Al Khaliji France S.A. – UAE operations

Basel III Pillar 3 Disclosures For the half-year ended 30 June 2025

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1. Introduction and overview

Legal status and activities

Al Khaliji France S.A, UAE operations (the “Bank” or “AKF UAE”) is a branch of a foreign French registered bank with its Head Office in Paris, France (the “Head Office”). It commenced its operations in the United Arab Emirates in 1973 as a retail bank and currently has two branches, one each in the Emirate of Dubai and Abu Dhabi.

Al Khaliji France S.A. is wholly owned subsidiary of Al Rayan Bank (ARB), Qatar.

The Bank’s regional office in Dubai is responsible for managing the operations of the United Arab Emirates Operations. The regional office’s registered address is P.O. Box 4207, Dubai, United Arab Emirates.

The principal activities of the Bank include accepting deposits, investments in bonds, granting loans and advances and providing other banking services to customers in the United Arab Emirates.

Purpose and basis of preparation

The Bank is regulated by Central Bank of United Arab Emirates (“CBUAE”) and follows the Pillar 3 disclosure requirement guidelines issued by the CBUAE.

In February 2017, new Basel III capital regulations issued by CBUAE came into effect for all Banks in the UAE.

This document presents Pillar 3 disclosures which complements the Basel III minimum capital requirements and the supervisory review process of the Bank. These disclosures have been prepared in line with the disclosure templates introduced by the CBUAE guidelines on disclosure requirements (vide Notice No. CBUAE/BSD/N/2020/4980, Notice No. CBUAE/BSD/N/2021/5508, Notice No. CBUAE/BSD/N/2022/1887, Notice No. CBUAE/BSD/N/2022/5280) published in 12 November 2020, 30 November 2021, 09 May 2022 and 30 December 2022 respectively.

These disclosures are being done on the financial figures of AKF UAE operations only.

Applicability of Pillar 3 disclosure templates

Below is the list of the CBUAE prescribed Pillar 3 disclosure templates which are applicable for quarterly, semi-annual and annual publication and comparison to the disclosure included in this document.

Topic	Table	Information overview	Status
Overview of risk management and RWA	KM1	Key metrics	Included
	OV1	Overview of RWA	Included
Composition of Capital	CC1	Composition of regulatory capital	Included
	CC2	Reconciliation of regulatory capital to balance sheet	Included
Leverage ratio	LR2	Leverage ratio common disclosure template (January 2014 standard)	Included
Liquidity	ELAR	Eligible Liquid Assets Ratio	Included
	ASRR	Advances to Stable Resources Ratio	Included
Credit risk	CR1	Credit quality of assets	Included
	CR2	Changes in the stock of defaulted loans and debt securities	Included
	CR4	Standardized approach - credit risk exposure and CRM effects	Included
	CR5	Standardized approach - exposures by asset classes and risk weights	Included
Market Risk	MR1	Market risk under the standardised approach	Included

2. Overview of risk management, key prudential metrics and RWA

2.1. Key metrics (KM1)

An overview of the bank's prudential regulatory metrics.

Sn.	Description	(a) 30-Jun-25	(b) 31-Mar-25	(c) 31-Dec-24	(d) 30-Sep-24	(e) 30-Jun-24
		AED'000	AED'000	AED'000	AED'000	AED'000
	Available capital (amounts)					
1	**Common Equity Tier 1 (CET1)**	**572,282**	**598,933**	**599,011**	**548,305**	**548,596**
1a	Fully loaded ECL accounting model	572,282	598,933	599,011	548,305	548,596
2	**Tier 1**	**572,282**	**598,933**	**599,011**	**548,305**	**548,596**
2a	Fully loaded ECL accounting model Tier 1	572,282	598,933	599,011	548,305	548,596
3	**Total capital**	**581,276**	**608,924**	**608,616**	**555,544**	**556,151**
3a	Fully loaded ECL accounting model Total Capital	581,276	608,924	608,616	555,544	556,151
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	858,884	938,808	907,643	695,039	721,150
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	66.63%	63.80%	66.00%	78.89%	76.07%
5a	Fully loaded ECL accounting model CET1 (%)	66.63%	63.80%	66.00%	78.89%	76.07%
6	**Tier 1 ratio (%)**	**66.63%**	**63.80%**	**66.00%**	**78.89%**	**76.07%**
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	66.63%	63.80%	66.00%	78.89%	76.07%
7	**Total capital ratio (%)**	**67.68%**	**64.86%**	**67.05%**	**79.93%**	**77.12%**
7a	Fully loaded ECL accounting model total capital ratio (%)	67.68%	64.86%	67.05%	79.93%	77.12%
	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 (%)	57.18%	54.36%	56.55%	69.43%	66.62%
	Leverage Ratio					
13	Total leverage ratio measure	1,417,378	1,508,736	1,433,680	1,423,688	1,366,064
14	**Leverage ratio (%) (row 2/row 13)**	**40.38%**	**39.70%**	**41.78%**	**38.51%**	**40.16%**
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	40.38%	39.70%	41.78%	38.51%	40.16%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	40.38%	39.70%	41.78%	38.51%	40.16%
	Liquidity Coverage Ratio					
15	Total HQLA	NA	NA	NA	NA	NA
16	Total net cash outflow	NA	NA	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA	NA	NA
	Net Stable Funding Ratio					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA	NA	NA
	ELAR					

