidity risk that the Group chooses to take in pursuit of its business objectives. The key expression of the liquidity risk is through stress tests, both internally defined and regulatory-prescribed. Both the ILST and the regulatory-mandated Liquidity Coverage Ratio (LCR) are assessed with reference to the adequacy of the Liquidity Pool compared to stressed outflows.

The ILST scenarios are approved by the Board. The ILST is reviewed on a continuous basis and is subject to formal review at least annually as part of the Individual Liquidity Adequacy Assessment Process (ILAAP). The ILST stress outflows are used to determine the minimum size of the Group Liquidity Pool. The Liquidity Pool represents those resources immediately available to meet outflows in a liquidity stress. In addition to the Liquidity Pool, the control framework and policy details available management actions that could be used to raise additional liquidity. Available management actions are assessed to determine their suitability, effectiveness and time to delivery.

Barclays Bank UAE is required to operate within approved metrics which are overseen by UAE ALFO. The types of liquidity constraints deployed by Treasury for Barclays Bank UAE are commensurate to the size and complexity of the local balance sheet and are reviewed periodically in line with Group guidelines. These are designed to mitigate and control liquidity risks within the acceptable tolerances.

The Liquidity metrics and constraints comprise of:

- Internal liquidity stress testing (ILST); and
- Liquidity ratios as prescribed by the UAE regulator

Liquidity metrics and constraints are monitored and reported to the local Treasury function and the branch Assets & Liabilities Forum (ALFo). Barclays Bank UAE must, at all times, adhere to all local regulatory liquidity requirements and ratios set by the Central Bank of UAE as well as meeting the requirements set out in the Group Liquidity Policy, where applicable.

Barclays Bank UAE performs internal liquidity stress tests on weekly basis. The results of these stress tests are expressed in the form of positive cash flows over designated survival horizons.

The stress tests assume that there are concerns over the immediate or short-term viability of Barclays. As of 31 Dec 2025, UAE branch ran stress tests based on the following three internally-defined scenarios:-

- Idiosyncratic (Barclays-specific) stress
- Market- wide stress

Combined stress **Funding Strategy & Contingency Funding Plan**

Liquidity Risk: The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Barclays Bank UAE has been monitoring the below liquidity ratios and conducting internal liquidity stress testing on a weekly basis.

Ratios as on 31 st Dec, 2025	Requirement	Utilization
Lending to Stable Resources Ratio (LSRR)	< 100%	47.53%
Eligible Liquid Assets Ratio (ELAR)	> 10%	102.52%

The branch has a Liquidity Pool of AED 3.62bn available as at 31 Dec 2025 compared to total liabilities of AED 3.53bn (source BRF-8). This is further supported by a liquidity risk framework where liquidity risk is monitored by means of daily EWIs (Early Warning Indicators), internal stress testing and the presence of a robust Contingency Funding Plan (CFP). In addition, the branch has a documented Recovery Plan.

The bank has established a contingency funding plan that outlines the roles and responsibilities of relevant departments, specifies trigger points and protocols for declaring a liquidity event. It also details management actions that needs to be taken in order to mitigate potential liquidity stress.

Concentration limits.

Barclays Bank UAE branch maintains a strong liquidity under current market conditions by having a stable source of funding through its sticky customers deposits and own funds, therefore Wholesale funding reliance remains minimal. It however, has concentration limit on Term Deposits and maintains limits at the counterparty level.

Early warning indicators

UAE Treasury monitors a range of market indicators for early signs of liquidity risk. Both market indicators and Barclays specific indicators are tracked. These are designed to identify the emergence of increased liquidity risk in order to maximize the time available to execute appropriate mitigating management actions. Early warning indicators are used as part of the assessment of whether to invoke the Contingency Funding Plan, which provides a framework on how a liquidity stress would be managed.

Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity gaps.

The table below presents the cash flows payable by the Bank by remaining contractual maturity at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cashflows.

Liquidity risk	Total carrying amount AED'000	Gross nominal outflows AED'000	Up to 3 Months AED'000	3 - 12 months AED'000	1 - 5 years AED'000
Assets					
31 December 2025					
Cash and Balances with the UAE Central Bank	3,622,056	3,622,395	3,622,395	-	-
Due from other banks	1,794,367	1,826,239	291,747	1,534,492	-
Due from Head Office and other branches	28,543	28,543	28,543	-	-
Loans and advances	779,814	850,320	203,797	299,296	347,227
Other assets	2,252	2,252	2,252	-	-
	6,227,032	6,329,749	4,148,734	1,833,788	347,227
Liabilities					
Due to customers	3,072,694	3,079,082	2,798,659	280,423	-
Due to Head Office and other branches	360,550	361,567	361,567	-	-
Other liabilities	32,349	32,349	32,349	-	-
	3,465,593	3,472,998	3,192,575	280,423	-

Liquidity risk	Total carrying amount AED'000	Gross nominal outflows AED'000	Up to 3 Months AED'000	3 - 12 months AED'000	1 - 5 years AED'000
Assets					
31 December 2024					
Cash and Balances with the UAE Central Bank	3,911,031	3,911,924	3,911,924	-	-
Due from other banks	498,317	505,073	394,883	110,190	-
Due from Head Office and other branches	77,484	77,557	76,700	857	-
Loans and advances	986,287	1,061,411	295,993	147,888	617,530
Other assets	1,052	1,052	1,052	-	-
	<u>5,474,171</u>	<u>5,557,017</u>	<u>4,680,552</u>	<u>258,935</u>	<u>617,530</u>
Liabilities					
Due to customers	2,582,202	2,586,593	2,445,456	140,987	150
Due to Head Office and other branches	213,139	213,142	213,142	-	-
Other liabilities	32,612	32,860	30,887	407	1,566
	<u>2,827,953</u>	<u>2,832,595</u>	<u>2,689,485</u>	<u>141,394</u>	<u>1,716</u>

Bank's FX ' financial instruments

	Up to 1 month AED'000	1-3 months AED'000	3-12 months AED'000	1-5 years AED'000	Total AED'000
31 December 2025					
Foreign exchange contracts					
– Outflow	87,862	-	-	-	87,862
– Inflow	87,862	-	-	-	87,862
31 December 2024					
Foreign exchange contracts					
– Outflow	783,914	-	-	-	783,914
– Inflow	783,914	-	-	-	783,914

Off-balance sheet items	No later than 1 year AED'000	1-5 years AED'000	Total AED'000
31 December 2025			
Letter of credit, guarantees and acceptances	803,229	1,520,048	2,323,277
Undrawn credit commitments	5,432,295	411,834	5,844,129
Total	<u>6,235,524</u>	<u>1,931,882</u>	<u>8,167,406</u>
31 December 2024			
Letter of credit, guarantees and acceptances	990,637	1,081,922	2,072,559
Undrawn credit commitments	7,039,698	312,205	7,351,903
Total	<u>8,030,335</u>	<u>1,394,127</u>	<u>9,424,462</u>

Note: Please refer pages 44 to 46 of the audited financial statements of Barclays Bank Plc, UAE branch for more details in the link below:

[UAE Financial Statement 2025](#)

7.2 Liquidity Coverage Ratio (LIQ1)

Bank is using the alternative approach for Liquidity Coverage Ratio (LCR) as per the provisions in Liquidity Risk regulation of CBUAE (2015), i.e., Eligible Liquid Assets Ratio (ELAR) hence it is not applicable.

7.3 Eligible Liquid Assets Ratio (ELAR)

Quantitative disclosures

This template presents the breakdown of a bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	4,168,430	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	4,168,430	4,168,430
1.3	UAE local governments publicly traded debt securities		
1.4	UAE Public sector publicly traded debt securities		
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks		0
1.6	Total	4,168,430	4,168,430
2	Total liabilities		4,221,588
3	Eligible Liquid Assets Ratio (ELAR)		99%

ELAR is calculated as simple average of the daily balances over the period of Q4 25. The ELAR has come down from 102% to 99.22 % mainly due to substantial increase in the Total Liabilities. However, HQLA for Q4' 25 has seen a marginal increase of 1% in Q4' 25

7.4 Net Stable Funding Ratio (LIQ2)

Bank is using the alternative approach for Net Stable Funding Ratio (NSFR) as per the provisions in Liquidity Risk regulations of CBUAE (2015), i.e., Advances to Stable Resources Ratio (ASRR) hence it is not applicable.

7.5 Advances to Stable Resource Ratio (ASRR)

This template presents the breakdown of a bank's advances to Stables Resource ratio as per the Liquidity regulations.

