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1. Introduction

This document presents the Pillar III disclosures of Invest Bank P.S.C (“the Bank” or “Invest Bank” or “IB”) on a consolidated basis as of 31st March 2025. The purpose of Pillar III disclosures is to allow market participants to assess key pieces of information about the Bank's capital, risk exposures and risk assessment process.

The Bank is regulated by the Central Bank of UAE (“CBUAE”) and follows the Pillar III disclosure requirements as stated in the CBUAE guidelines on the implementation of Basel III standards, issued in November 2020 with subsequent updates in December 2022. The Pillar III disclosures provided in this document should be read and analyzed in conjunction with the Audited Financial Statements of the Invest Bank P.S.C. for the year ended 31st March 2025.

1.1 Minimum Capital Requirement

Pillar-I stipulates the minimum capital requirements to cover risks associated with credit, market, and operations. Invest Bank applies a standardized method to evaluate the risk-weighted assets (RWA) for Credit, Market Risk, and basic indicator approach for Operational Risk. This involves using risk weights and parameters defined by the regulators to calculate the capital requirements under Pillar I.

The CBUAE has established the following minimum regulatory capital ratios:

- Common Equity Tier 1 (CET1) must be at least 7.0% of RWA.
- Tier 1 Capital must be at least 8.5% of RWA.
- Total Capital, combining Tier 1 and Tier 2 Capital¹, must be a minimum of 10.5% of RWA.

In addition to these minimum requirements, the CBUAE mandates Invest Bank to maintain a Capital Conservation Buffer (CCB) of 2.5%.

These requirements are summarized in the table below:

Capital Element	Requirement
Minimum Common Equity Tier 1 Ratio	7.0%
Minimum Tier 1 Capital Ratio	8.5%
Minimum Capital Adequacy Ratio	10.5%
Capital Conservation Buffer	2.5%

The capital ratios for the Bank as of 31st March 2025 are given below.

Common Equity Tier 1 Ratio	24.94%
Tier 1 Capital Ratio	24.94%
Tier 2 Ratio	1.17%
Capital Adequacy Ratio	26.11%

¹ The Bank includes only general provisions as part of Tier 2 Capital.

2. Overview of risk management and RWA

2.1. Key metrics (KM1)

All numbers in AED 000s

		a	b	c	d	e
		Mar'25	Dec'24	Spet'24	Jun'24	Mar'24
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	1,488,393	1,476,496	1,776,367	1,762,806	1,745,340
1a	Fully loaded ECL accounting model	1,488,393	1,476,496	1,776,367	1,762,806	1,745,340
2	Tier 1	1,488,393	1,476,496	1,776,367	1,762,806	1,745,340
2a	Fully loaded ECL accounting model Tier 1	1,488,393	1,476,496	1,776,367	1,762,806	1,745,340
3	Total capital	1,558,272	1,539,220	1,831,026	1,813,705	1,798,610
3a	Fully loaded ECL accounting model total capital	1,558,272	1,539,220	1,831,026	1,813,705	1,798,610
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	5,969,081	5,359,318	4,689,578	4,404,249	4,593,881
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	24.94%	27.55%	37.88%	40.03%	37.99%
5a	Fully loaded ECL accounting model CET1 (%)	24.94%	27.55%	37.88%	40.03%	37.99%
6	Tier 1 ratio (%)	24.94%	27.55%	37.88%	40.03%	37.99%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	24.94%	27.55%	37.88%	40.03%	37.99%
7	Total capital ratio (%)	26.11%	28.72%	39.04%	41.18%	39.15%
7a	Fully loaded ECL accounting model total capital ratio (%)	26.11%	28.72%	39.04%	41.18%	39.15%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	15.61%	18.22%	28.54%	30.68%	28.65%
	Leverage Ratio					
13	Total leverage ratio measure	14,007,601	13,263,020	13,076,996	13,377,922	13,232,673
14	Leverage ratio (%) (row 2/row 13)	10.63%	11.13%	13.58%	13.18%	13.19%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.63%	11.13%	13.58%	13.18%	13.19%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	0.00%	0.00%	0.00%	0.00%	0.00%
	ELAR					
15	Total HQLA	1,878,610	1,409,568	1,948,084	2,457,337	2,168,409
16	Total liabilities	9,872,863	9,304,356	9,193,367	9,242,094	9,223,720
17	Eligible Liquid Assets Ratio (ELAR) (%)	19.03%	15.15%	21.19%	26.59%	23.51%
	ASRR					
18	Total available stable funding	9,088,250	8,538,239	8,822,208	9,008,503	8,508,583
19	Total Advances	5,955,007	5,782,979	5,482,362	5,108,958	5,058,284
20	Advances to Stable Resources Ratio (%)	65.52%	67.73%	62.14%	56.71%	59.45%