Sn.	Description	(a) 30-Jun-25	(b) 31-Mar-25	(c) 31-Dec-24	(d) 30-Sep-24	(e) 30-Jun-24
		AED'000	AED'000	AED'000	AED'000	AED'000
21	Total HQLA	441,539	486,816	459,165	566,114	513,654
22	Total liabilities	706,102	795,751	739,245	734,386	700,907
23	Eligible Liquid Assets Ratio (ELAR) (%)	**62.53%**	**61.18%**	**62.11%**	**77.09%**	**73.28%**
	ASRR					
24	Total available stable funding	1,179,199	1,284,448	1,202,805	1,179,208	1,151,501
25	Total Advances	541,317	589,763	614,525	456,863	476,918
26	Advances to Stable Resources Ratio (%)	**45.91%**	**45.92%**	**51.09%**	**38.74%**	**41.42%**

- The capital ratio as of 30 Jun 25 is well-buffered and above the total capital required;
- The Bank has started to report leverage ratio requirements from 31 Dec 21 and remains comfortably above the minimum of 3%;
- Liquidity ratios (ELAR and ASRR) remain well-buffered and trend comfortably against the minimum requirements for ELAR above 10% and ASRR below 100%.

2. Overview of risk management and RWA

2.2. Overview of Risk Weighted Assets (OV1)

Provide an overview of total RWA forming the denominator of the risk-based capital requirements. Further breakdowns of RWA are presented in subsequent parts.

Sn.	Description	(a) RWA	(b) RWA	(c) Minimum capital requirements
		30-Jun-25	31-Mar-25	30-Jun-25
		AED'000	AED'000	AED'000
1	Credit risk (excluding counterparty credit risk)	719,524	799,293	75,550
2	Of which: standardised approach (SA)	**719,524**	799,293	**75,550**
3		-	-	-
4		-	-	-
5		-	-	-
6	Counterparty credit risk (CCR)	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-
8		-	-	-
9		-	-	-
10		-	-	-
11		-	-	-
12	Equity investments in funds - look-through approach	-	-	-
13	Equity investments in funds - mandate-based approach	-	-	-
14	Equity investments in funds - fall-back approach	-	-	-
15	Settlement risk	-	-	-
16	Securitisation exposures in the banking book	-	-	-
17				
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-
20	Market risk	890	1,045	93
21	Of which: standardised approach (SA)	**890**	1,045	**93**
22		-	-	-
23	Operational risk	**138,469**	138,469	**14,539**
24		-	-	-
25		-	-	-
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**858,884**	938,808	**90,183**

The Credit Risk weighted assets (CRWA) remains very low compared to the existing CET1 ratio of the Bank which gives an ample potential growth in total assets;

Market Risk Weighted assets (MRWA) decreased due to a reduction in the overall size of exposures subject to market risk, through maturing positions;

Operational Risk Weighted Assets (ORWA) continue to be a function of annual revenue as per Standardized Approach, increased this year due to the rise in the average revenue over the past three years.

3. Composition of Capital

3.1. Composition of Regulatory Capital (CC1)

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

Sn.	Description	(a) 30-Jun-25 AED'000	(b) 31-Dec-24 AED'000	(c) CC2 Reference
	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	375,000	375,000	Same as (h) from CC2 template
2.	Retained earnings	130,003	162,127	
3.	Accumulated other comprehensive income (and other reserves)	69,349	63,754	
4.	*Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)*	-	-	
5.	Common share capital issued by third parties (amount allowed in group CET1)	-	-	
6.	**Common Equity Tier 1 capital before regulatory deductions**	**574,352**	600,881	
	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)	(2,070)	(1,870)	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)	-	-	
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**	**(2,070)**	(1,870)	