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	790,306
	1.2	Lending to non-banking financial institutions	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	210,974
	1.4	Interbank Placements	1,589,862
	1.5	Total Advances	2,591,142
2		Calculation of Net Stable Ressources	
	2.1	Total capital + general provisions	2,723,757
		Deduct:	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	1,327
	2.1.3	Funds allocated to branches abroad	
	2.1.5	Unquoted Investments	
	2.1.6	Investment in subsidiaries, associates and affiliates	
	2.1.7	Total deduction	1,327
	2.2	Net Free Capital Funds	2,722,430
	2.3	Other stable resources:	
	2.3.1	Funds from the head office	
	2.3.2	Interbank deposits with remaining life of more than 6 months	28,242
	2.3.3	Refinancing of Housing Loans	
	2.3.4	Borrowing from non-Banking Financial Institutions	674,464
	2.3.5	Customer Deposits	1,833,589
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
	2.3.7	Total other stable resources	2,536,295
	2.4	Total Stable Resources (2.2+2.3.7)	5,258,725
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	49.27

The table represents simple average of three monthly ASRR returns submitted to CBUAE in Q4 2025

LSRR declined QoQ from 53.84% in Q3'25 to 49.27% in Q4'25, driven by lower net lending (AED 790.31 mn in Q4'25 vs AED 989 mn in Q3'25).

8 Credit Risk

8.1 General qualitative information about credit risk (CRA)

Credit risk is the risk of loss to the firm from the failure of clients, customers, or counterparties (including sovereigns), to fully honour their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables. For regulatory reporting and capital allocation purposes, credit risk is distinguished between Retail Credit Risk and or Wholesale Credit Risk.

Retail credit risk is credit risk arising from exposures to individuals, or SMEs where the total credit facilities (financing) provided by Barclays are less than £1mn (excluding owner occupied residential real estate).

Wholesale Credit Risk is credit risk arising from exposures to sovereigns, institutions, corporates and SMEs where the total credit facilities (financing) provided by Barclays are equal to or greater than £1mn (excluding owner occupied residential real estate) or where any obligor, irrespective of amount, is sufficiently idiosyncratic to be managed on an individual basis. From a regulatory capital perspective, all exposures are treated as Wholesale unless they specifically fulfil the requirements for classification as retail.

Credit Risk Management Objectives and Policies:

A key element in the setting of clear management objectives is the Enterprise Risk Management Framework (ERMF) which sets out key activities, tools, techniques and organizational arrangements so that material risks facing the Group are identified and understood, and that appropriate responses are in place to protect the Bank and prevent detriment to its customers, employees or community.

Credit Risk is referred to as one of the Principal Risks faced by the Bank, and hence monitored and managed in accordance with the ERMF.

Barclays Dubai office is a local branch of a Foreign Bank, and therefore Credit Risk is managed in accordance with the Barclays Group ERMF, Barclays Group Principal Risk framework: Credit Risk and Barclays Group Wholesale Credit Risk Policies, Standards and Procedures.

Credit risk management objectives are to:

- Maintain a framework of controls to ensure credit risk-taking is based on sound credit risk management principles.
- Identify, assess, and measure credit risk clearly and accurately across the Bank and within each separate business, from the level of individual facilities up to the total portfolio.
- Control and plan credit risk-taking in line with external stakeholder expectations and avoiding undesirable concentrations.
- Monitor credit risk and adherence to agreed controls; and
- Ensure that risk-reward objectives are met.

The framework for the management of credit risk is supported by a number of Credit Risk Frameworks, Policies and Standards that apply across the organization.

Structure and Organization

Barclays Bank UAE has a dedicated Wholesale Credit Risk Team which is responsible for the management and oversight of the corporate portfolio. The key activities of the team include, but are not limited to, the following:

- Oversight of macroeconomic and market trends.
- Review of the trends in the portfolio and associated Key Risk Metrics.
- Risk appetite is managed globally and not at individual branch level in line with the methodology set out in the Credit Risk Appetite Standards. Globally, Credit Risk Appetite for Barclays Bank Plc is controlled through; 1) Setting Stress Loss Limits based on impairments arising from an adverse internal stress test scenario – setting limits seeks to contain these impairments within loss tolerances and 2) Mandate and Scale Exposure Controls
 - Carry out credit risk review activities, monitoring and control, for a predefined portfolio of corporate clients across multiple industries in the MENA region.
- Maintaining the asset quality of the designated portfolio supporting origination, interim reviews, annual reviews and on-going monitoring and control.
- Keep track of potential issues/concerns (internal and external impacts) and Identify “Early Warning List” /” Watch List” cases in a timely fashion, escalate any cases that may require referral to the Special Asset Management ("SAM") team.
- Project updates
- Credit Risk is managed in accordance with the Barclays Group ERMF, Barclays Group Principal Risk

framework: Credit Risk and Barclays Group Wholesale Credit Risk Policies, Standards and Procedures. We do not set/adopt local concentration risk limits and continue to rely on those set globally which the UAE branch adheres to.

- To ensure BBPLC operates within Risk Appetite, the Board sets Stress Loss Limit Allowances (A level) by legal entity and risk type. Risk managers at various levels, starting with the Group CRO & Barclays International CRO, then set operational limits to manage portfolio (Mandate & Scale) and single name (Maximum Exposure Governance) concentrations. Stress Loss, Mandate & Scale, and Maximum Exposure Governance limit frameworks then ensure that concentration risks do not develop and that the bank operates with Risk Appetite.

Credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers entrusted with the higher levels of delegated authority. ct.

As part of the control requirements, UAE credit risk team undertakes 'The Middle East Corporate & Investment Bank (CIB) Credit Risk Oversight Forum' quarterly which serves as a cross- functional governance meeting to provide oversight on credit risk matters of Middle East clients pertaining to Barclays Bank PLC ("Barclays") and its Dubai Branch (the "Branch"). The Forum derives its authority from the MENA Governance Framework.

In addition to this, KIs- Key Indicators for UAE credit risk function is reviewed/presented monthly as part of 'UAE Branch Governance Control Forum' headed by local Controls function.

Local Credit Risk Key Indicators include monitoring of Large Exposure cap at Dubai Branch level and Annual Review overdue position.

Control procedures include audit requirements in line with Barclay' global standards, as part of which the credit risk function operations are thoroughly reviewed as part of internal (Barclays Internal Audit of Emerging Markets team) and external audits, as and when due.

[Credit risk monitoring](#)

For effective monitoring of credit facilities, the relevant Risk Control Unit / Transaction Management Group verifies adherence to the terms of approval prior to commitment and disbursement of credit facilities.

Reporting, assessment and measurement

Risk management policies and processes are designed to identify and analyze risk, to set appropriate risk appetite, limits and controls, and to monitor the risks and adherence to limits by means of reliable and timely data. This process can be summarized in five broad stages:

- Measuring exposures and concentrations
- Monitoring performance and asset quality
- Monitoring weaknesses in portfolios
- Raising allowances for impairment and other credit provisions; and
- Returning assets to a performing status or writing off assets when the whole or part of a debt is considered irrecoverable.

8.2 Credit quality of assets (CR1)

The principal objective of credit risk measurement is to produce the most accurate possible quantitative assessment of the credit risk to which the Bank is exposed, from the level of individual facilities up to the total portfolio. Integral to this is the assignment of obligor ratings, which are used in numerous aspects of credit risk management and in the calculation of regulatory and economic capital.

The key building blocks in this quantitative assessment are:

- Probability of default (PD)
- Exposure at default (EAD)
- Loss given default (LGD)

Balances as on 31 December 2025

	a	b	c	d	e	f	
	Gross carrying values of			Allowances/Impairments	Of which ECL accounting provisions for credit losses		
	Defaulted exposures	Non-defaulted exposures			Allocated in regulatory category of Specific		Allocated in regulatory category of General
1 Loans	30,742.00	6,266,546.00	64,888.00	30,742.00	34,146.00	6,232,400.00	
2 Debt securities	0.00	0.00	0.00	0.00	0.00	0.00	
3 Off-balance sheet exposures	0.00	2,736,531.24	1,870.00	0.00	1,870.00	2,734,661.24	
4 Total	30,742.00	9,003,077.24	66,758.00	30,742.00	36,016.00	8,967,061.24	

Movements -

Loans

As of December 2025, the gross carrying value of defaulted exposures remained unchanged compared to the levels reported in June 2025.

Meanwhile, the gross carrying value of non-defaulted exposures decreased by AED 214 million to AED 6,267 m, from AED 6,480 m reported in June 2025. This movement was primarily driven by a decrease in overdraft facilities/placements with the UAE sovereign of AED 697 m and a reduction in corporate exposures of AED 135m, partially offset by an increase in bank exposures of AED 622m.

Off Balance Sheet Exposures -

As of December 2025, exposures under the non-defaulted off-balance sheet book, excluding undrawn uncommitted exposures, increased by AED 363 m to AED 2,737 m, from AED 2,373 m in June 2025.

Impairments

Provisions increased by AED 7.88 m to AED 67 m as of December 2025, from AED 59 m in June 2025. This increase was driven by a rise in risk-weighted credit assets (CRWA), which led to a corresponding increase in general provisions.

Definition of Default is updated under Additional disclosure related to credit quality of assets

8.3 Changes in the stock of defaulted loans and debt securities (CR2)

	As at 31st Dec 25 (AED' 000)
1 Defaulted loans and debt securities at the end of the previous reporting period	30,742.00
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Returned to non-default status	-
4 Amounts written off	-
5 Other changes	-
6 Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	30,742.00

During the reporting period, there were no movements in the defaulted loan book.

