Emirates NBD Group

Disclosures on Financed Emissions for 2024

January 2026

بنك الإمارات دبي الوطني
Emirates NBD

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1. Introduction

1.1. Purpose

The purpose of this document is to provide a standardized and comprehensive disclosures for calculating and reporting greenhouse gas (GHG) emissions associated with financing activities. Financed emissions connect the funding we offer to our clients with their real-world activities, giving insight into the greenhouse emissions resulting from these business activities. They are included in the Bank's Category 15 of Scope 3 Green House Gases (GHG) accounting, which relates to emissions from the use of a company's products and services.

The Group has followed the methodology as detailed in The Global GHG Accounting and Reporting Standard, Part A, issued by the Partnership for Carbon Accounting Financials (PCAF). The data and the methodology used for estimating financed emissions are evolving with regulations and industry practices. We continue to focus on improving the availability and quality of data used in calculating financed emissions.

1.2. Objectives

The primary objective of this document is to explain in detail steps followed by the Emirates NBD Bank (P.J.S.C.) and its subsidiaries, excluding DenizBank (collectively known as "the Group" or "the Bank") to compute financed emissions for its lending and investment portfolio. It also details on the processes adopted for attributing emissions, assignment of data quality score and scope of emissions included. It also explains the methodology and the data sources used for computation of financed emissions.

1.3. Scope

The Bank has only considered performing counterparties for the computation of financed emissions. The scope of financed emissions has been defined across the following dimensions: -

- Asset Class Coverage
- Organizational Boundaries
- Emissions Coverage

Asset class coverage

In the current exercise, for the purpose of computation of financed emissions in accordance with Scope 3 Category 15 emissions of the PCAF guidelines, the asset classes included are listed equity, corporate bonds, business loans, unlisted equity and project finance.

Organizational boundary

Organizational boundary is determined by the financial control approach for the measurement and reporting of financed emissions in accordance with the GHG protocol. Under this approach, the Group would include emissions from entities where it can directly influence financial and operational policies and has the potential to benefit economically from companies' activities.

Emissions coverage

The key components of the reported Emissions are provided below:

1. **Direct Emissions (Scope 1):** These emissions originate from sources that are directly owned or controlled by the Customer, such as emissions from company-owned vehicles and on-site fuel combustion.

2. **Indirect Emissions (Scope 2):** These emissions result from the consumption of purchased electricity, steam, heating, and cooling e.g., emissions associated with the electricity used in office buildings or plants.

3. **Value Chain Emissions (Scope 3):** These include all other indirect emissions occurring in the value chain of the customer, both upstream and downstream.
    - **Upstream Emissions:** e.g. emissions from purchased goods and services, capital goods, waste generated in operations, and employee commuting.
    - **Downstream Emissions:** e.g. emissions from downstream transportation and distribution, processing of sold products, downstream leased assets.

2. Asset Class-Specific Methodologies[1]

The calculation of financed emissions requires tailored approaches for different asset classes to accurately reflect the GHG emissions associated with each type of financial activity. This section provides detailed methodologies for calculating emissions for the following asset classes: listed equity and corporate bonds, business loans and unlisted equity and project finance.

2.1. Listed Equity and Corporate Bonds

Data Requirements

- **Enterprise Value Including Cash (EVIC)**: The total market value of the company, including debt and including cash.
- **Company Emissions Data**: The total GHG emissions reported by the company.

Calculation Approach

1. Determine the proportion of the financial institution's investment in the company relative to the company's EVIC.
2. Multiply this proportion by the company's total emissions to calculate the financed emissions.

For listed companies:

$$Financed\ Emissions = \left(\frac{Investment\ Amount}{Enterprise\ Value\ Including\ Cash}\right) \times Company\ Emissions$$

For bonds to private companies:

$$Financed\ Emissions = \left(\frac{Investment\ Amount}{Total\ Equity + Debt}\right) \times Company\ Emissions$$

2.2. Business Loans and Unlisted Equity

Data Requirements

- **Loan Amount**: The total value of the loan provided to the company.
- **EVIC**: The total market value of the company, including debt and including cash.
- **Company Emissions Data**: The total GHG emissions reported by the company.

Calculation Approach

1. Determine the proportion of the loan amount relative to the company's EVIC.

[1] Retail and Sovereign asset classes have been excluded.