Sn.	Description	(a) 30-Jun-25 AED'000	(b) 31-Dec-24 AED'000	(c) CC2 Reference
25.	**Common Equity Tier 1 capital (CET1)**	**572,282**	599,011	
	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.	Directly issued capital instruments subject to phase-out from additional Tier 1	-	-	
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.	Of which: instruments issued by subsidiaries subject to phase-out	-	-	
32.	Additional Tier 1 capital before regulatory adjustments	-	-	
	Additional Tier 1 capital: 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)	-	-	
39.	**Tier 1 capital (T1= CET1 + AT1)**	**572,282**	599,011	
	Tier 2 capital: instruments and provisions			
40.	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	-	
41.	*Directly issued capital instruments subject to phase-out from Tier 2*	-	-	
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)*	-	-	
43.	*Of which: instruments issued by subsidiaries subject to phase-out*	-	-	
44.	Provisions	8,994	9,605	
45.	**Tier 2 capital before regulatory adjustments**	**8,994**	9,605	
	Tier 2 capital: regulatory adjustments			
46.	Investments in own Tier 2 instruments	-	-	
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)	-	-	
48.	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	-	

Sn.	Description	(a) 30-Jun-25 AED'000	(b) 31-Dec-24 AED'000	(c) CC2 Reference
49.	CBUAE specific regulatory adjustments	-	-	
50.	**Total regulatory adjustments to Tier 2 capital**	-	-	
51.	**Tier 2 capital (T2)**	**8,994**	9,605	
52.	**Total regulatory capital (TC = T1 + T2)**	**581,276**	608,616	
53.	**Total risk-weighted assets**	**858,884**	907,643	
	Capital ratios and buffers			
54.	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	**66.63%**	66.00%	
55.	**Tier 1 (as a percentage of risk-weighted assets)**	**66.63%**	66.00%	
56.	**Total capital (as a percentage of risk-weighted assets)**	**67.68%**	67.05%	
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)**	**2.50%**	2.50%	
58.	*Of which: capital conservation buffer requirement*	*2.50%*	*2.50%*	
59.	*Of which: bank-specific countercyclical buffer requirement*	-	-	
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.**	**57.18%**	56.55%	
62.	Common Equity Tier 1 minimum ratio	7.00%	7.00%	
63.	Tier 1 minimum ratio	8.50%	8.50%	
64.	Total capital minimum ratio	10.50%	10.50%	
	Amounts below the thresholds for deduction (before risk weighting)			
65.	Non-significant investments in the capital and other TLAC liabilities of other financial entities			
66.	Significant investments in common stock of financial entities	-	-	
67.	Mortgage servicing rights (net of related tax liability)			
68.	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-	
	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)	**38,407**	37,304	
70.	Cap on inclusion of provisions in Tier 2 under standardised approach	**8,994**	9,605	
71.	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
72.	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach			
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			

Sn.	Description	(a) 30-Jun-25	(b) 31-Dec-24	(c) CC2 Reference
		AED'000	AED'000	
73.	*Current cap on CET1 instruments subject to phase-out arrangements*	-	-	
74.	*Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)*	-	-	
75.	*Current cap on AT1 instruments subject to phase-out arrangements*	-	-	
76.	*Amount excluded from AT1 due to cap (excess after redemptions and maturities)*	-	-	
77.	*Current cap on T2 instruments subject to phase-out arrangements*	-	-	
78.	*Amount excluded from T2 due to cap (excess after redemptions and maturities)*	-	-	

3. Composition of Capital

3.2. Reconciliation of Regulatory Capital to Balance Sheet (CC2)

This table enables users to identify the differences between the scope of accounting and regulatory consolidation, and to show the link between the 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.

Description	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
	30-Jun-25	30-Jun-25	
	AED'000	AED'000	
Assets			
Cash and balances at central banks	356,007	346,403	*Note 1*
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Financial assets designated at fair value	-	-	
Debt securities held at amortized cost	260,816	274,867	*Note 2*
Derivative financial instruments	-	-	
Loans and advances to banks	319,411	328,172	*Note 2*
Loans and advances to customers	345,085	382,527	*Note 2*
Reverse repurchases agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	
Current and deferred tax assets	12,473	12,473	
Prepayments, accrued income and other assets	8,377	17,877	*Note 1*
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	2,070	2,070	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	2,070	2,070	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	1,142	1,142	
Total assets	**1,305,381**	**1,365,531**	
Liabilities			
Deposits from banks	7,840	7,840	
Items in the course of collection due to other banks	-	-	
Customer accounts	642,157	642,157	
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	35,521	35,417	
Current and deferred tax liabilities	12,188	12,188	
Of which: DTLs related to goodwill	-	-	(d)
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	(e)
Of which: DTLs related to MSRs	-	-	(f)
Subordinated liabilities	-	-	
Provisions	3,627	63,881	*Note 2*
Retirement benefit liabilities	8,395	8,395	
Total liabilities	**709,728**	**769,878**	
Shareholders' equity			