8.4 Additional disclosure related to the credit quality of assets (CRB)

Definition of Default

The definition of default has been aligned to the Regulatory Capital CRR Article 178 definition of default (the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral, (UTP). The obligor is more than 90days past due on any material credit obligation to Barclays, (90dpd)) which considers indicators that the debtor is unlikely to pay, which includes exposures where financial concessions have been granted and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance.

The Bank's definition of default is consistent with the provisions of CUAE Circular 28/2010 (Regulation for Classification of Loans and their Provisions).

Within the Wholesale portfolios, the Basel definitions of default are used as default indicators. A default is deemed to have occurred with regard to a particular obligor if one or both of the following applies:

the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral

the obligor is 90 days or more past due on any material credit obligation to Barclays

Examples of unlikeliness to pay include:

- the Group puts the credit obligation on a non-accrued status
- the Group makes a charge-off or account specific identified impairment resulting from a significant perceived decline in credit quality
- the Group sells the credit obligation at a material credit-related economic loss
- the Group triggers a petition for obligor's bankruptcy or similar order
- the Group becomes aware of the obligor having sought or having been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the Group
- the Group becomes aware of an acceleration of an obligation by a firm ▪ where the obligor is a bank – revocation of authorization where the obligor is a sovereign – trigger

of default definition of an approved External Credit Assessment Institution (ECAI) such as a rating agency

The DPD methodology requires the need to differentiate and understand the difference between a past due and breach:

Past due:

- Refers to any credit obligation that has not been paid at the date it was contractually due, specifically a past due commences from the date at which:
 - a payment was contractually due and has not been made; or
 - the facility expiry date has passed with a debit balance still outstanding; or
 - for overdrafts and other 'revolving credit' facilities, an obligor has breached the assigned limit, has been advised a limit smaller than the current outstanding balance, or has drawn an exposure without authorization; or
 - for recourse factoring and purchased receivables: when the factoring account is in debit,
- i.e. from when the advances paid for the receivables exceed the percentage agreed with the obligor; or
- for non-recourse factoring and purchased receivables: when the payment for a single receivable becomes due. In the specific case of undisclosed arrangements, past due commences from the moment when payments made by the debtor to the obligor should be paid across to Barclays
- Past due status is measured at the facility level, with credit obligations treated consistently irrespective of how the indebtedness is incurred, i.e. principal, interest or fees
- Where contractual terms and conditions allow the obligor to modify, restructure or suspend payments under defined conditions, and such terms are exercised, the exposure is not considered past due. In such circumstances, the counting of DPD is assessed relative to the revised contractual payment schedule once it is formally amended on the source booking system.

Breach:

- Breach is a regulatory capital concept and occurs when aggregate past due(s) to an obligor have exceeded both materiality thresholds
- Breach status is measured at the obligor level, defined as being all entities within a Grade as Group (GAG) or Grade as Intermediate Group (GAIG) arrangement
- The number of days in breach is measured by the number of consecutive days an obligor's aggregate past dues have exceeded both materiality thresholds, irrespective of how many days underlying past dues have been outstanding ("Continuous Count" is where past dues cross and you have younger past dues than the breach itself)
- Breach start date re-assessed (Breach reassessment) if:

- Change in GAG or GAIG structure, then the materiality thresholds are applied backdated on the new GAG or GAIG structure. The breach start date is adjusted to reflect the number of consecutive days the new GAG or GAIG past dues have exceeded both the thresholds
- Removed technical past due(s) originated before the remaining non-technical past dues, then the breach start date is adjusted to reflect the number of consecutive days the remaining non- technical past dues have exceeded both the thresholds
- A breach is closed when one of the following occurs:
 - The underlying past due(s) are resolved and remediated to be back in order on the source system(s)
 - One or both materiality thresholds are not exceeded in the daily calculation
 - One or more past dues are determined to be technical in nature and material enough to close the breach when removed from the next day's threshold calculation.

Impairment of financial assets

The Bank applies a three-stage approach to measuring expected credit losses (ECL) on financial assets carried at amortized cost and debt instruments classified as FVOCI. Assets migrate through the following three stages based on the change in credit quality since initial recognition.

- Stage 1 – the recognition of 12 month expected credit losses (ECL), that is the portion of lifetime expected credit losses from default events that are expected within 12 months of the reporting date, if credit risk has not increased significantly since initial recognition.
- Stage 2 – lifetime expected credit losses for financial instruments for which credit risk has increased significantly since initial recognition; and
- Stage 3 – lifetime expected credit losses for financial instruments which are credit impaired.

Refer to note 3 for further details regarding the impairment requirements.

Accounting for the impairment of financial assets

The Bank recognizes expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortized cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes. The ECL for intercompany exposures is immaterial.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12-month ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12-month ECL is calculated by multiplying the 12 month PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively.

The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realized and the time value of money.

Determining a significant increase in credit risk since initial recognition:

The Bank assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. The credit risk of an exposure is considered to have significantly increased when:

i) Quantitative test

The annualized lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of the point at which a PD increase is deemed 'significant', is based upon analysis of the portfolios' risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate.

For existing/historical exposures where origination point scores/data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:

- Back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible, (subject to a data start point no later than 1 January 2015); or
- Use of available historic account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

ii) Qualitative test

Accounts meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behavior exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, including industry and Head Office wide customer level data wherever possible or relevant.

Whilst the high-risk populations applied for IFRS 9 impairment purposes are aligned with risk

management processes, they are also regularly reviewed and validated to ensure that they capture any incremental segments where there is evidence of credit deterioration.

iii) Backstop criteria

Accounts that are 30 calendar days or more past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk. This means that, at minimum: all payments must be up to date, the PD deterioration test is no longer met, the account is no longer classified as high risk, and the customer has evidenced an ability to maintain future payments. The Bank monitor such financial instruments for a minimum probationary period of 12 months to confirm if the risk of default has decreased sufficiently before upgrading such exposure from Stage 2 to Stage 1.

The Bank does not rely on the low credit risk exemption which would assume facilities of investment grade are not significantly deteriorated.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information

The measurement of ECL involves complexity and judgement, including estimation of PDs, LGD, a range of unbiased future economic scenarios, estimation of expected lives (where contractual life is not appropriate), and estimation of EAD and assessing significant increases in credit risk.

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions. When there is a non-linear relationship between forward-looking economic scenarios and their associated credit losses, five forward-looking economic scenarios are considered to ensure a sufficient unbiased representative sample of the complete distribution is included in determining the expected loss. Stress testing methodologies are leveraged within forecasting economic scenarios.

The Bank utilizes an external consensus forecast as the baseline scenario. In addition, two adverse and two favorable scenarios are derived, with associated probability weightings. The adverse scenarios are calibrated to a similar severity to internal stress tests, whilst also incorporating IFRS 9 specific sensitivities and non-linearity. The most adverse scenarios are benchmarked to the Bank of England's annual cyclical scenarios and to the most severe scenarios from Moody's inventory but are not designed to be the same. The favorable scenarios are calibrated to be symmetric to the adverse scenarios, subject to a ceiling calibrated to relevant recent favorable benchmark scenarios. The scenarios include six core variables, (GDP, unemployment, and House Price Index in both the UK & US markets), and expanded variables which include emerging market indicators, using statistical models based on historical correlations. The Head Office considers these macroeconomic forecasts as reasonable proxy of the economic environment of the Branch.

The probability weights of the scenarios are estimated such that the baseline (reflecting current consensus outlook) has the highest weight and the weights of adverse and favorable scenarios depend on the deviation from the baseline; the further from the baseline, the smaller the weight. A single set of five scenarios is used across all portfolios and all five weights are normalized to equate to 100%. The impacts across the portfolios are different because of the sensitivities of each of the portfolios to specific macroeconomic variables.

Definition of default, credit impaired assets, write-offs, and interest income recognition

The definition of default for the purpose of determining ECLs has been aligned to the applicable UAE requirement of default (the institution considers that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries in full, without recourse by the institution to actions such as realizing security), which considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired or purchased or originated as such interest income is calculated on the carrying value net of the impairment allowance.

Credit impaired is when the exposure has defaulted which is also anticipated to align to when an exposure is identified as individually impaired.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Bank's internal processes and when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement.

Loan modifications and renegotiations that are not credit impaired.

When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile. With regards to exposures that are restructured, the Bank observe a probationary period of a minimum of 3 instalments (for repayments which are on a quarterly basis or shorter) and 12 months (in cases where instalments are on a longer frequency than quarterly) after the restructuring, before upgrading from Stage 3 to 2. No loan modification has occurred during the reporting period.

Where terms are substantially different, the existing loan will be derecognised and new loan recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life.

Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. For revolving facilities, expected lifetime is analytically derived to reflect behavioral life of the asset, i.e. the full period over which the business expects to be exposed to credit risk. Behavioral life is typically based upon historical analysis of the average time to default, closure or withdrawal of facility. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting

ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk-free rate. Lease receivables are discounted at the rate implicit in the lease. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

ECLs are calculated by multiplying three main components, being the PD, LGD and the EAD, discounted at the original EIR. The regulatory Basel Committee of Banking Supervisors (BCBS) ECL calculations are leveraged for IFRS 9 modelling but adjusted for key differences which include:

- BCBS requires 12 months through the economic cycle losses whereas IFRS 9 requires 12 months or lifetime point in time losses based on conditions at the reporting date and multiple forecasts of the future economic conditions over the expected lives.
- IFRS 9 models do not include certain conservative BCBS model floors and downturn assessments and require discounting to the reporting date at the original EIR rather than using the cost of capital to the date of default.
- Management adjustments are made to modelled output to account for situations where known or expected risk factors and information have not been considered in the modelling process, for example forecast economic scenarios for uncertain political events.
- ECL is measured at the individual financial instrument level, however a collective approach where financial instruments with similar risk characteristics are grouped together, with apportionment to individual financial instruments, is used where effects can only be seen at a collective level, for example for forward-looking information.

For the IFRS 9 impairment assessment, Banks' risk models are used to determine the PD, LGD and EAD. For Stage 2 and 3, Bank applies lifetime PDs but uses 12-month PDs for Stage 1. The ECL drivers of PD, EAD and LGD are modelled at an account level which considers vintage, among other credit factors. Also, the assessment of significant increase in credit risk is based on the initial lifetime PD curve, which accounts for the different credit risk underwritten over time.

Forbearance

A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in de-recognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria has been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forbore state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for ECL are presented in the statement of financial position as follows:

- for financial assets measured at amortized cost: as a deduction from the gross carrying amount of the assets;
- for debt instruments measured at FVOCI: no loss allowance is recognised in the statement of financial position because the carrying amount of these assets is their fair value. However, the loss allowance is disclosed and is recognised in the fair value reserve;
- for loan commitments and financial guarantee contracts: generally, as a provision; and
- where a financial instrument includes both a drawn and an undrawn component, and the Bank cannot identify the ECL on the loan commitment component separately from those on the drawn component: the Bank 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.

Write-off

Loans and advances and debt securities are written-off when the Bank has no reasonable expectations of recovering the financial asset (either partially or in full). This is the case when the Bank 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. This assessment is carried out at the individual asset level. A write-off constitutes a derecognition event. The Bank may apply enforcement activities to financial assets written-off.

Recoveries of amounts previously written-off are included in 'recoveries' in the Banks statement of profit or loss.

The following table breaks down the Bank's loan exposures (on balance sheet) exposure at their gross carrying amounts, as categorized by sector as of 31 December 2025.

Sector	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
Sovereigns	3,611,912		0	0	0	21,027	3,632,939
Financial industry (bank and non-bank)	0	0	1,854,482		0	0	1,854,482
Other services	0	564,323	0		0	1,607	565,930
Wholesale and retail trade	0	0	0	210,823	0	2,359	213,182
Real Estate	0	0	0	0	30,742	0	30,742
Mining & Quarrying	0	0	0	0	0	0	0
Transport, Storage & Communication	0	0	0	12	0	0	12
Manufacturing	0	0	0	1	0	0	1
Total	3,611,912	564,323	1,854,482	210,836	30,742	24,993	6,297,287

As per the sectoral distribution of loans, the largest concentration of exposures is to the sovereign sector, which accounts for 58% of the total loan book, amounting to AED 3,620 m, indicating a high proportion of high-quality liquid assets.

The financial industry (banks and non-banks) represents the second-largest share at 29% (AED 1,850 m), reflecting moderate exposure to financial institutions. This is followed by the other services sector, which comprises 9% (AED 566 m) of total exposures, primarily relating to government-related entity (GRE) exposures.

The following table breaks down the Bank's off balance sheet exposure at their gross carrying amounts, as categorized by sector regions as of 31 December 2025.

Sector	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
Financial industry (bank and non-bank)	0	0	4,709,829	392,300	0	0	5,102,129
Mining & Quarrying	0	0	0	894,375	0	0	894,375
Wholesale and retail trade	0	0	0	1,032,478	0	0	1,032,478
Other services	0	134,554	0	789,793	0	0	924,348
Manufacturing	0	0	0	64,300	0	0	64,300
Transport, Storage & Communication	0	49,372	0	101,825	0	0	151,197
Construction	0	0	0	0	0	0	0
Total	0	183,927	4,709,829	3,275,071	0	0	8,168,827

The total off-balance sheet exposure stands at AED 8,168 m.

As per the sectoral distribution of off-balance sheet exposures, including undrawn uncommitted lines, the financial industry (banks and non-banks) constitutes the largest share at 62% (AED 5,102 m), indicating significant reliance on contingent exposures to financial institutions.

Wholesale and retail trade follows with 13% (AED 1,033 m), while the other services sector accounts for 11.32% (AED 924 m). Mining and quarrying represent 11% (AED 895 m) of the total exposure.

The following table breaks down by on balance sheet exposure categorized by geography and asset class as at 31 December 2025.

Country of Incorporation	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
Australia	0	0	405	0	0	0	405
Bahrain	0	0	115	0	0	0	115
Canada	0	0	5	0	0	0	5
Denmark	0	0	0	0	0	0	0
Egypt	0	0	0	0	0	0	0
Germany	0	0	9,042	0	0	0	9,042
Hongkong	0	0	1	0	0	0	1
India	0	0	6	0	0	0	6
Japan	0	0	9	0	0	0	9
Jordan	0	0	0	0	0	0	0
Kuwait	0	0	5,903	0	0	0	5,903
Luxembourg	0	0	0	0	0	0	0
Mauritius	0	0	4	0	0	0	4
Netherlands	0	252,519	0	0	0	1,291	253,810
New Zealand	0	0	0	0	0	0	0
Norway	0	0	0	0	0	0	0
Oman	0	0	967	0	0	0	967
Pakistan	0	0	8	0	0	0	8
Qatar	0	0	257,832	0	0	0	257,832
Saudi Arabia	0	0	971,972	0	0	0	971,972
Singapore	0	0	10	0	0	0	10
South Africa	0	0	949	0	0	0	949
Sweden	0	0	5	0	0	0	5
Switzerland	0	0	11	0	0	0	11
Turkey	0	0	92,189	0	0	1,328	93,517
United Arab Emirates	3,611,912	311,804	495,855	210,836	30,742	22,374	4,683,523
United Kingdom	0	0	7,880	0	0	0	7,880
United States	0	0	11,315	0	0	0	11,315
Total	3,611,912	564,323	1,854,482	210,836	30,742	24,993	6,297,288

The total loan exposure based on the country of incorporation stands at AED 6,297 m.

The key country-level exposures are as follows: the United Arab Emirates leads with AED 4,684 m, contributing 74% of the total book, reflecting a strong domestic concentration. Saudi Arabia accounts for 15.43% (AED 972 m), followed by Qatar and the Netherlands, which contribute 4.1% (AED 258 m) and 3.4% (AED 254 m), respectively.

The following table breaks down by off balance sheet exposure categorized by geography and asset class as of 31 December 2025.

Country of Incorporation	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
China	0	0	16,364	0	0	0	16,364
Egypt	0	0	0	367,300	0	0	367,300
Ireland	0	0	86,626	0	0	0	86,626
Italy	0	0	114,670	0	0	0	114,670
Kuwait	0	0	383,375	91,825	0	0	475,200
Luxembourg	0	0	0	21,550	0	0	21,550
Oman	0	0	18,365	0	0	0	18,365
Qatar	0	0	487,107	0	0	0	487,107
Saudi Arabia	0	0	2,272,670	0	0	0	2,272,670
Spain	0	0	114,008	0	0	0	114,008
Switzerland	0	0	0	367,300	0	0	367,300
Turkey	0	0	2,483	0	0	0	2,483
United Arab Emirates	0	183,927	344,400	1,540,067	0	0	2,068,394
United Kingdom	0	0	851,395	0	0	0	851,395
United States	0	0	18,365	887,029	0	0	905,394
Total	0	183,927	4,709,829	3,275,071	0	0	8,168,827

The total off-balance sheet exposure based on the country of incorporation stands at AED 8,168 m, including undrawn uncommitted exposures.

The key country-level exposures are as follows: Saudi Arabia leads with AED 2,068 m, contributing 27.82% of the total book. The United Arab Emirates follows with AED 2,068 m (25.32%). The United States, the United Kingdom, and Kuwait contribute 11.08%, 10.42%, and 5.82%, respectively.

The following table breaks down by on balance sheet exposure categorized by Residual maturity as at 31 December 2025.

Residual Maturity	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
Less than 3 months	3,611,912	0	319,989	168,698	30,742	22,749	4,154,090
3 months to 1 year	0	252,519	1,534,492	42,138	0	1,927	1,831,076
1 year to 5 years	0	311,804	0	0	0	317	312,121
Total	3,611,912	564,323	1,854,482	210,836	30,742	24,993	6,297,287

On-balance sheet exposures are predominantly short-term, with exposures in the less than 3 months bucket accounting for 65.97% of the total loan book. This is primarily driven by exposures with the Central Bank of the UAE in the form of placements and overdrafts.