2. Multiply this proportion by the company's total emissions to calculate the financed emissions.

   For Business loans to listed companies

$$Financed\ Emissions = \left(\frac{Loan\ Amount}{Enterprise\ Value\ Including\ Cash}\right) \times Company\ Emissions$$

   For business loans and equity investment in unlisted companies

$$Financed\ Emissions = \left(\frac{Loan\ Amount}{Total\ Equity + Debt}\right) \times Company\ Emissions$$

2.3. Project Finance

Data Requirements

- **Project Equity and Debt**: The total equity and debt financing for the project.
- **Project Emissions Data**: The total GHG emissions associated with the project.

Calculation Approach

1. Determine the proportion of the financial institution's investment in the total project equity and debt.
2. Multiply this proportion by the project's total emissions to calculate the financed emissions.

$$Financed\ Emissions = \left(\frac{Outstanding\ Amount}{Total\ Project\ Equity + Debt^{2}}\right) \times Project\ Emissions$$

3. Data sources and collection

The calculation of financed emissions requires robust, accurate and comprehensive data sources to estimate the GHG emissions associated with the loans and investments held by the Bank. This section outlines the primary data requirements, sources and collection process used for calculating Financed Emissions.

3.1. Customer Information

Customer data provides a detailed profile of the borrowers or investees covering their industry, performing status, operational activities and the Banks' exposure and investment data. The Bank sources this data from the IFRS 9 reporting output data. This data is crucial for identifying the sectors that the customers belong to and the Bank's exposure to accurately calculate their associated financed emissions.

3.2. Mapping of industry to NACE

Industry classification of customers is analysed and mapped to the NACE sectors for the purpose of classification for financed emissions. In some cases, data quality issues around industry classification were observed and this has been corrected manually and have been communicated to business teams as part of the governance process.

3.3. Mapping of customer with financial data identifier

Internal credit rating system is the source of customers financial data, which carries a unique identifier for each customer rated in the system. Customers under the scope of financed emissions have been mapped to this

[2] Total debt includes the current and long-term debt on the balance sheet.

unique identifier in-order to source the financial statements from the internal credit rating system to determine the enterprise value.

3.4. Grouping of customers with multiple CIFS

The bank has a process to identify customer within the same customer group or customers which have multiple identifiers within ENBD Group. The same has been used to group customers for the purpose of determination of group financials and emissions in the calculation of financed emissions.

3.5. Listed counterparties share information

For listed counterparts, data related to number of shares and share price as at the date of the available financial statements, have been sourced from S&P for determination of the enterprise value.

3.6. Project finance identification

The information on the identification of project finance has been sourced from the internal credit division and the same has been flagged against the specific customers. The financial data sourced are project specific for determination of financed emissions.

3.7. Exchange rates from internal sources

The exchange rate used in various aspects of calculations for converting the foreign currency into Dirhams (AED) has been sourced from internal source system of the bank.

3.8. Financial Information

Financial data includes key Balance Sheet and Income Statement related items and is essential in determining the proportional emissions attribution. The Bank leverages internal credit rating system to obtain this information. In case the system doesn't have latest financials in the system, the Bank uses the latest financial statements available in the public domain (if available) and in case this is also not available then the previous available year is used for FE calculation. The Bank has built multiple checks for data validation to ensure quality, relevance and reliability of the sourced data from the Financial Statements.

The Bank has computed the enterprise value in accordance with the PCAF guidelines as the sum of the market capitalization of ordinary shares, preferred shares, book values of debt and minorities interest. The share price is determined based on the market price of the share on the last trading day of the reporting period, which has been considered for the computation of financed emissions

If the company is not listed, total equity is computed as the sum of the share capital and reserves (both statutory and general). If the share capital is negative due to accumulated losses, total equity is set to zero[3].

3.9. Emission Information

Emission data plays a crucial role in the calculation of financed emissions which represent the greenhouse gas (GHG) emissions associated with a counterparty. The Bank sources this data from the published annual reports, integrated financial statements, or sustainability report of the counterparties. The Bank has designed and built multiple layers of data validation checks to ensure accuracy of this data. As there are no standards for accuracy of emissions reporting, this step comes with a significant challenge which have been discussed in detail in Section 2.

3.10. Industry Emissions Data

The Bank uses industry-level emissions factors provided by reputed third-party data providers. The Bank currently uses emissions factor data provided by S&P Global Industry Classification System (GICS) and International Energy Agency (IEA). Given, the emissions factors for sectors like energy, manufacturing, and real estate vary greatly, making sector-based classification is critical. The Bank only uses this information in case the

[3] This is in accordance with PCAF guidance in Pg.No.70-foot note # 90

reported emissions are not available, or the Bank is unable to estimate the emission factors using physical activity-based emissions for similar companies. This is to ensure that financed emissions are reasonably representative of the Bank's actual portfolio. Details on the data selection process is provided in the next section.