Description	**(a) Balance sheet as in published financial statements**	**(b) Under regulatory scope of consolidation**	**(c) Reference**
	30-Jun-25	**30-Jun-25**	
	AED'000	**AED'000**	
Paid-in share capital	375,000	375,000	
Retained earnings	151,304	151,304	
Accumulated other comprehensive income	69,349	69,349	
Total shareholders' equity	**595,653**	**595,653**	

Description	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
	31-Dec-24	31-Dec-24	
	AED'000	AED'000	
Assets			
Cash and balances at central banks	404,144	397,073	*Note 1*
Items in the course of collection from other banks	-	-	
Trading portfolio assets	-	-	
Financial assets designated at fair value	-	-	
Debt securities held at amortized cost	150,371	164,653	*Note 2*
Derivative financial instruments	-	-	
Loans and advances to banks	280,148	284,540	*Note 2*
Loans and advances to customers	406,844	456,280	*Note 2*
Reverse repurchases agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	72,630	72,630	
Current and deferred tax assets	14,153	14,153	
Prepayments, accrued income and other assets	11,463	18,183	*Note 1*
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	1,870	1,870	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	1,870	1,870	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	1,158	1,158	
Total assets	1,342,781	1,410,540	
Liabilities			
Deposits from banks	8,105	8,105	
Items in the course of collection due to other banks	-	-	
Customer accounts	678,756	678,756	
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	32,209	31,858	
Current and deferred tax liabilities	11,876	11,876	
Of which: DTLs related to goodwill	-	-	(d)
Of which: DTLs related to intangible assets (excluding MSRs)	-	-	(e)
Of which: DTLs related to MSRs	-	-	(f)

Description	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
	31-Dec-24	31-Dec-24	
	AED'000	AED'000	
Subordinated liabilities	-	-	
Provisions	2,655	31,559	*Note 2*
Retirement benefit liabilities	8,299	8,299	
Total liabilities	741,900	770,453	
Shareholders' equity			
Paid-in share capital	375,000	375,000	
Retained earnings	157,004	162,127	*Note 3*
Accumulated other comprehensive income	68,877	63,754	*Note 3*
Total shareholders' equity	600,881	600,881	

Notes:

1. *Difference in balances consists of cash in hand balances added to other assets under regulatory scope;*
2. *Difference in balances under regulatory scope for Debt securities held at amortized cost, Loans and advances to banks/customers and available for sale financial investments are gross of provisions (specific and general);*
3. *Difference in balances consists of Total retained earnings and accumulated other comprehensive income is the 10% allocated legal reserves from 2024 year-end profit under regulatory scope.*

4. Leverage Ratio

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

Sn.	Description	(a) 30-Jun-25	(b) 31-Mar-25
On-balance sheet exposures		**AED'000**	AED'000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,301,651	1,404,850
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)	(2,070)	(2,147)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,299,581**	1,402,703
Derivative exposures			
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	-	-
9	Add-on amounts for PFE associated with *all* derivatives transactions	-	-
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)**	**-**	-
Securities financing transactions			
14	Gross SFT *assets* (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	193,481	169,832
20	(Adjustments for conversion to credit equivalent amounts)	(75,684)	(63,799)
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)**	**117,797**	106,033
Capital and total exposures			
23	**Tier 1 capital**	**572,282**	598,933
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,417,378**	1,508,736
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**40.38%**	39.70%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	40.38%	39.70%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	**0.00%**	0.00%

5. Liquidity

5.1. Eligible Liquid Assets Ratio (ELAR)

Breakdown of bank's available high-quality liquid assets (HQLA) according to the CBUAE Liquidity Regulations.

Sn.	Description	30-Jun-25	30-Jun-25	31-Mar-25	31-Mar-25
1	**High Quality Liquid Assets**	**Nominal amount**	**Eligible Liquid Asset**	Nominal amount	Eligible Liquid Asset
		AED'000	**AED'000**	AED'000	AED'000
1.1	Physical cash in hand at the bank + balances with the CBUAE	356,007		395,378	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	356,007	356,007	395,378	395,378
1.3	UAE local governments publicly traded debt securities	18,379		18,380	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Subtotal (1.3 to 1.4)	18,379	18,379	18,380	18,380
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	73,303	67,153	73,292	73,058
1.6	**Total**	**447,689**	**441,539**	**487,050**	**486,816**
2	Total liabilities		706,102		795,751
3	**Eligible Liquid Assets Ratio (ELAR)**		**62.53%**		**61.18%**

ELAR of the Bank continues to operate at levels comfortably above the 10% minimum requirement as currently prescribed by the CBUAE.

5. Liquidity

5.2. Advances to Stable Resources Ratio (ASRR)

Breakdown of the bank's advances to Stables Resource ratio as per the Liquidity regulations.

