Al Khaliji France S.A. –
UAE operations

Basel III Pillar 3 Disclosures
For the quarter ended
31 March 2026

Table of Contents

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 a 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)
		31-Mar-26	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25
		AED'000	AED'000	AED'000	AED'000	AED'000
	Available capital (amounts)					
1	**Common Equity Tier 1 (CET1)**	**618,939**	**619,133**	**571,794**	**572,282**	**598,933**
1a	Fully loaded ECL accounting model	618,939	619,133	571,794	572,282	598,933
2	**Tier 1**	**618,939**	**619,133**	**571,794**	**572,282**	**598,933**
2a	Fully loaded ECL accounting model Tier 1	618,939	619,133	571,794	572,282	598,933
3	**Total capital**	**629,342**	**629,531**	**580,464**	**581,276**	**608,924**
3a	Fully loaded ECL accounting model Total Capital	629,342	629,531	580,464	581,276	608,924
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	984,693	983,502	832,870	858,884	938,808
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	62.86%	62.95%	68.65%	66.63%	63.80%
5a	Fully loaded ECL accounting model CET1 (%)	62.86%	62.95%	68.65%	66.63%	63.80%
6	**Tier 1 ratio (%)**	**62.86%**	**62.95%**	**68.65%**	**66.63%**	**63.80%**
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	62.86%	62.95%	68.65%	66.63%	63.80%
7	**Total capital ratio (%)**	**63.91%**	**64.01%**	**69.69%**	**67.68%**	**64.86%**
7a	Fully loaded ECL accounting model total capital ratio (%)	63.91%	64.01%	69.69%	67.68%	64.86%
	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 (%)	53.41%	53.51%	59.19%	57.18%	54.36%
	Leverage Ratio					
13	Total leverage ratio measure	1,453,948	1,382,783	1,465,469	1,417,378	1,508,736
14	**Leverage ratio (%) (row 2/row 13)**	**42.57%**	**44.77%**	**39.02%**	**40.38%**	**39.70%**
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	42.57%	44.77%	39.02%	40.38%	39.70%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	42.57%	44.77%	39.02%	40.38%	39.70%
	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) 31-Mar-26 AED'000	(b) 31-Dec-25 AED'000	(c) 30-Sep-25 AED'000	(d) 30-Jun-25 AED'000	(e) 31-Mar-25 AED'000
	ELAR					
21	Total HQLA	393,146	299,841	556,386	441,539	486,816
22	Total liabilities	732,389	658,279	737,313	706,102	795,751
23	Eligible Liquid Assets Ratio (ELAR) (%)	**53.68%**	**45.55%**	**75.46%**	**62.53%**	**61.18%**
	ASRR					
24	Total available stable funding	1,252,206	1,190,739	1,223,939	1,179,199	1,284,448
25	Total Advances	650,644	649,839	528,663	541,317	589,763
26	Advances to Stable Resources Ratio (%)	**51.96%**	**54.57%**	**43.19%**	**45.91%**	**45.92%**

Notes:

- *The capital ratio as of 31 Mar 26 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
		31-Mar-26	31-Dec-25	31-Mar-26
		AED'000	AED'000	AED'000
1	Credit risk (excluding counterparty credit risk)	832,276	831,840	87,389
2	Of which: standardised approach (SA)	832,276	831,840	**87,389**
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	2,651	1,896	278
21	Of which: standardised approach (SA)	2,651	1,896	278
22				
23	Operational risk	149,766	149,766	15,725
24				
25				
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**984,693**	983,502	**103,393**