4. Financed Emissions computation

For the computation of financed emissions, exposures as of 31st Dec 2024 have been considered. Due to the lag in financial data availability from clients, there is a possibility of either overstating or understating financed emissions as enterprise value would not reflect the latest debt position of the client. Hence for cases where the attribution percentage is above 100%, we have capped the same to 100%.

In case where the financial data and the emission information is not available with the Bank, financed emission is approximated based on financed emission per unit of outstanding for that specific sector.

5. Data Quality and Estimations

5.1. Importance of Data Quality

High-quality data is crucial for accurate GHG emissions calculations and reliable reporting. Ensuring data quality enhances the credibility and comparability of the emissions data, which is essential for stakeholders and decision-makers. Data quality affects the precision and reliability of the emissions estimates, thereby influencing the effectiveness of climate-related strategies and risk assessments.

5.2. Data Quality Scoring

In accordance with PCAF guidelines, to assess and ensure data quality, a systematic scoring system has been used by the Bank, which evaluates the quality of data based on several criteria, including data source, completeness, accuracy, and timeliness.

Data Quality	Options to estimate the financed emissions		When to use each option
Score 1	Option 1: Reported emissions	1a	Outstanding amount in the company and total company equity plus debt are known. Verified emissions of the company are available.
Score 2		1b	Outstanding amount in the company and total company equity plus debt are known. Unverified emissions calculated by the company are available.
	Option 2: Physical activity-based emissions	2a	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's energy consumption and emission factors specific to that primary data. Relevant process emissions are added.
Score 3		2b	Outstanding amount in the company and total company equity plus debt are known. Reported company emissions are not known. Emissions are calculated using primary physical activity data for the company's production and emission factors specific to that primary data.
Score 4	Option 3: Economic activity-based emissions	3a	Outstanding amount in the company, total company equity plus debt, and the company's revenues are known. Emission factors for the sector per unit of revenue are known (e.g., tCO2e per euro or dollar of revenue earned in a sector).
Score 5		3b	Outstanding amount in the company is known. Emission factors for the sector per unit of asset (e.g., tCO2e per euro or dollar of asset in a sector) are known.

Data Quality	Options to estimate the financed emissions		When to use each option
		3c	Outstanding amount in the company is known. Emission factors for the sector per unit of revenue (e.g., tCO2e per euro or dollar of revenue earned in a sector) and asset turnover ratios for the sector are known.

Table 1 : Summary of PCAF Data Quality Guidance

The rules provided by PCAF for various asset classes have been used to assign the data quality score applicable to each of them.

The Bank also maintains records of all the documents used for manual data collations such as financial information, emissions, production / other metric used for proxy calculations.

5.3. Proxy Data and Estimations

In situations where primary or high-quality secondary data is not available, the Bank uses proxy data or estimations. The use of proxy data follows a consistent approach to maintain the reliability of the emissions estimates. The Bank follows the following steps for using the Proxy Data:

1. **Identification of Data Gaps**: The Bank first determines the specific data elements that are missing or of low quality.
2. **Selection of Appropriate Proxies**: The Bank chooses the proxy data that closely represents the missing data. This includes industry averages, regional emission factors, or similar benchmarks.
3. **Justification of Proxies**: The Bank documents the rationale for selecting the proxy data, including the source and relevance to the missing data.
4. **Consistent Application of Proxies**: The Bank uses the selected proxy data consistently across similar calculations to ensure comparability.
5. **Assessment and Improvement**: The Bank plans to periodically review the use of proxy data and seek opportunities to replace it with primary or higher-quality secondary data as it becomes available.

5.4. Data Quality Assurance

The Bank's objective is to select the highest quality of data available for emissions calculation and reporting. Some key features of emission reporting are as follows:

- The Bank has tried to ascribe emissions at the most granular level i.e. at a counterparty level.
- If the emissions are not disclosed by the counterparty, the Bank has subscribed to emissions factors based on industry data from reputed third-party data providers like S&P (Standard & Poor's) and emission factors from IEA (International Energy Agency) based on generation of power and heat.
- The Bank has used the Global Warming Potential ('GWP') framework detailed by the GHG Protocol to convert various types of GHGs measured to CO_2 equivalents.
- In some cases, where production data is not available for estimation of emissions, the Bank has used the capacity information for estimation of the emissions of the clients.