Exposures in the 3 months to 1 year bucket largely comprise bank bill discounted facilities and account for 29.08% of total exposures.

Longer-dated exposures in the 1 year to 5 years bucket are primarily attributed to government-related entities (GREs) and account for 5% of the total loan book.

The following table breaks down by off balance sheet exposure categorized by Residual maturity as at 31 December 2025.

Residual Maturity	Asset classes						Grand Total
	Claims on Sovereign	Public Sector Entities	Claims on Bank	Claims on Corporates	Past Due	Other Assets	
Less than 3 months	0	98,223	4,708,408	2,942,719	0	1421	7,750,772
3 months to 1 year	0	0	0	20,147	0	0	20,147
1 year to 5 years	0	85,703	0	312,205	0	0	397,908
Total	0	183,927	4,708,408	3,275,071	0	1,421	8,168,827

Off-balance sheet exposures include undrawn uncommitted exposures and guarantees, with the majority falling within the less than three months maturity bucket, accounting for 94.9% of total exposures. The remaining exposures are distributed across the other maturity buckets.

The following table breaks down the Bank's impaired exposures categorized by industry and related allowances and write-offs, broken down by industry as at 31 December 2025.

Industry	Exposure (AED'000)	Related Allowances (AED'000)	Write off during the year (AED'000)
Real Estate	30,742	30,742	0
Grand Total	30,742	30,742	0

All past due exposures of the Bank are due in excess of 181 days. All the exposures mentioned above are UAE based exposures

8.5 Standardised approach - credit risk exposure and CRM effects (CR4)

This template illustrates the effect of CRM (comprehensive and simple approach) on standardised approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

	a	b	c	d	e	f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1 Sovereigns and their central banks	3,611,912.00	-	3,611,912.00	0	0	0%
2 Public Sector Entities	564,316.00	183,927.00	564,316.00	101,366.50	416,244.90	63%
3 Multilateral development banks	0	0	0	0		0%
4 Banks	1,854,483.00	4,709,829.24	1,854,483.00	679,018.74	1,296,888.95	51%
5 Securities firms	0	0	0	0		0%
6 Corporates	210,842.00	3,275,071.00	210,842.00	704,842.50	664,717.81	73%
7 Regulatory retail portfolios	0	0	0	0		0%
8 Secured by residential property	0	0	0	0		0%
9 Secured by commercial real estate	0	0	0	0		0%
10 Equity Investment in Funds (EIF)	0	0	0	0		0%
11 Past-due loans	0	0	0	0		0%
12 Higher-risk categories	0	0	0	0		0%
13 Other assets	24993	0	24993	0	22,950	92%
14 Total	6,266,546.00	8,168,827.24	6,266,546.00	1,485,227.74	2,400,802	31%

The RWA density of 31% is calculated as total risk-weighted assets divided by exposures post-credit conversion factor (CCF) and post-credit risk mitigation (CRM), including sovereign exposures.

Risk-weighted assets (RWA) increased by AED 315 m to AED 2,401 m as of December 2025, compared to AED 2,086 m reported in June 2025. This increase was primarily driven by increase in exposures to banks (AED 414 m) and public sector enterprises (AED 47 m), partially offset by a reduction in corporate exposures due to repayments (AED 147 m).

8.6 Standardised approach - exposures by asset classes and risk weights (CR5)

This template presents the breakdown of credit risk exposures under the standardised approach by asset class and risk weight (corresponding to the riskiness attributed to the exposure according to standardised approach).

Risk weight		a	b	c	d	e	f	g	h	i
		0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Asset classes										
1	Sovereigns and their central banks	3,611,912	0	0	0	0	0	0	0	3,611,912
2	Public Sector Entities		311,797	0	0	0	353,886	0		665,683
3	Multilateral development banks	0	0	0	0	0	0	0	0	0
4	Banks	0	53,190		2,388,122		92,190	0	0	2,533,502
5	Securities firms	0		0	0	0	0	0	0	0
6	Corporates	86,175	0	0	329,583	0	499,926	0	0	915,685
7	Regulatory retail portfolios	0	0	0	0	0	0	0	0	0
8	Secured by residential property	0	0	0	0	0	0	0	0	0
9	Secured by commercial real estate	0	0	0	0	0	0	0	0	0
10	Equity Investment in Funds (EIF)	0	0	0	0	0	0	0	0	0
11	Past-due loans	0	0	0	0	0	0	0	0	0
12	Higher-risk categories	0	0	0	0	0	0	0	0	0
13	Other assets	2,600	7,544	0	0	0	10,454	0	4,395	24,993
14	Total	3,700,687	372,531	0	2,717,705	0	956,456	0	4,395	7,751,774

Total credit exposures increased by AED 0.5 m. This increase was primarily driven by increase in exposures to banks (AED 715 m) and public sector enterprises (AED 46 m), partially offset by a reduction in sovereign exposures of AED 697 m (rated at 0% RWA) and a decrease in corporate exposures of AED 61 m.

9 Market Risk

9.1 General qualitative disclosure requirements related to market risk (MRA)

Market Risk is the risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Currently, the UAE Branch does not hold any positions in commodities or equities. Bank also does not have a trading book positions. The UAE Branch has residual foreign currency exposures in its banking book, which are used in computing the market risk RWA.

Foreign Exchange Risk

Barclays Bank UAE executes foreign exchange transactions to serve its clients, and for its own balance sheet management purposes. Any significant exposures resulting from these activities are closed out in the foreign exchange markets.

Organization, roles and responsibilities

UAE Treasury Middle Office team compiles FX risk reports and provides the same to UAE Treasury, ALM Risk team and to various other stakeholders. UAE branch Assets and Liabilities Forum (ALFo), together with the UAE Treasury, are responsible for monitoring and managing FX risk in line with the Banks management objectives and risk frameworks. ALM Risk team providing second line oversight of the management of FX risk.

Management of FX Risk

FX risk is measured in Value at Risk (VaR), a measure of the potential loss of value arising from unfavorable market movements at a specific confidence level, if current positions were to be held unchanged for the predefined holding period.

For internal market risk management purposes, a historical simulation methodology is used with a ten years historical data, at a 95% confidence level. VaR is calculated on a daily basis and exposure is monitored against defined limits.

Barclays Bank UAE Treasury executes the strategies to minimize FX risk and maintains it within the agreed FX DVaR limit

9.2 Market risk under the standardised approach (MR1)

This table provides the components of the capital requirement under the standardised approach for market risk.

		Dec-25
		RWA AED 000
1	General Interest rate risk (General and Specific)	
2	Equity risk (General and Specific)	
3	Foreign exchange risk	1,298.00
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus method	
7		
8	Securitisation	
9	Total	1,298.00

The decrease in foreign exchange exposure (2024: RWA AED 3.9 mn) is mainly attributable to decrease in GBP Positions in 2025

10 Interest rate risk in the banking book (IRRBB)

10.1 IRRBB risk management objectives and policies (IRRBBA)

Definition

Interest rate risk in the banking book (IRRBB) is defined as the risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.

Overview

IRRBB is driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Group's policy to remain within the defined risk appetite, hedging strategies are executed to mitigate the various IRRBB risks that result from these activities.

However, Barclays Bank UAE remains susceptible to interest rate risk and other non-traded market risks arising mainly from the adverse impact by a change in interest rates, differences in the timing of interest rate changes between assets and liabilities, and other constraints on interest rate changes as per product terms and conditions.

Organization, roles and responsibilities

UAE branch Assets and Liabilities Forum (ALFO), together with the UAE Treasury, are responsible for monitoring and managing IRRBB risk in line with the Group's management objectives and risk frameworks. Group ALM and ALM Risk team provide first and second line oversight of the management of IRRBB, respectively.

Management of IRRBB

Barclays Bank UAE Treasury executes the strategies to minimize IRRBB and maintain it within the agreed IRRBB limits. Therefore, the primary control for IRRBB is calculating the risk metrics described below and monitoring risk exposures.

Summary of measures for non-traded market risk

IRRBB is measured monthly using the following risk metrics:

Measure	Definition
Net Interest Income (NII)	A measure of the potential change in NII due to an adverse interest rate movement over a predefined time horizon.
Economic Value of Equity (EVE)	A measure of the potential change in the present value of expected future cash flows due to an adverse interest rate movement, based on the existing balance sheet expected run-off profile.

Net Interest Income (NII)

NII measures the sensitivity of net interest income over a one-year period. It is calculated as the difference between the estimated income using the expected rate forecast and the lowest estimated income following a parallel increase or decrease of in interest rates.

The main model assumptions are:

Interest rate levels are shocked by +/-200bp as per the prescribed scenarios in line with The Central Bank of The UAE's Guidance on Capital Adequacy of Banks in the UAE. The balance sheet is kept at the current level with no assumed growth, and run-off balances are reinvested on a like- for-like basis to maintain a constant balance sheet.. Structural non-maturing deposits are adjusted for an assumed behavioural profile, to align with the expected product life cycle.