<u>*Notes:*</u>

- *The Credit Risk Weighted Assets (CRWA) of the Bank witnessed a slight increase during Q1 2026, reflecting growth in bank exposures and investment securities;*
- *Market Risk Weighted assets (MRWA) increased due to change in CBUAE instructions in relation to GCC currencies releasing their pegging to US dollars and apply the same conditions as other currencies in calculating the FX 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) 31-Mar-26	(b) 31-Dec-25
On-balance sheet exposures		**AED'000**	AED'000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,359,262	1,280,086
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)	(2,896)	(2,701)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,356,366**	1,277,385
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	150,685	172,567
20	(Adjustments for conversion to credit equivalent amounts)	(53,103)	(67,169)
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)**	**97,582**	105,398
Capital and total exposures			
23	**Tier 1 capital**	**618,939**	619,133
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,453,948**	1,382,783
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**42.57%**	44.77%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	42.57%	44.77%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	**0.00%**	0.00%

Notes:

- *Our leverage ratio was 42.57% at 31 March 2026, dropped from 44.77% at 31 December 2025. Leverage exposures increased primarily due to higher on-balance sheet exposures during the quarter.*

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	31-Mar-26	31-Mar-26	31-Dec-25	31-Dec-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	313,924		232,790	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	313,924	313,924	232,790	232,790
1.3	UAE local governments publicly traded debt securities	18,376		18,377	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Subtotal (1.3 to 1.4)	18,376	18,376	18,377	18,377
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	73,338	60,846	73,326	48,674
1.6	**Total**	**405,638**	**393,146**	324,493	299,841
2	**Total liabilities**		**732,389**		658,279
3	**Eligible Liquid Assets Ratio (ELAR)**		**53.68%**		45.55%

Notes:

- *The Bank's ELAR increased to 53.68% as at 31 March 2026, well above the CBUAE's 10% minimum. The growth in eligible liquid assets was funded by a corresponding increase in total liabilities, reflecting balanced balance sheet expansion. The ratio remains strong, signaling a healthy and resilient liquidity profile.*

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	31-Mar-26 Amount	31-Dec-25 Amount
1		**Computation of Advances**	**AED'000**	AED'000
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	288,372	332,514
	1.2	Lending to non-banking financial institutions	54,366	34,441
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	-	-
	1.4	Interbank Placements	307,906	282,884
	1.5	**Total Advances**	**650,644**	649,839
2		**Calculation of Net Stable Resources**		
	2.1	Total capital + general provisions	671,151	663,943
		Deduct:		
	2.1.1	Goodwill and other intangible assets	2,896	2,701
	2.1.2	Fixed Assets	1,350	1,498
	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**	**4,246**	4,199
	2.2	**Net Free Capital Funds**	**666,905**	659,744
	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	20,305	19,700
	2.3.5	Customer Deposits	564,996	511,295
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-
	2.3.7	**Total other stable resources**	**585,301**	530,995
	2.4	**Total Stable Resources (2.2+2.3.7)**	**1,252,206**	1,190,739
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**51.96**	54.57

Notes:

- *The Bank's ASRR improved (decreased) to 51.96% as at 31 March 2026 from 54.57% at year-end 2025, remaining well below the CBUAE's 100% ceiling. The decrease reflects stronger growth in stable resources—driven by higher customer deposits—relative to stable advances, reinforcing the Bank's prudent funding profile and capacity for future lending growth.*

5. 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.	**KPI**	**K**ey **P**erformance **I**ndicators
38.	**KRI**	**K**ey **R**isk **I**ndicators
39.	**LC**	**L**etter of **C**redit
40.	**LCR**	**L**iquidity **C**overage **R**atio
41.	**LGD**	**L**oss **G**iven **D**efault
42.	**LR**	**L**everage **R**atio
43.	**MRA**	**M**oody's **R**isk **A**nalyst
44.	**MVE**	**M**arket **V**alue of **E**quity
45.	**NPL**	**N**on-**P**erforming **L**oans
46.	**NSFR**	**N**et **S**table **F**unding **R**atio
47.	**O.E.C.D.**	**O**rganization for **E**conomic **C**o-operation and **D**evelopment
48.	**OLD**	**O**perational **L**oss **D**atabase

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

6. 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 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.