The flow chart below explains the process of attributing emissions at the counterparty level. Data quality scores discussed in Section 5.2 are assigned in accordance with the PCAF guidelines.

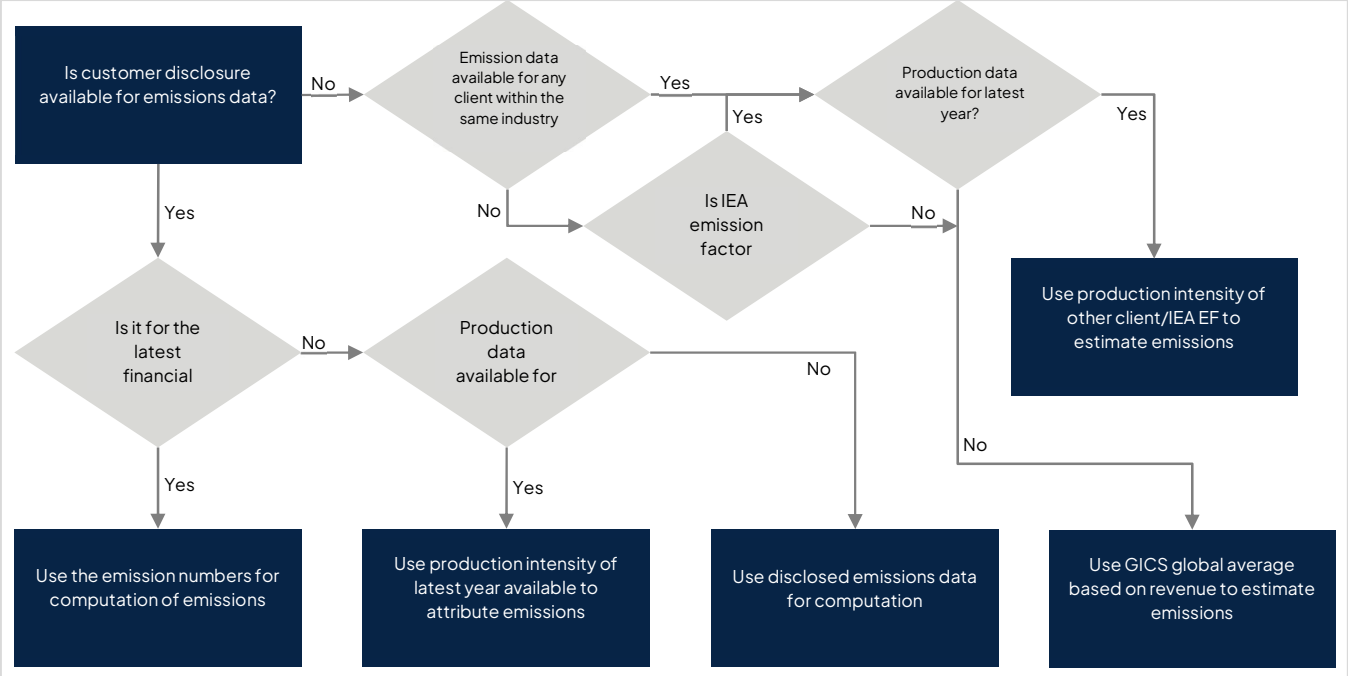

Figure 1: Steps for selecting the data used for estimation of emissions for counterparties.

To maintain high data quality, the Bank has implemented robust data quality assurance processes, including:

- **Data Validation**: Validation of data sources and calculations to identify and rectify errors.
- **Documentation**: Maintaining detailed records of data sources, quality assessments, and any assumptions or estimations used in the calculations.
- **Continuous Improvement**: The Bank has established a process for continuous improvement of data quality by integrating new data sources, refining estimation techniques, and updating methodologies as better information becomes available.

5.5. Reporting Data Quality

When reporting GHG emissions, the Bank provides relevant information on the quality of the data used in the calculations. This includes:

- **Data Sources**: Clear identification of the sources of data.
- **Data Quality Scores**: Reporting the quality scores assigned to the data and any associated uncertainties.
- **Methodology for Proxy Data**: Methodology used for selecting and applying proxy data, including any assumptions made.

By adhering to this framework, the Bank has ensured that its GHG emissions calculations are based on the best quality available data, enhancing the reliability and credibility of its emissions reporting, and supporting informed decision-making in the transition to a low-carbon economy. Also, the Bank has performed reconciliation with finance department data for customer balances to ensure accuracy of the reported numbers and the differences are within the acceptable threshold of less than 0.11% of the outstanding amount for both loans and investments.