NII sensitivity is calculated on a monthly basis for the entire banking book, including the investments in the liquid asset portfolio. The metric provides a measure of how interest rate risk may impact the Bank's earnings, providing a simple comparison between risk and returns. As NII provides a view on the next year's earnings impacts of interest rate risk, Barclays also monitors economic value metrics to complement the view as this captures the IRRBB impact of risk exposures beyond one year. However, this measure should not be interpreted as a projection of the bank's future expected earnings in each interest rate scenario.

Economic Value of Equity (EVE)

EVE calculates the change in the present value of the Bank's expected future cash-flows across the six prescribed scenarios in line with The Central Bank of The UAE's Guidance on Capital Adequacy of Banks in the UAE. Note that the EVE calculation measures sensitivity in terms of present value, while NII measures income sensitivity, and as such are complimentary.

The EVE measure is calculated on a monthly basis and is applied to the full life of transactions allowing the risk over the whole life of positions to be considered. It does not capture the impact of business growth or management actions and is based on the expected balance sheet run-off profile.

The main model assumptions are:

All cash flows are included within the EVE scenarios, with commercial margins excluded and discounted at the relevant risk-free interest rate.

The Bank's equity is excluded from the calculation. Deposits which have no defined maturity date have been profiled according to their relevant behavioural profile. The profiling of non-maturing deposits in shock scenarios is aligned to the baseline scenario as the baseline scenario is sufficiently prudent to mitigate expected customer behaviors in shocked scenarios.

EVE is calculated by currency and aggregated accounting for 0% of the benefit of any gain in EVE at each currency level, in line with Central Bank of UAE Rulebook on "Guidance re Capital Adequacy of Banks in the UAE".

PV01 Process

In addition to the above measures, PV01 is also used for IRRBB management. For interest rate repricing gap exposure, the methodology is based on calculating the change in net present value (NPV) of maturity or repricing notional amounts. The rate shocks applied are user defined and for current usage consist of parallel shocks of either +/- 1bp.

Maturity assigned to non-maturity deposits:

The average repricing maturity assigned to non-maturing deposits is 10 months, with the longest repricing maturity assigned to any portfolio of non-maturing deposits being 60 months. This is calculated using a simple weighted average maturity including all non-maturing deposits, regardless of hedging treatment.

Change in EVE and NII under the supervisory shock scenarios.

The following table shows the impact on the Bank’s EVE and NII from the six standardised interest rate shock scenarios for EVE and two scenarios for NII in line with Central Bank of UAE Rulebook on "Guidance re Capital Adequacy of Banks in the UAE".

10.2 Quantitative information on IRRBB

Table IRRBB1: Quantitative information on IRRBB

In reporting currency (AED '000)	ΔEVE	ΔEVE*	ΔNII	ΔNII
Period	31-Dec-2025	31-Dec-2024	31-Dec-2025	31-Dec-2024
Parallel up	(2,394)	(400)	1,105	6,167
Parallel down	(15,220)	(16,759)	(1,105)	(6,167)
Short rate up	(4,033)	(484)		
Short rate down	(6,221)	(10,662)		
Steeper	(1,021)	(1,160)		
Flattener	(6,145)	(385)		
Maximum	(15,220)	(16,759)	(1,105)	(6,167)
Period	31-Dec-2025		31-Dec-2024	
Tier 1 capital	2,695,202		2,595,261	

The maximum EVE loss under the six scenarios was AED 15,220k under the parallel down scenario as of 31 December 2025. The maximum one-year NII loss was AED 1,105k under the parallel up scenario as of 31 December 2025.

The material drivers of the maximum loss scenarios for NII and EVE are residual maturity mismatches in fixed short-term positions in loans and current accounts as part of the Corporate portfolio.

11 Operational Risk

Qualitative disclosures on operational risk (OR1)

Operational Risk

Operational Risk is defined as the risk of loss to the Group from inadequate or failed processes, systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.

Overview

The management of operational risk has three key objectives:

- deliver and oversee an operational risk capability owned and used by business leaders to enable sound risk decisions over the long term.
- provide the frameworks, policies and standards to enable management to meet their risk management responsibilities while the second line of defence provides robust, independent, and effective oversight and challenge.
- deliver a consistent and aggregated measurement of operational risk that will provide clear and relevant insights, so that the right management actions can be taken to keep the operational risk profile consistent with the Group's strategy, the stated risk appetite and stakeholder needs.

The Group operates within a system of internal controls that enables business to be transacted, and risk taken without exposing it to unacceptable potential losses or reputational damages.

Barclays Bank PLC – Dubai Branch

Organisation and structure

Barclays PLC Board Risk Committee

- Approves operational risk framework
- Oversees operational risk capital
- Recommends and monitors operational risk appetite and the residual risk position, supported by feedback from the Barclays PLC Board Audit Committee/Chief of Controls Officer

Barclays PLC Board Audit Committee

- Oversees the operating effectiveness of the control environment
- Oversees remediation of control issues
- Gives feedback to the Barclays PLC Board Risk Committee where concerns exist over the impact on residual risk through either the design or operating effectiveness of the control environment

Barclays Group Risk Committee

- Reviews and recommend risk appetite and risk limit across operational risk to the Barclays PLC Board
- Monitors the Barclays Group risk profile and the utilisation of risk appetite
- Reviews appetite, limit usage and risk management within tolerance agreed by the Barclays PLC Board
- Reviews deep dives of specific risks as requested
- Reviews the impact of any material acquisitions and disposals on the risk profile
- Reviews remediation plans and actions taken, and agrees any further action required
- Escalated to Barclays PLC Board level

Barclays Group Controls Committee

- Oversees the effectiveness of the control environment
- Reviews and recommends the control framework
- Oversees control remediation activities
- Oversees the execution of the Operational Risk Management Framework consistently across Barclays Group
- Oversees risk and internal control matters including significant issues
- Escalates to Barclays PLC Board level

Operational Risk Committees

- Manage and oversee risk at the Group level
- Escalate to Barclays

Business Risk Committees

- Manage and oversee risk at the business/function level
- Escalate to Barclays

Barclays Control Committees

- Manage and oversee the control environment at the business/function level
- Escalate to Barclays Group level

Operational Risk Categories

Operational risks are grouped into risk categories (such as Fraud and Transaction Processing) to support effective risk management, measurement and reporting, including mappings to regulatory risk event types. These are defined as follows:

- **Data & Records Management Risk:** The risk that Barclays is unable to identify and manage Data, Records and/ or Non-Financial Regulatory Reporting in accordance with business, legal and regulatory requirements.
- **Financial Reporting Risk:** The risk of a material misstatement or omission within the Group's external financial reporting, regulatory reporting or internal financial management reporting
- **Fraud Risk:** The risk of financial loss when an internal or external party acts dishonestly with the intent to obtain an undue benefit, cause a loss to, or to expose either the Group or its customers and clients to a risk of loss
- **Cyber & Information Security Risk:** The risk that Barclays Information Assets, including associated technology estate and services, are not protected against cyber incidents that may result in unauthorised access, data loss/theft or malicious manipulation of data, disruption or destruction of Barclays Information Assets, technology estate and services.
- **Operational Recovery Planning Risk:** The risk that the Group does not understand the impact of operational disruption on its business services, is unable to recover business services within agreed timeframes, or does not have the ability to effectively respond to a crisis
- **People Risk:** The set of risks associated with employing and managing people, appropriate resourcing for requirements, recruitment and development risks
- **Premises Risk:** The risk of business detriment or harm to people due to premises and infrastructure issues
- **Physical Security Risk:** The risk of business detriment, financial loss or harm to people as a result of any physical security incident impacting the Group or a Group employee - relating to harm to people, unauthorised access, intentional damage to premises or theft or intentional damage to assets
- **Change Delivery Management Risk:** The risk of failing to deliver and implement the agreed change initiatives and business outcomes required to deliver the Group and Business Unit Strategy within agreed timelines.
- **Supplier Risk:** The risk that is introduced to the firm or entity as a consequence of obtaining services or goods from another legal entity or entities whether external or internal as a result of inappropriate and/or inadequate selection, management, or exit management
- **Tax Risk:** The risk of unexpected tax cost in relation to any tax for which the Group is liable, or of reputational damage on tax matters with key stakeholders such as tax authorities, regulators, shareholders or the public. Tax cost includes tax, interest or penalties levied by a taxing authority
- **Risk Reporting Risk:** The risk that risk reports within the scope of BCBS239, produced for internal risk decision-making or external regulatory purposes, are not accountable, accurate,

comprehensive, clear and useful, generated at appropriate frequency, or distributed to relevant parties

- **Technology Risk:** The risk to the Group that comes about through its dependency on technological solutions
- **Transaction Processing Risk:** The risk of an error in the execution of a transaction including payments, resulting in delayed or inaccurate processing

The Operational Risk Taxonomy also includes operational risks associated with other Principal Risks, including Compliance, Financial Crime, Legal, Climate, Model, Reputation Risk and the Financial Risks (Credit, Market, Treasury and Capital).

These risks may result in financial and/or non-financial impacts including legal/regulatory breaches or reputational damage.