Sn.		Description	30-Jun-25	31-Mar-25
			Amount	Amount
1		**Computation of Advances**	**AED'000**	AED'000
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	346,831	357,768
	1.2	Lending to non-banking financial institutions	11,876	49,326
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	-	-
	1.4	Interbank Placements	182,610	182,669
	1.5	**Total Advances**	**541,317**	589,763
2		**Calculation of Net Stable Resources**		
	2.1	Total capital + general provisions	634,060	648,190
		Deduct:		
	2.1.1	Goodwill and other intangible assets	2,070	2,147
	2.1.2	Fixed Assets	1,142	967
	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**	**3,212**	3,114
	2.2	**Net Free Capital Funds**	**630,848**	645,076
	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	-	-
	2.3.3	Refinancing of Housing Loans	-	-
	2.3.4	Borrowing from non-Banking Financial Institutions	17,832	17,140
	2.3.5	Customer Deposits	530,519	622,232
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-
	2.3.7	**Total other stable resources**	**548,351**	639,372
	2.4	**Total Stable Resources (2.2+2.3.7)**	**1,179,199**	1,284,448
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**45.91**	45.92

ASRR of the Bank continues to operate at levels comfortably below the 100% ceiling as currently prescribed by CBUAE.

6. Credit Risk

6.1. Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of a bank's (on- and off-balance sheet) assets.

							AED'000
		a	**b**	**c**	**d**	**e**	**f**
Sn.	**Description**	**Gross carrying values**		**Allowances/ Impairments**	**Of which ECL accounting provisions for credit losses**		**Net values (a+b-c)**
	30-Jun-25	**Defaulted exposures**	**Non-Defaulted exposures**		**Allocated in regulatory category of Specific**	**Allocated in regulatory category of General**	
1.	Loans	23,820	358,707	37,442	12,350	13,622	345,085
2.	Debt securities	-	274,866	14,051	-	14,051	260,815
3.	Off-balance sheet exposures	6,874	186,608	3,626	1,653	1,973	189,856
4.	**Total**	**30,694**	**820,181**	**55,119**	**14,003**	**29,646**	**795,756**

							AED'000
		a	b	c	d	e	f
Sn.	Description	Gross carrying values		Allowances/ Impairments	Of which ECL accounting provisions for credit losses		Net values (a+b-c)
	31-Dec-24	Defaulted exposures	Non-Defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1.	Loans	31,559	424,721	49,436	18,768	17,877	406,844
2.	Debt securities	-	237,283	14,282	-	14,282	223,001
3.	Off-balance sheet exposures	7,406	142,239	2,655	-	2,655	146,990
4.	Total	38,965	804,243	66,373	18,768	34,814	776,835

Notes:

1. *For defaulted exposures: comprises balances of impaired loans and past due loans for more than 90 days;*
2. *For off-balance exposures: comprises balances of customers acceptances, letters of credit and guarantees for banks and customers, derivatives and irrevocable commitments;*
3. *Derivatives are taken after considering the PFE calculation;*
4. *For allowances/impairments: comprises balances of interests in suspense, specific and general provisions.*

6. Credit Risk

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

The table identifies the changes in a bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

Sn.	Description	30-Jun-25
		AED'000
1.	**Defaulted loans and debt securities at the end of the previous reporting period**	**31,559**
2.	Loans and debt securities that have defaulted since the last reporting period	-
3.	Returned to non-default status	-
4.	Amounts written off	(8,399)
5.	Other changes	660
6.	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**23,820**

Sn.	Description	31-Dec-24
		AED'000
1.	Defaulted loans and debt securities at the end of the previous reporting period	142,921
2.	Loans and debt securities that have defaulted since the last reporting period	1,872
3.	Returned to non-default status	(110,401)
4.	Amounts written off	(4,568)
5.	Other changes	1,735
6.	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	31,559

6. Credit Risk

6.3. Credit Risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

This table illustrates the effect of CRM on capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

Sn.	**30-Jun-25**	**(a) AED'000**	**(b) AED'000**	**(c) AED'000**	**(d) AED'000**	**(e) AED'000**	**(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	573,219	-	573,219	-	73,017	13%
2.	Public Sector Entities	36,752	-	36,752	-	18,376	50%
3.	Multilateral development banks	-	-	-	-	-	0%
4.	Banks	419,806	3,450	419,806	3,450	275,329	65%
5.	Securities firms	-	-	-	-	-	0%
6.	Corporates	210,310	151,780	210,310	89,489	246,874	82%
7.	Regulatory retail portfolios	8,648	31,378	8,648	17,986	5,368	20%
8.	Secured by residential property	3,909	-	3,909	-	3,807	97%
9.	Secured by commercial real estate	55,504	-	55,504	-	54,504	98%
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	0%
11.	Past-due loans	23,820	6,873	-	6,873	1,651	24%
12.	Higher-risk categories	-	-	-	-	-	0%
13.	Other assets	31,493	-	31,493	-	40,599	129%
14.	**Total**	**1,363,461**	**193,481**	**1,339,641**	**117,798**	**719,524**	**49%**