6. Challenges and Limitations

Implementing the guidelines for calculating and reporting GHG emissions can present several challenges for a Bank. Recognizing and addressing these challenges is crucial for ensuring accurate, reliable, and comprehensive emissions reporting. This section outlines some of the key challenges that the Bank has faced during the current implementation of these guidelines.

6.1. Data Availability and Quality[4]

Reporting on financed emissions requires data availability on emissions of the counterparty, production metrics, financials, market data, intensity metrics for specific industry operating in specific geographies, and emission factors as explained in previous sections.

Such diverse information from various sources with different data structures, complicates data consolidation at portfolio level. Some specific data related challenges and the Bank's actions to counter these limitations have been discussed below:

Incomplete Data: Obtaining comprehensive and reliable data for all financed activities can be difficult. Some companies and projects may not disclose their emissions data, or the data may be incomplete or outdated. Where primary emissions data is unavailable, the Bank uses proxy data based on production activity or third-party data providers. The Bank clearly documents the data quality score, assumptions and sources used. Further, for some counterparties, recent financial data might not be available. In such cases, the Bank uses the latest data available from the client for computation of financed emissions.

Inconsistent Data: The Bank is using data from multiple sources such as emissions data from client's sustainability/annual reports, financial data from internal credit rating system wherever available, financial data from annual reports if the customer doesn't have latest financials in the system and industry-wise emissions data from reputed third parties. Data from different sources may vary in quality and format, making it challenging to ensure consistency in emissions calculations. The Bank has implemented a standardized data quality scoring system and data validation process to assess and harmonize data from various sources. The Bank is currently using the latest updated data for the financed emissions calculations and the Bank plans to regularly update methodologies and data sources to reflect the best available information.

Counterparty Data: A governance process has been set-up to group counterparties with a common identifier to aggregate exposures based on internal report being prepared within the Bank. There is a possibility that not all the duplicates are identified in this process and there is no validation performed at our end on the efficacy of this process. All computations are performed at the customer level based on customer identifier maintained internally.

6.2. Methodological Complexity

Grouping of clients for monitoring of credit risk is based on the credit policy parameters defined which might not be aligned with the organizational boundaries defined in PCAF which could result in variances and inconsistencies in reporting of financed emissions.

Customer disclosures on emissions are not consistent within the same sector and across sectors as well. Their sustainability reporting might not be in alignment with the GRI (Global Reporting Initiative) standards and could result in inconsistencies of our financed emission computations. Some key methodological related challenges and the Bank's actions to address these limitations have been discussed below:

[4] The calculation of financed emissions provided in this section are based on information and data available at the time of computation. While every effort has been made to ensure accuracy, there could be potential errors arising from manual sourcing of emission, financial data and market data from wide range of sources.

Diverse Asset Classes: Different asset classes require specific methodologies for calculating financed emissions as discussed in Section 2, which can be complex and resource-intensive to implement. The Bank has developed clear, detailed guidelines for each asset class and provided requisite training to staff involved in the emissions calculation process. The Bank has partially automated the calculation of Financed Emissions and is in the process to automate the sourcing of data to be used in the calculation of financed emissions.

Proxy Data and Estimations: The Bank relies on proxy data and estimations wherever actual data is not available. Also, the proxies might not be available for the exact nature of business of the client and the closest available match is used for emission attribution. This can introduce uncertainties and affect the accuracy of emissions calculations. To tackle this, the Bank uses well-established proxies and estimation techniques and regularly reviews and updates these sources as more accurate data becomes available. The Bank unambiguously and clearly documents the use of proxy data and the rationale behind its selection.

Organizational and Operational Challenges: Implementing comprehensive GHG accounting and reporting processes is resource intensive, and requires significant resources such as staff time, adequate planning, requisite training and financial investment. To inculcate and foster a culture of sustainability within the organization, the Bank has ensured buy-in from all levels of management and staff. The Bank has allocated dedicated resources and budget for GHG accounting and reporting activities. As of Feb 2025, Group Enterprise, Climate and Credit Risk Management team (ECCRM) has successfully ensured full and comprehensive coverage for ESR scorecards across the in-scope clients and sent a refresher internal communication to business, credit and risk staff to ensure compliance on an ongoing basis and updating and renewing the Groups ESR Framework. These efforts have been pivotal in ensuring that employees are well-versed with the framework and scorecard, which are essential for aligning the organization's practices with the latest standards and expectations in environmental, social, and governance (ESG) criteria. ECCRM is in progress of automating the ESR scorecard for better integration of the process. Through these initiatives, ECCRM has played a crucial role in embedding the framework into the company's operations, fostering a deeper understanding of the scorecard's application.