2.2. Overview of RWA (OV1)

All numbers in AED 000s

		RWA		Minimum capital requirements
		Mar'25	Dec'24	Mar'25
1	Credit risk (excluding counterparty credit risk)	5,588,035	5,009,964	586,744
2	Of which: standardized approach (SA)	5,588,035	5,009,964	586,744
3	Of which: foundation internal ratings-based (F-IRB) approach			
4	Of which: supervisory slotting approach			
5	Of which: advanced internal ratings-based (A-IRB) approach			
6	Counterparty credit risk (CCR)	1,152	3,982	121
7	Of which: standardized approach for counterparty credit risk	1,152	3,982	121
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	1,152	3,982	121
11	Equity positions under the simple risk weight approach	-	-	
12	Equity investments in funds - look-through approach			
13	Equity investments in funds - mandate-based approach			
14	Equity investments in funds - fallback approach			
15	Settlement risk	-	-	-
16	Securitization exposures in the banking book	-	-	-
17	Of which: securitization internal ratings-based approach (SEC-IRBA)			
18	Of which: securitization external ratings-based approach (SEC-ERBA)			
19	Of which: securitization standardized approach (SEC-SA)	-	-	-
20	Market risk	68,171	32,374	7,158
21	Of which: standardized approach (SA)	68,171	32,374	7,158
22	Of which: internal models' approach (IMA)			
23	Operational risk	310,572	309,016	32,610
24	Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-
25	Floor adjustment	-	-	-
26	Total (1+6+10+11+12+13+14+15+16+20+23)	5,969,081	5,359,318	626,754

Base capital requirement as per CBUAE guidelines is 10.5% for total capital adequacy ratio and after including the CCB of 2.5% the requirements increase to 13%

3. Leverage ratio (LR)**3.1. Summary comparison of accounting assets vs leverage ratio exposure (LR1)**

All numbers in AED 000s

		Amount
1	Total consolidated assets as per published financial statements	11,363,478
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-
3	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-
5	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustments for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	1,446
9	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	2,492,413
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	150,265
13	Leverage ratio exposure measure	14,007,601

3.2. Leverage ratio common disclosure template (LR2)

All numbers in AED 000s

		a	b
		Mar'25	Dec'24
On-balance sheet exposures			
1	On balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	11,591,801	11,028,304
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 recognized 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)	(2,222)	(2,222)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	11,589,579	11,026,082
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)	676	3,573
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	770	1,568
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) x 1.4}	2,024	7,198
Securities financing transactions			
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)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	6,506,107	6,441,505
20	(Adjustments for conversion to credit equivalent amounts)	(4,090,109)	(4,211,765)
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)	2,415,998	2,229,740
Capital and total exposures			
23	Tier 1 capital	1,488,393	1,476,496
24	Total exposures (sum of rows 7, 13, 18 and 22)	14,007,601	13,263,020
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.63%	11.13%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	N/A	N/A
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers		

4. Liquidity

4.1. ELAR: Eligible Liquid Assets Ratio

All numbers in AED 000s

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank and balances with the CBUAE	1,418,844	
1.2	UAE Federal Government Bonds and Sukuks	30,000	
	Sub Total (1.1 to 1.2)	1,448,844	1,448,844
1.3	UAE local governments publicly traded debt securities	699,984	
1.4	UAE Public sector publicly traded debt securities	0	
s	Sub Total (1.3 to 1.4)	699,984	429,766
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	2,148,828	1,878,610
2	Total liabilities		9,872,863
3	Eligible Liquid Assets Ratio (ELAR)		19.03%

4.2. Advances to Stables Resource Ratio

All numbers in AED 000s

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	4,420,386
	1.2	Lending to non-banking financial institutions	506,907
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	268,643
	1.4	Interbank Placements	759,071
	1.5	Total Advances	5,955,007
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	1,602,303
		Deduct:	
	2.1.1	Goodwill and other intangible assets	2,222
	2.1.2	Fixed Assets	647,992
	2.1.3	Funds allocated to branches abroad	83,124
	2.1.5	Unquoted Investments	0
	2.1.6	Investment in subsidiaries, associates, and affiliates	78,374
	2.1.7	Total deduction	811,712
	2.2	Net Free Capital Funds	790,591
	2.3	Other stable resources:	0
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	0
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	104,726
	2.3.5	Customer Deposits	8,192,933
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	Total other stable resources	8,297,659
	2.4	Total Stable Resources (2.2+2.3.7)	9,088,250
3		Advances to Stable Resources Ratio (1.5/ 2.4*100)	65.52