Sn.	31-Dec-24	(a) AED'000	(b) AED'000	(c) AED'000	(d) AED'000	(e) AED'000	(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	598,641	-	598,641	-	72,921	12%
2.	Public Sector Entities	90,976	-	90,976	-	45,488	50%
3.	Multilateral development banks	-	-	-	-	-	0%
4.	Banks	321,091	3,569	321,091	3,569	255,964	79%
5.	Securities firms	-	-	-	-	-	0%
6.	Corporates	263,532	95,201	263,532	57,342	277,656	87%
7.	Regulatory retail portfolios	8,028	43,350	8,028	27,339	7,212	20%
8.	Secured by residential property	5,456	-	5,456	-	4,697	86%
9.	Secured by commercial real estate	55,893	-	55,893	-	54,893	98%
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	0%
11.	Past-due loans	31,559	7,406	-	7,406	1,902	26%
12.	Higher-risk categories	-	-	-	-	-	0%
13.	Other assets	33,494	-	33,494	-	47,653	142%
14.	Total	1,408,670	149,526	1,377,111	95,656	768,386	52%

6. Credit Risk

6.4. Exposures by asset classes and risk weights (CR5)

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

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	AED'000
Sn.	**30-Jun-25** **Risk weight** / **Asset classes**	**0%**	**20%**	**35%**	**50%**	**75%**	**85%**	**100%**	**150%**	**Others**	**Total credit exposures amount (post CCF & CRM)**
1.	Sovereigns and their central banks	518,420	-	-	-	-	-	18,363	36,436	-	573,219
2.	Public Sector Entities	-	-	-	36,752	-	-	-	-	-	36,752
3.	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4.	Banks	-	163,719	-	73,778	-	-	145,885	39,874	-	423,256
5.	Securities firms	-	-	-	-	-	-	-	-	-	-
6.	Corporates	37,165	-	-	-	-	105,064	157,570	-	-	299,799
7.	Regulatory retail portfolios	21,204	-	-	-	253	-	5,178	-	-	26,635
8.	Secured by residential property	-	-	157	-	-	-	3,752	-	-	3,909
9.	Secured by commercial real estate	1,000	-	-	-	-	-	54,504	-	-	55,504
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11.	Past-due loans	5,222	-	-	-	-	-	1,651	-	-	6,873
12.	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13.	Other assets	9,604	-	-	-	-	-	9,416	-	12,473	31,493
14.	**Total**	**592,615**	**163,719**	**157**	**110,530**	**253**	**105,064**	**396,319**	**76,310**	**12,473**	**1,457,440**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	AED'000
Sn.	31-Dec-24 Risk weight Asset classes	0%	20%	35%	50%	75%	85%	100%	150%	Others	Total credit exposures amount (post CCF & CRM)
1.	Sovereigns and their central banks	543,906	-	-	-	-	-	18,363	36,372	-	598,641
2.	Public Sector Entities	-	-	-	90,976	-	-	-	-	-	90,976
3.	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4.	Banks	-	76,135	-	37,209	-	-	189,804	21,512	-	324,660
5.	Securities firms	-	-	-	-	-	-	-	-	-	-
6.	Corporates	27,416	-	-	-	-	105,346	188,112	-	-	320,874
7.	Regulatory retail portfolios	28,071	-	-	-	338	-	6,958	-	-	35,367
8.	Secured by residential property	-	-	1,167	-	-	-	4,289	-	-	5,456
9.	Secured by commercial real estate	1,000	-	-	-	-	-	54,893	-	-	55,893
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11.	Past-due loans	5,504	-	-	-	-	-	1,902	-	-	7,406
12.	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13.	Other assets	7,071	-	-	-	-	-	12,270	-	14,153	33,494
14.	Total	612,968	76,135	1,167	128,185	338	105,346	476,591	57,884	14,153	1,472,767

7. Market Risk

7.1. Market risk under the standardised approach (MR1)

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

Sn.	Description	(a) 30-Jun-25	(b) 31-Dec-24
		AED'000	AED'000
1.	General Interest rate risk (General and Specific)	-	-
2.	Equity risk (General and Specific)	-	-
3.	Foreign exchange risk	890	788
4.	Commodity risk	-	-
	Options		-
5.	Simplified approach	-	-
6.	Delta-plus method	-	-
7.	Scenario approach	-	-
8.	Securitisation	-	-
9.	**Total**	**890**	788