Integration with Existing Systems: Integrating GHG emissions reporting with existing financial and risk management systems can be complex as a lot of data is gathered manually from counterparties disclosures. The ECCRM team is working closely with IT and data management teams to ensure that GHG accounting processes are integrated into the Bank's existing systems. The team is developing modular and flexible software solutions that can be adapted to the Bank's specific needs.

Reconciliation with internal reporting: Due to lack of data availability at a granular level from our internal teams, the reconciliation of the data set has been performed at a customer level.

6.3. Regulatory and Compliance Issues

Evolving Standards and Regulations: GHG accounting and reporting standards and regulations are continuously evolving, which can make compliance challenging. The Bank is closely following the latest developments in GHG accounting standards and regulations. Further, the Bank is participating in industry forums and working groups to stay ahead of changes and ensure the Bank's methodologies remain compliant.

6.4. Stakeholder Engagement

Client and Investees Co-operation: Engaging clients and investees to obtain necessary emissions data and encourage transparent reporting can be difficult e.g. counterparty disclosures are inconsistent as some disclose emissions as Carbon dioxide equivalents (CO_2e) while others include only Carbon dioxide (CO_2). Also, the clients might not include indirect emissions from their value chain as defined in Scope 3 within the scope of their emissions disclosures. In some cases, we have also noticed that clients report total emissions with no granular break-down on the extent of direct and indirect emissions. Further, there might a considerable lag in publishing the emissions results by the counterparties. The Bank is focussed in developing strong relationships with clients

and investees, emphasizing the importance of GHG emissions data for both regulatory compliance and sustainability goals.

Communication and Transparency: Effectively communicating complex GHG emissions data to stakeholders, including investors, regulators, and the public, can be challenging e.g. the Bank is currently unable to attribute changes to financed emissions on a year-on-year basis, as the computations are sensitive to changes in the draw-down amounts or market fluctuations. The Bank has developed clear and concise reporting formats and communication strategies leveraging visual aids, such as charts and graphs, to help stakeholders understand the data. The Bank strives to provide context and explanations to ensure transparency and build trust.

6.5. Scenario and baseline recalculation

In the absence of regulations around disclosure of emissions, computation of financed emissions is done based on best effort basis. Financed emissions computed and reported could be impacted by evolving regulations, changes in data quality or changes in methodology used for computations. Also, since we use enterprise value in computation of financed emissions, there could be substantial variations in absolute financed emissions reported due to movements in market prices hindering year on year comparison. Hence, our internal calculations may be restated because of changes in methodologies, regulations or availability of better quality of data or other changes that may occur and impact our alignment scoring.

By recognizing and proactively addressing these challenges, the Bank plans to enhance the accuracy, reliability, and transparency of its GHG emissions reporting, supporting its commitment to sustainability and climate action. The Bank continues to enhance its capabilities around data and analytics to ensure it has appropriate processes, systems, controls, and governance in place. The methodology will be continually updated and reviewed in accordance with the evolving regulations and industry best practices. The Bank is also actively working on automation of processes, with a specific focus on climate risk measurement for transition risk.

7. Portfolio Overview

The Bank has implemented the discussed methodology for calculation and reporting of financial emissions as an effort to identify climate-related risks and opportunities. This section presents a high-level overview on the scope and financed emission metrics computed for exposures as of Dec-2024.

7.1. Portfolio Scoping[5]

The primary focus of this analysis is to ensure that sectors resulting in high impact on the climate system and those that have the greatest potential to effect change are included in the financial emissions reporting. To identify these crucial sectors, the Bank has followed the following criteria for inclusion of sectors for baselining financed emissions:

1. Hard to abate sectors or sectors which are emissions intensive.
2. Sectors where appropriate and relevant data and methodology is available to baseline financed emissions.