Connected risks

The Group also recognises that there are certain threats/risk drivers which are related in nature and have the potential to impact the Group's strategic objectives. These are referred to as Connected Risks and require a coordinated approach to overseeing the risk exposure and /or consolidated reporting

- **Resilience:** The risk of the organisation's ability to anticipate, prevent, adapt, respond to, recover and learn from internal or external disruption, continuing to provide important business services to customers and clients, and minimise any impact on the wider financial system
- **Third-Party Service Management:** The risk associated with Third-Party Service Providers - defined as all entities that have entered into an arrangement with the Group in order to provide business functions, activities, goods, and/or services
- **Model:** The risk relating to material model implementation and data related risks / threats to Barclays, raised and governed in Data and Technology Risk Categories

Roles and responsibilities

The prime responsibility for the management of operational risk and the compliance with control requirements rests with the legal entities, business and functional units where the risk arises. The operational risk profile and control environment is reviewed by business management through business risk and control committees. Operational risk issues escalated from these meetings are considered through the second line of defence review meetings. Depending on their nature, the outputs of these meetings are presented to the Group Risk Committee, the Barclays PLC Board Risk Committee or the Barclays PLC Board Audit Committee.

Legal entities, businesses and functions are required to report their operational risks on both a regular and an event-driven basis. The reports include a profile of the material risks that may threaten the achievement of their objectives and the effectiveness of key controls, operational risk events and a review of scenarios.

The Group Head of Operational Risk and Risk Oversight, who reports into the Group Chief Risk Officer,

is accountable for the oversight of the Operational Risk Framework and the Operational Risk profile, providing review and governance.

The Operational Risk function acts in a second line of defence capacity, and is responsible for defining and overseeing the implementation of the framework and monitoring the Group's operational risk profile. The Operational Risk function alerts management when risk levels exceed acceptable tolerance in order to drive timely decision making and actions by the first line of defence. Specific reports are prepared by Operational Risk on a regular basis for the Barclays Group Risk Committee, and the Barclays PLC Board Risk Committee.

Operational risk framework

The Operational Risk Framework comprises a number of elements which allow the Group to manage and measure its operational risk profile and to calculate the amount of operational risk capital that the Group needs to hold to absorb potential losses. The minimum, mandatory requirements for each of these elements are set out in the Operational Risk Framework and supporting policies. This framework is implemented across the Group with all legal entities, businesses and functions required to implement and operate an Operational Risk Framework that meets, as a minimum, the requirements detailed in the operational risk policies.

The Operational Risk Framework applies across all Business Units, Functions and Legal Entities within Barclays Group. The Operational Risk Framework is applicable to all employees and enables the bank to manage Operational risk consistently and effectively across the organisation.

The Operational Risk Framework is a key component of the ERMF and has been designed to improve risk management and meet a number of external governance requirements including the Basel Capital Accord, the Capital Requirements Directive and Turnbull guidance as an evaluation framework for the purposes of Section 404(a) of the Sarbanes-Oxley Act. It also supports the Sarbanes-Oxley requirements.

The Operational Risk Framework includes the following elements:

Governance

The governance of Operational Risk within Barclays is fulfilled through committees and management fora operated by the first and second lines of defence, with escalation and reporting lines via the Group Risk Committee to the Board Risk Committee and Board Audit Committees.

Risk and Control Self-Assessments

Risk and control self-assessments (RCSAs) are the way in which the Group identifies and assesses the risks which are inherent in the material processes operated by Barclays Group. Managers in the business use the RCSA approach to evaluate the controls in place to mitigate those risks and assess the residual risk exposure to Barclays Group. The businesses / functions are then able to make decisions on what action, if any, is required to reduce the level of residual risk to the Group. These risk assessments are monitored on a regular basis to maintain that each business understands the risks it faces. The RCSA outputs provide residual risk assessments and a view of the risk profile across

the firm, which is used to assess residual risk status against the approved levels of Risk Appetite for Operational Risk.

Risk Events

An operational risk event is any circumstance where, through the lack or failure of a control, the Group has actually, or could have, made a loss. The definition includes situations in which the Group could have made a loss, but in fact made a gain, as well as incidents resulting in reputational damage or regulatory impact only.

A standard threshold is used across the Group for reporting risk events, and part of the analysis includes the identification of improvements to processes or controls, to reduce the recurrence and/or magnitude of risk events. For significant events, both financial and non-financial, this analysis includes the completion of a formal lessons learnt report.

The Group also maintains a record of external risk events which are publicly available and is a member of the Operational Risk data eXchange (ORX), a not-for-profit association of international banks formed to share anonymous loss data information. This external loss information is used to support and inform risk identification, assessment and measurement.

Risk Appetite for Operational Risk

Barclays Risk Appetite for Operational risk, which is approved by the Board Risk Committee (BRC) annually, is applicable across all Organisational Units.

Risk Appetite for Operational risk uses a metric-based approach which includes specific financial appetite for stressed losses as well as for the Risk Categories of External Fraud and Transaction Processing, alongside a determination of an acceptable level of residual risks for each Risk Category through the RCSA process.

Where the level of residual risk from the RCSA process is higher than Moderate, the Risk Category Owners are required to establish Risk Reduction Plans (RRPs) to meet the BRC-determined Risk Appetite. The RRP's are approved by the Accountable Executives, as well as Operational Risk or Compliance in the second line of defence, and the level of residual risk is monitored by the Group Risk Committee. The operational risk profile and status of the RRP's are monitored, and updates are provided to the BRC, as appropriate.

Key Indicators

Key indicators (KIs) are metrics which allow the Operational Risk Profile to be measured and monitored against management's risk appetite. KIs include defined thresholds and performance is reported regularly to Management to drive action when risk exceeds acceptable limits.

Risk Scenarios

Risk scenarios is a summary of the extreme potential risk exposures for Barclays Group and material entities covering a range of risks. The scenarios include an assessment of the key drivers for the exposure, occurrence and impact of the scenario allowing a review of the corresponding control environment if required. The risk scenario assessments are a key input to the calculation and

benchmarking of economic capital requirements (see following section on operational risk measurement). The assessment considers analysis of the current and emerging risk profile, internal and external loss experience, KIs, Risk and RCSAs and other relevant information. The businesses and functions analyse potential extreme scenarios, considering the:

- circumstances and contributing factors that could lead to an extreme event.
- potential financial impacts; and
- likelihood of an extreme event occurring

Management then determines whether the potential risk exposure is acceptable or whether changes in risk management control or business strategy are required.

The risk scenarios are regularly re-assessed, taking into account trends in risk factors.

Reporting:

The ongoing monitoring and reporting of operational risk is a key component of the Operational Risk Framework. Reports and management information are used by the Operational Risk function and by legal entity and business management to understand, monitor, manage and control operational risks and losses.

The operational risk profile is reviewed by senior management at legal entity Risk Committee meetings as well as the Group Risk Committee and Board Risk Committee, Board Audit Committee and the Board.

12 Remuneration Policy

12.1 Remuneration Policy (REMA)

Remuneration governance

The Barclays Bank PLC Board Remuneration Committee (the 'Committee') is responsible for overseeing Barclays Bank PLC ('BBPLC') remuneration, including the remuneration of Barclays Bank PLC UAE branch. The mandate and responsibilities of the Committee and details of the number of meetings held during the year are included in the 2025 BBPLC Annual Report. During 2025, the Committee had access to market data on compensation provided by Willis Towers Watson when considering incentive levels and remuneration packages. In the course of its deliberations, the Committee also considered the views of the Group Chief Executive, the Group Human Resources Director and the Group Reward and Performance Director/Co-Heads of Reward and Performance. The Group Finance Director and Group Chief Risk Officer also provided regular updates on the Group's financial performance and risk profile respectively.

The Committee has adopted the overarching principles and parameters of the remuneration policy set by the Barclays PLC Remuneration Committee, as disclosed in the Remuneration report within the Barclays PLC Annual Report 2025 (the 'Remuneration report'). The Remuneration report provides a summary of remuneration policies for all employees (which also apply to material risk takers ('MRTs')), as well as the decision-making process in respect of remuneration outcomes including how the views of regulators, shareholders and employees are considered in remuneration decisions.

The Committee reviewed the remuneration philosophy in the first quarter of 2025, concluding that it remained appropriate, so no changes were made. No changes were made to the all employee remuneration policy during 2025.

Performance management and remuneration

Barclays' remuneration philosophy (set out below) links remuneration to achieving sustainable performance. In this context, sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society. Our remuneration philosophy applies to all employees of the Barclays PLC group globally (including those individuals identified as MRTs) and aims to reinforce our belief that effective performance management is critical to enabling the delivery of our business strategy. Employees who adhere to Barclays' Values and contribute to Barclays' success are rewarded accordingly.

This is achieved by basing performance assessments on clear standards of delivery and behaviour. This starts with employees aligning their personal objectives each year ('what' they will deliver) to business and team goals, to support the delivery of the business strategy and good client/customer outcomes, to a consistently excellent standard. Behavioural expectations ('how' people will achieve their objectives) are set in the context of our Values and Mindset.