8. Acronyms

Sn.	Abbreviations	Description
1.	**AKF**	**A**l **K**haliji **F**rance S.A. (Head office in France and its Branches in the UAE)
2.	**AKF ALCCO**	**AKF A**sset, **L**iability and **C**apital **Co**mmittee
3.	**AML**	**A**nti-**M**oney **L**aundry
4.	**AKF RC**	**A**KF **R**isk **C**ommittee
5.	**ASRR**	**A**dvances to **S**table **R**esources **R**atio
6.	**AT1**	**A**dditional **T**ier **1**
7.	**BBB**	**B**ankers **B**lanket **B**ond
8.	**BCBS**	**B**asel **C**ommittee on **B**anking **S**upervision
9.	**BCM**	**B**usiness **C**ontinuity **M**anagement
10.	**BIA**	**B**usiness **I**ndicator **A**pproach
11.	**CB UAE**	**C**entral **B**ank of **U.A.E.**
12.	**CCF**	**C**redit **C**onversion **F**actor
13.	**CCP**	**C**entral **C**ounterparty
14.	**CCR**	**C**ounterparty **C**redit **R**isk
15.	**CET1**	**C**ommon **E**quity **T**ier **1**
16.	**CIC**	**C**redit and **I**nvestment **C**ommittee
17.	**CRC**	Group Board **C**ompliance & **R**isk **C**ommittee
18.	**CRM**	**C**redit **R**isk **M**itigation
19.	**CSA**	**C**ontrol **S**elf-**A**ssessment
20.	**D&O**	**D**irectors **&** **O**fficers
21.	**D-SIB**	**D**omestic **S**ystemically **I**mportant **B**anks
22.	**EAD**	**E**xposure **A**t **D**efault
23.	**ECL**	**E**xpected **C**redit **L**osses
24.	**ELAR**	**E**ligible **L**iquid **A**sset **R**atio
25.	**EVE**	**E**conomic **V**alue of **E**quity
26.	**FVOCI**	**F**air **V**alue through **O**ther **C**omprehensive **I**ncome
27.	**GALCCO**	**G**roup **A**sset, **L**iability and **C**apital **Co**mmittee
28.	**GDP**	**G**ross **D**omestic **P**roduct
29.	**GORM**	**G**roup **O**perational **R**isk **M**anager
30.	**GRC**	**G**roup **R**isk **C**ommittee
31.	**Group**	**A**l **R**ayan Bank, Qatar and its subsidiaries (**ARB** Doha or Qatar)
32.	**H.O**	**A**l **K**haliji **F**rance Paris (**AKF** Paris or France)
33.	**HNWI**	**H**igh **N**et-**W**orth **I**ndividuals
34.	**HQLA**	**H**igh **Q**uality **L**iquid **A**ssets
35.	**ICAAP**	**I**nternal **C**apital **A**dequacy **A**ssessment **P**rocess
36.	**IFRS**	**I**nternational **F**inancial **R**eporting **S**tandards
37.	**KCI**	**K**ey **C**ontrol **I**ndicators
38.	**KPI**	**K**ey **P**erformance **I**ndicators
39.	**KRI**	**K**ey **R**isk **I**ndicators
40.	**LC**	**L**etter of **C**redit
41.	**LCR**	**L**iquidity **C**overage **R**atio
42.	**LGD**	**L**oss **G**iven **D**efault
43.	**LR**	**L**everage **R**atio
44.	**MRA**	**M**oody's **R**isk **A**nalyst
45.	**MVE**	**M**arket **V**alue of **E**quity
46.	**NPL**	**N**on-**P**erforming **L**oans
47.	**NSFR**	**N**et **S**table **F**unding **R**atio
48.	**O.E.C.D.**	**O**rganization for **E**conomic **Co**-operation and **D**evelopment

Sn.	Abbreviations	Description
49.	**OLD**	**O**perational **L**oss **D**atabase
50.	**OLEM**	**O**ther **L**oans **E**specially **M**entioned
51.	**ORM**	**O**perational **R**isk **M**anagement
52.	**ORR**	**O**bligor **R**isk **R**ating
53.	**PD**	**P**robability of **D**efault
54.	**PFE**	**P**otential **F**uture **E**xposure
55.	**PI**	**P**rofessional **I**ndemnity
56.	**RCSA**	**R**isk and **C**ontrol **S**elf-**A**ssessment
57.	**RSA**	**R**ate **S**ensitive **A**ssets
58.	**RSL**	**R**ate **S**ensitive **L**iabilities
59.	**RWA**	**R**isk **W**eighted **A**ssets
60.	**SA**	**S**tandardized **A**pproach
61.	**SFT**	**S**ecurities **F**inancing **T**ransactions
62.	**SICR**	**S**ignificant **I**ncrease in **C**redit **R**isk
63.	**SOP**	**S**tandard **O**perating **P**rocedures

9. Glossary

1. Capital conservation buffer
A capital buffer prescribed by BCBS and CBUAE under Basel III and designed to ensure banks build up capital buffers outside periods of stress which can be drawn down as losses are incurred. Should the bank's CET1 capital fall within the capital conservation buffer range, capital distributions will be constrained by the regulators.