The focus of this analysis is to ensure sectors that have a high impact on the climate system and greatest potential to effect change are covered. In the current exercise, the Bank has calculated and reported the financial Emissions for listed equity and corporate bonds, business loans and unlisted equity and project finance. Coverage for financed emissions is provided in the figure below:

[5] Sectors covered are highlighted in green color

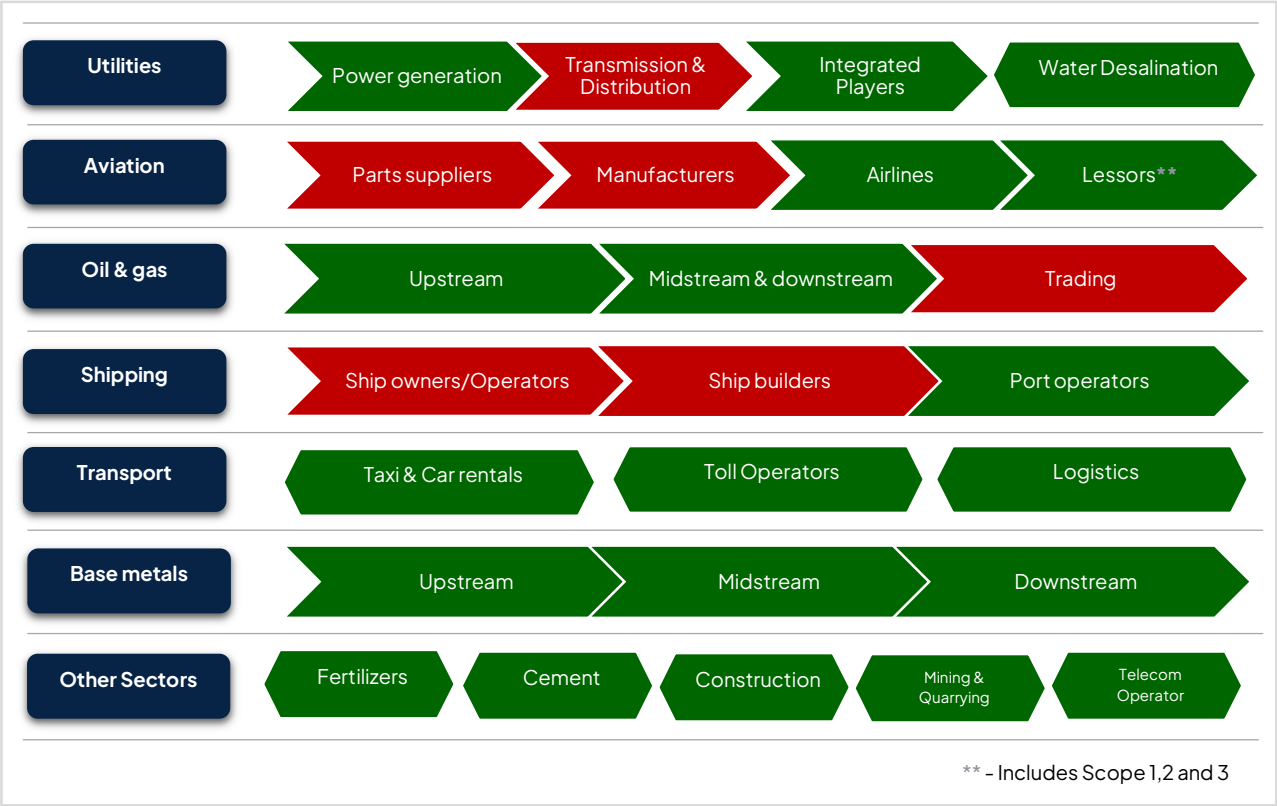

Figure 2: Portfolio Scoping for Financed Emissions Calculation

7.2. Portfolio Details

The focus of the current approach is on the corporate clientele. Portfolio split across various sectors provided in the figure below:

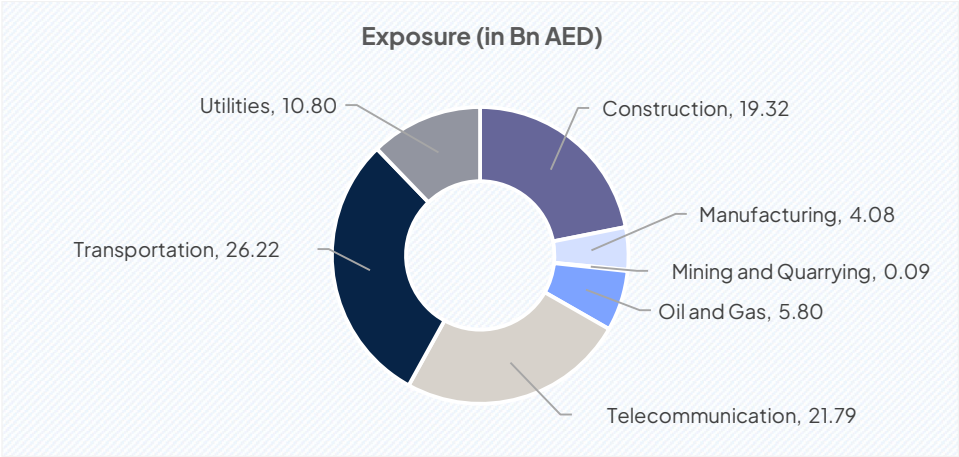

Figure 3: Portfolio Composition for Financed emission computation

The Bank aims to increase the coverage across sectors wherever methodologies and data are available. The Bank is in early stages of embedding transition plans alongside financed emissions and continues to enhance the risk appetite measure around climate risk. The Bank is in the process of strategically phasing out its exposures to companies which are highly dependent on coal for power generation and has restricted funding to coal producers and mines.

7.3. Portfolio Exclusions

For any data-based analysis, it is very important to ensure that the complete portfolio is used for the reporting exercise. The data used for FE calculation was for the entire portfolio including new accounts and currently defaulted accounts. The Bank has applied the following exclusions to identify the right population for calculation and reporting of the Financed Emissions:

- Already defaulted accounts as of 31st Dec'24
- Accounts with negative outstanding Balance
- Companies operating across multiple sectors and holding companies due to lack of disclosures at a sector or company level
- Companies which have been funded but not yet operational
- Special exclusions based on business activity of the obligor such as SPVs, companies under liquidation, crushers and tour operators

The table below provides a summary of the entire portfolio and exclusions applied for this exercise:

Exclusion Summary[6]	Outstanding Balance (In Mn AED)
Total Exposure of the Corporate Book[7]	**517,224.03**
(-) Non-Performing Exposures	22,013.06
(-) Portfolios removed as part of the scoping exercise[8]	407,096.61
Total Exposure for Financed Emissions Reporting[9]	**88,114.37**
Sector 1: Construction	19,321.83
Sector 2: Manufacturing	4,083.25
Sector 3: Mining and Quarrying	94.50
Sector 4: Oil and Gas	5,803.27
Sector 5: Telecommunication	21,794.46
Sector 6: Transportation	26,219.79
Sector 7: Utility	10,797.27

Table 2: Exclusion Waterfall (Dec'24 Data) for FE Calculation and Reporting

[6] The source of the exposures is from IFRS9 report output
[7] The exposure amount includes AED 38.5mn of retail products offered to the Wholesale counterparts. All negative balances have been floored to 0 in calculation of Total Exposure
[8] This also includes counterparties that are Holding Companies, conglomerates, or companies that have been funded but are not operational yet along with other special exclusions mentioned in Section 6.3.
[9] The total coverage of the portfolio is 17.79 %.

Below table provides a summary of the computations done and sector wise financed emissions for exposures as of Dec-2024

SECTOR (NACE CLASSIFICATION)	TOTAL EXPOSURE (AED in Mn's)	FINANCED EMISSIONS (ktCO2e)	WEIGHTED DATA QUALITY SCORE
Construction	19,321.83	1,148.82	3.77
Manufacturing	4,083.25	4,022.45	2.38
Mining and Quarrying	94.50	64.98	3.19
Oil and Gas	5,803.27	5,074.21	2.40
Telecommunication	21,794.46	393.70	2.04
Transportation	26,219.79	2,589.45	3.09
Utilities	10,797.27	1,879.03	2.64
TOTAL	***88,114.37***	***15,172.64***	***2.84***

Table 3: Financed emissions by sector

Nearly 54% of the total exposures fall within the data quality score of 2b and 46% of the exposures fall under the category of 3a/3b. Exposures by data quality score provided in the table below:

DATA QUALTIY SCORE	PERCENTAGE OF TOTAL FINANCED EMISSION PORTFOLIO [10]
1a	14.53%
1b	32.73%
2b	6.76%
3a	45.73%
3b	0.26%
TOTAL	***100%***

Table 4: Summary of Data Quality Score

There are still substantial data challenges owing to non-disclosure of emissions information from clients and inconsistent reporting by various entities such as lack of coverage of all the scope mentioned in GHG protocol, inadequate break down of emission information across various activities and reporting not done for CO_2 equivalents. With increased focus from regulators and need for information from financial institutions we hope to obtain better quality of data in future for analyzing climate related risks and opportunities.

[10] Data quality score distribution is based on exposure