Performance is assessed against both financial and non-financial criteria. Other factors are also taken into consideration within the overall performance assessment, including core job responsibilities,

behaviours towards risk and control, colleague and stakeholder feedback, as well as input from the control functions and Chief Controls Office, where appropriate. Information on Barclays' performance, financial and non-financial, and how this is reflected in the incentive pool, can be found as part of the Barclays PLC Remuneration Committee Chair's statement in the Remuneration report. Similar considerations were made by the Committee in respect of the BBPLC incentive pool.

Through our approach to performance management, the equal importance of both what an individual has delivered and how the individual has achieved this is emphasised, encouraging balanced consideration of each dimension. These elements are assessed and rated independently of each other; there is no overall rating. This allows for more robust and reflective conversations between managers and team members on the individual components of performance.

Barclays' remuneration philosophy

The remuneration philosophy below sets out the basis upon which Barclays made remuneration decisions and set remuneration policies during 2025. Barclays' remuneration philosophy applies to all employees globally.

Attract and retain talent needed to deliver Barclays' strategy	Long-term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent
Align pay with investor and other stakeholder interests	Remuneration should be designed with appropriate consideration of the views, rights and interests of stakeholders. This means listening to our shareholders, other investors, regulators, government, customers and employees and ensuring their views are appropriately represented in remuneration decision-making
Reward sustainable performance	Sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them, and playing a valuable role in society
Support Barclays' Values and culture	Results must be achieved in a manner consistent with our Values. Our Values, culture and Mindset should drive the way that business is conducted
Align pay with risk appetite, risk exposure and conduct	Remuneration should be designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations
Be fair, transparent and as simple as possible	We are committed to ensuring pay is fair, simple and transparent for all our stakeholders. All employees and stakeholders should understand how we reward our employees and fairness should be a lens through which we make remuneration decisions

The Barclays Group remuneration policy is reviewed annually by the Barclays PLC Remuneration Committee and each year the Committee reviews the policy and adopts any changes, where appropriate.

Risk adjustment and remuneration

Another key feature of our remuneration philosophy is the alignment of remuneration with our risk appetite and with the conduct expectations of Barclays, our regulators and other stakeholders. The Committee takes risk and conduct events very seriously and ensures that there are appropriate adjustments to individual remuneration and, where necessary, the incentive pool.

The Remuneration Review Panel (the 'Panel'), which is chaired by the Group HR Director and also includes the Group Heads of Risk, Compliance, Legal, Internal Audit, the President of BBPLC and the CEO of Barclays Bank UK PLC, reports to the Barclays PLC Remuneration Committee and supports it in this process. The Panel applies our policies and processes for assessing compensation adjustments for risk and conduct events, under the Committee's oversight in respect of matters relating to BBPLC.

We have robust processes for considering risk and conduct as part of individual performance management, with outcomes reflected in individual remuneration decisions. Line managers have primary accountability for ensuring that risk and conduct issues are considered when assessing performance and making remuneration decisions. In addition, there is a secondary review by the control functions, for individuals involved in significant failures of risk management, conduct issues, regulatory actions or other major incidents that impact either the Group or a business area, to ensure these issues are properly considered. When considering individual responsibility, a variety of factors are taken into account, such as whether an individual was directly responsible, or whether the individual could be deemed indirectly responsible by virtue of seniority, including staff who drive BBPLC's culture and set its strategy.

Actions that may be taken where risk management and conduct falls below required standards include:

Individual adjustments	Current year annual bonuses may be adjusted downwards where individuals are found to be involved (either directly or indirectly) in a risk or misconduct event.
Collective adjustments	In addition to reductions to individuals' bonuses, the Committee makes collective adjustments to the incentive pool for specific risk and conduct events. The Committee also adjusts the incentive pool to take account of an assessment of future risks (including conduct), non-financial factors that can support the delivery of a strong risk management, control and conduct culture, and other factors including reputation, and impact on customers, markets and other stakeholders. The Committee is supported in its consideration of this adjustment by the BBPLC Board Risk Committee.
Malus	Unvested deferred bonuses from prior years are subject to malus provisions, which enable the Committee via the Barclays PLC Remuneration Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events that may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.
Clawback	Clawback applies to any variable remuneration awarded to an MRT on or after 1 January 2015 in respect of years for which they were an MRT. Barclays may apply clawback if, at any time during the seven-year period from the date on which variable remuneration is awarded to an MRT: (i) there is reasonable evidence of employee misbehavior or material error, and/or (ii) the firm or the business unit suffers a material failure of risk management, taking account of the individual's proximity to and responsibility for that incident.

Remuneration structure

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Some employees, including some MRTs, also receive Role-Based Pay ('RBP'). For the 2025 performance year, remuneration of MRTs was subject to a 10:1 maximum ratio of variable to fixed remuneration (excluding MRTs of Barclays Bank Ireland PLC and the Monaco Branch of Barclays Bank PLC, who remained subject to a 2:1 bonus cap under EU regulations).

The remuneration of employees engaged in control functions is determined independently from the businesses they support and within the parameters of the incentive pool allocated to those functions by the Committee. Remuneration for control function employees is less weighted towards variable remuneration compared to front-office employees.

Fixed remuneration

Salary	<p>Salaries reflect individuals' skills and experience and are reviewed annually.</p> <p>They are increased where justified by role change, increased responsibility, to reflect a change in the market rate or maintain appropriate competitive positioning. Salaries may also be increased in line with local statutory requirements and union and works council commitments.</p>
Role-Based Pay	<p>Some MRTs and senior management of BBPLC receive a class of fixed pay called RBP to recognise the seniority, scale and complexity of their role.</p>
Pension and benefits	<p>The provision of a competitive package of benefits is important to attracting and retaining the talented staff needed to deliver Barclays' strategy. Employees have access to a range of country-specific company-funded benefits, including pension schemes, healthcare, life assurance and Barclays' share plans, as well as other voluntary employee-funded benefits. The cost of providing these benefits is defined and controlled.</p>

Variable remuneration

Annual bonus	<p>Annual bonuses incentivize and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset.</p> <p>The ability to recognise performance through variable remuneration enables the Group and BBPLC to control their cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the highly competitive market for talent in the financial services sector.</p>
Bonus deferral	<p>The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals and to ensure an appropriate amount is deferred to future years. Annual bonuses may be awarded with both up-front and deferred components, in each case delivered in the form of cash and/or shares. For MRTs, annual bonuses will always be structured in a way that meets regulatory requirements.</p> <p>A portion of the bonus may be deferred for three years or more in the form of deferred cash and /or deferred shares, at least in line with regulatory requirements. The deferral structure will depend on the nature of the employee's role (e.g. MRT or non-MRT) and on the value of the bonus awarded. Dividend equivalents may be delivered on deferred shares. Where for any reason that is not the case (e.g. where it is not permitted under local regulations), the number of deferred shares awarded may be based on the adjusted fair value of the shares over which awards are granted taking into account that dividends do not accrue during the deferral period.</p>

Shareholding

Share plans	<p>Alignment of other MRTs with shareholders is achieved through deferral of incentive pay. The Committee encourages additional employee shareholding by operating voluntary all-employee share plans in locations representing 99% of employees globally.</p>
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Awards of guaranteed variable remuneration are only made in exceptional circumstances in the context of hiring and typically only when a new hire starts in the last quarter of the year. When determining a termination payment, Barclays considers any applicable: (a) contractual requirements; (b) policies; (c) local legal and regulatory requirements; and (d) legal and reputational risk.

12.2 Remuneration Awarded during the Financial Year (REM1)

			FY 2025 (AED -Actuals)	FY 2025 (AED -Actuals)
	Remuneration Amount		Senior Management	Other Material Risk-takers
1	Fixed Remuneration	Number of employees	11	0
2		Total fixed remuneration (3 + 5 + 7)	13,159,087	0
3		Of which: cash-based	11,410,413	0
4		Of which: deferred	-	0
5		Of which: shares or other share-linked instruments	-	0
6		Of which: deferred	-	0
7		Of which: other forms	1,748,674	0
8		Of which: deferred	-	0
9	Variable Remuneration	Number of employees	11	0
10		Total variable remuneration (11 + 13 + 15)	2,727,375	0
11		Of which: cash-based	2,560,055	0
12		Of which: deferred	167,317	0
13		Of which: shares or other share-linked instruments	167,320	0
14		Of which: deferred	167,320	0
15		Of which: other forms	0	0
16		Of which: deferred	0	0
17	Total Remuneration (2+10)		15,886,462	0

Footnotes:

- a) For the purposes of this submission Senior Managers are those Barclays employees who are registered with the Central Bank but may be employed by a legal entity other than Barclays Bank PLC, UAE Branch.
- b) Due to confidentiality and data privacy requirements, any employees categorized as Material Risk Takers have been combined with Senior Management.
- c) Due to confidentiality and data privacy requirements, no information is provided for deferred variable remuneration (no fixed remuneration is deferred). However deferred variable remuneration:
 - a. is a small proportion of the relevant individual(s)' remuneration;
 - b. is not material to the branch as a whole; and
 - c. is subject to potential risk adjustment.