2. Countercyclical capital buffer (CCyB)
The countercyclical capital buffer is part of a set of macro prudential instruments, designed to help counter pro-cyclicality in the financial system. CCyB as defined in the Basel III standard provides for an additional capital requirement of up to 2.5 per cent of risk-weighted assets.

3. Counterparty credit risk (CCR)
The risk that a counterparty defaults before satisfying its obligations under a derivative, a securities financing transaction (SFT) or a similar contract.

4. Credit Conversion Factor (CCF)
As prescribed by CBUAE, an estimate of the amount the Group expects a customer to have drawn further on a facility limit at the point of default.

5. Credit risk adjustment (CRA)
This includes impairment allowances or provisions balances, and changes in ECL.

6. Credit risk mitigation (CRM)
Credit risk mitigation is a process to mitigate potential credit losses from any given account, customer or portfolio by using a range of tools such as collateral, netting agreements, credit insurance, credit derivatives and guarantees.

7. Domestic systemically important banks (D-SIB)
Domestic systemically important banks are deemed systemically relevant for the domestic financial system in which they operate. The CBUAE and the BCBS have developed a framework for identifying and dealing with D-SIBs. The Central Bank of the UAE annually assesses national banks at their consolidated group level and foreign banks at their UAE branch level; to designate banks whose failure could escalate to systemic risk for the UAE banking sector and eventually impact the economy.

8. Economic Value of Equity (EVE)
The economic value of equity (EVE) is a cash flow calculation that takes the present value of all asset cash flows and subtracts the present value of all liability cash flows. Unlike earnings at risk and value at risk (VAR), a bank uses the economic value of equity to manage its assets and liabilities. This is a long-term economic measure used to assess the degree of interest rate risk exposure—as opposed to net-interest income (NII), which reflects short-term interest rate risk.

9. Fully Loaded ECL
Means Bank's regulatory capital compared with a situation where the transitional arrangement for IFRS 9 had not been applied. CBUAE introduced transitional arrangements as per circular no. 04/2020 “Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements”.

10. Internal Capital Adequacy Assessment Process (ICAAP)
A requirement under Pillar 2 of the Basel framework to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks.

11. Key Control Indicators (KCI's)

Key Control Indicators or KCIs also referred to as Control Effectiveness Indicators are metrics that provide information on the extent to which a given control is meeting its intended objectives in terms of loss prevention, reduction, etc.

12. Key Performance Indicators (KPIs)

Key Performance Indicators refer to a set of quantifiable measurements used to gauge a Bank's overall long-term performance. KPIs specifically help determine a Bank's strategic, financial, and operational achievements, especially compared to those of other businesses within the same sector.

13. Key Risk Indicators (KRIs)

Key Risk Indicators are used by financial firms to measure their exposure to a given risk at a particular time. By comparing an appropriate set of key risk indicators with internal limits and thresholds, banks can determine whether their operational risk exposures are within their risk appetite.

14. Leverage ratio

A ratio introduced under Basel III/CRD that compares Tier 1 capital to total exposures, including certain exposures held off-balance sheet as adjusted by stipulated credit conversion factors. Intended to be a simple, non-risk based backstop measure.

15. Liquidity Coverage Ratio (LCR)

The ratio of the stock of high quality liquid assets to expected net cash outflows over the following 30 days. High quality liquid assets should be unencumbered, liquid in markets during a time of stress and, ideally, be central bank eligible.

16. Net stable funding ratio (NSFR)

The ratio of available stable funding (ASF) to required stable funding (RSF) over a one-year time horizon, assuming a stressed scenario. It is a longer-term liquidity measure designed to restrain the amount of wholesale borrowing and encourage stable funding over a one year time horizon.

17. Securities Financing Transactions (SFT)

Securities Financing Transactions are secured (i.e. collateralized) transactions that involve the temporary exchange of cash against securities, or securities against other securities, e.g. stock lending or stock borrowing or the lending or borrowing of other financial instruments, a repurchase or reverse repurchase transaction, or a buy-sell back or sell-buy back transaction.

18. Standardized Approach (SA)

In relation to credit risk, a method for calculating credit risk capital requirements using External Credit Assessment Institutions (ECAI) ratings and supervisory risk-weights. In relation to operational risk, a method of calculating the operational risk capital requirement by the application of a supervisory defined percentage charge to the gross income of eight specified business lines.