Al Khaliji France S.A. – UAE operations

Basel III Pillar 3 Disclosures For the quarter ended 30 September 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 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 Risk Weighted Assets	Included
Leverage Ratio	LR2	Leverage ratio common disclosure template	Included
Liquidity	LIQ1	Liquidity Coverage Ratio	Not Applicable
	ELAR	Eligible Liquid Assets Ratio	Included
	ASRR	Advances to Stable Resources Ratio	Included

For not applicable status, related templates have not been disclosed as part of the disclosure report.

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)	(b)	(c)	(d)	(e)
		30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-24	30-Sep-24
		AED'000	AED'000	AED'000	AED'000	AED'000
	Available capital (amounts)					
1	**Common Equity Tier 1 (CET1)**	**571,794**	**572,282**	**598,933**	**599,011**	**548,305**
1a	Fully loaded ECL accounting model	571,794	572,282	598,933	599,011	548,305
2	**Tier 1**	**571,794**	**572,282**	**598,933**	**599,011**	**548,305**
2a	Fully loaded ECL accounting model Tier 1	571,794	572,282	598,933	599,011	548,305
3	**Total capital**	**580,464**	**581,276**	**608,924**	**608,616**	**555,544**
3a	Fully loaded ECL accounting model Total Capital	580,464	581,276	608,924	608,616	555,544
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	**832,870**	858,884	938,808	907,643	695,039
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	68.65%	66.63%	63.80%	66.00%	78.89%
5a	Fully loaded ECL accounting model CET1 (%)	68.65%	66.63%	63.80%	66.00%	78.89%
6	**Tier 1 ratio (%)**	**68.65%**	**66.63%**	**63.80%**	**66.00%**	**78.89%**
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	68.65%	66.63%	63.80%	66.00%	78.89%
7	**Total capital ratio (%)**	**69.69%**	**67.68%**	**64.86%**	**67.05%**	**79.93%**
7a	Fully loaded ECL accounting model total capital ratio (%)	69.69%	67.68%	64.86%	67.05%	79.93%
	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 (%)	59.19%	57.18%	54.36%	56.55%	69.43%
	Leverage Ratio					
13	Total leverage ratio measure	1,465,469	1,417,378	1,508,736	1,433,680	1,423,688
14	**Leverage ratio (%) (row 2/row 13)**	**39.02%**	**40.38%**	**39.70%**	**41.78%**	**38.51%**
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	39.02%	40.38%	39.70%	41.78%	38.51%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	39.02%	40.38%	39.70%	41.78%	38.51%
	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

Sn.	Description	(a) 30-Sep-25 AED'000	(b) 30-Jun-25 AED'000	(c) 31-Mar-25 AED'000	(d) 31-Dec-24 AED'000	(e) 30-Sep-24 AED'000
	ELAR					
21	Total HQLA	556,386	441,539	486,816	459,165	566,114
22	Total liabilities	737,313	706,102	795,751	739,245	734,386
23	Eligible Liquid Assets Ratio (ELAR) (%)	**75.46%**	**62.53%**	**61.18%**	**62.11%**	**77.09%**
	ASRR					
24	Total available stable funding	1,223,939	1,179,199	1,284,448	1,202,805	1,179,208
25	Total Advances	528,663	541,317	589,763	614,525	456,863
26	Advances to Stable Resources Ratio (%)	**43.19%**	**45.91%**	**45.92%**	**51.09%**	**38.74%**

- The capital ratio as of 30 Sep 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-Sep-25	30-Jun-25	30-Sep-25
		AED'000	AED'000	AED'000
1	Credit risk (excluding counterparty credit risk)	693,616	719,524	72,830
2	Of which: standardised approach (SA)	**693,616**	719,524	**72,830**
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 - fallback 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	784	890	82
21	Of which: standardised approach (SA)	**784**	890	**82**
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)**	**832,870**	858,884	**87,451**

The Credit Risk weighted assets (CRWA) of the Bank witnessed a decrease during Q3'25 on the back of decrease in Loan & Advances portfolio assets;

Market Risk Weighted assets (MRWA) decreased during Q3’25 due to a decrease in Net Open position;

The Bank's Operational Risk Weighted Assets (ORWA) are calculated based on its annual gross income using the Basic Indicator Approach, aligning the capital requirement with the bank's income performance to manage operational risk.

3. Leverage Ratio (LR2)

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-Sep-25**	(b) 30-Jun-25
On-balance sheet exposures		**AED'000**	AED'000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,354,218	1,301,651
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)	(2,558)	(2,070)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,351,660**	1,299,581
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	185,711	193,481
20	(Adjustments for conversion to credit equivalent amounts)	(71,902)	(75,684)
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)**	**113,809**	117,797
Capital and total exposures			
23	**Tier 1 capital**	**571,794**	572,282
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,465,469**	1,417,378
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**39.02%**	40.38%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	39.02%	40.38%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	**0.00%**	0.00%

4. Liquidity

4.1. Eligible Liquid Assets Ratio (ELAR)

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

Sn.	Description	30-Sep-25	30-Sep-25	30-Jun-25	30-Jun-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	464,693		356,007	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	464,693	464,693	356,007	356,007
1.3	UAE local governments publicly traded debt securities	18,378		18,379	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Subtotal (1.3 to 1.4)	18,378	18,378	18,379	18,379
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	73,315	73,315	73,303	67,153
1.6	**Total**	**556,386**	**556,386**	447,689	441,539
2	Total liabilities		737,313		706,102
3	**Eligible Liquid Assets Ratio (ELAR)**		**75.46%**		62.53%

ELAR of the Bank continues to operate at levels comfortably above the 10% minimum requirement as currently prescribed by the CBUAE, reflecting a solid liquidity position.

4. Liquidity

4.2. Advances to Stable Resources Ratio (ASRR)

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

Sn.		Description	30-Sep-25	30-Jun-25
			Amount	Amount
1		**Computation of Advances**	**AED'000**	AED'000
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	299,437	346,831
	1.2	Lending to non-banking financial institutions	20,518	11,876
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	-	-
	1.4	Interbank Placements	208,708	182,610
	1.5	**Total Advances**	**528,663**	541,317
2		**Calculation of Net Stable Resources**		
	2.1	Total capital + general provisions	656,045	634,060
		Deduct:		
	2.1.1	Goodwill and other intangible assets	2,558	2,070
	2.1.2	Fixed Assets	1,337	1,142
	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**	**3,895**	3,212
	2.2	**Net Free Capital Funds**	**652,150**	630,848
	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	18,369	17,832
	2.3.5	Customer Deposits	553,421	530,519
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-
	2.3.7	**Total other stable resources**	**571,790**	548,351
	2.4	**Total Stable Resources (2.2+2.3.7)**	**1,223,940**	1,179,199
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**43.19**	45.91

The statement indicates that the Bank's Advances to Stable Resources Ratio (ASRR) is within safe limits, staying below the 100% ceiling set by the Central Bank of the UAE (CBUAE). This position allows the Bank to consider expanding its loan portfolio, as it has sufficient stable resources to support further lending. This implies a healthy financial position and regulatory compliance, which can be advantageous for growth opportunities.

4. 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**	AKF **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 **C**o-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

5. 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.