Al Khaliji France S.A. – UAE operations

Basel III Pillar 3 Disclosures For the half-year ended 30 June 2026

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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
	CCA	Main features of regulatory capital instruments	Not applicable
Leverage ratio	CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Not applicable
	LR2	Leverage ratio common disclosure template (January 2014 standard)	Included
Liquidity	LIQ1	Liquidity Coverage Ratio	Not applicable
	LIQ2	Net Stable Funding Ratio	Not applicable
	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-26	(b) 31-Mar-26	(c) 31-Dec-25	(d) 30-Sep-26	(e) 30-Jun-25
		AED'000	AED'000	AED'000	AED'000	AED'000
	Available capital (amounts)					
1	**Common Equity Tier 1 (CET1)**	**580,939**	**618,939**	**619,133**	**571,794**	**572,282**
1a	Fully loaded ECL accounting model	580,939	618,939	619,133	571,794	572,282
2	**Tier 1**	**580,939**	**618,939**	**619,133**	**571,794**	**572,282**
2a	Fully loaded ECL accounting model Tier 1	580,939	618,939	619,133	571,794	572,282
3	**Total capital**	**591,562**	**629,342**	**629,531**	**580,464**	**581,276**
3a	Fully loaded ECL accounting model Total Capital	591,562	629,342	629,531	580,464	581,276
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,000,793	984,693	983,502	832,870	858,884
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	58.05%	62.86%	62.95%	68.65%	66.63%
5a	Fully loaded ECL accounting model CET1 (%)	58.05%	62.86%	62.95%	68.65%	66.63%
6	**Tier 1 ratio (%)**	**58.05%**	**62.86%**	**62.95%**	**68.65%**	**66.63%**
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	58.05%	62.86%	62.95%	68.65%	66.63%
7	**Total capital ratio (%)**	**59.11%**	**63.91%**	**64.01%**	**69.69%**	**67.68%**
7a	Fully loaded ECL accounting model total capital ratio (%)	59.11%	63.91%	64.01%	69.69%	67.68%
	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 (%)	48.61%	53.41%	53.51%	59.19%	57.18%
	Leverage Ratio					
13	Total leverage ratio measure	1,416,712	1,453,948	1,382,783	1,465,469	1,417,378
14	**Leverage ratio (%) (row 2/row 13)**	**41.01%**	**42.57%**	**44.77%**	**39.02%**	**40.38%**
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	41.01%	42.57%	44.77%	39.02%	40.38%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	41.01%	42.57%	44.77%	39.02%	40.38%
	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-26	(b) 31-Mar-26	(c) 31-Dec-25	(d) 30-Sep-26	(e) 30-Jun-25
		AED'000	AED'000	AED'000	AED'000	AED'000
21	Total HQLA	228,768	393,146	299,841	556,386	441,539
22	Total liabilities	716,199	732,389	658,279	737,313	706,102
23	Eligible Liquid Assets Ratio (ELAR) (%)	**31.94%**	**53.68%**	**45.55%**	**75.46%**	**62.53%**
	ASRR					
24	Total available stable funding	1,188,563	1,252,206	1,190,739	1,223,939	1,179,199
25	Total Advances	608,609	650,644	649,839	528,663	541,317
26	Advances to Stable Resources Ratio (%)	**51.21%**	**51.96%**	**54.57%**	**43.19%**	**45.91%**

Notes:

- *The capital ratio as of 30 Jun 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
		30-Jun-26	31-Mar-26	30-Jun-26
		AED'000	AED'000	AED'000
1	Credit risk (excluding counterparty credit risk)	849,813	832,276	89,230
2	Of which: standardised approach (SA)	849,813	832,276	89,230
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	1,214	2,651	127
21	Of which: standardised approach (SA)	1,214	2,651	127
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)**	**1,000,793**	**984,693**	**105,084**

Notes:

- *The Credit Risk Weighted Assets (CRWA) of the Bank witnessed a slight increase during Q2 2026, reflecting growth in bank exposures;*
- *Market Risk Weighted assets (MRWA) decreased due to a reduction in the overall size of exposures subject to market risk, through maturing positions;*
- *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. 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-26 AED'000	(b) 31-Dec-25 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	
2.	Retained earnings	134,738	177,485	
3.	Accumulated other comprehensive income (and other reserves)	74,097	69,349	
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**	**583,835**	621,834	
	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)	(2,896)	(2,701)	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**	**(2,896)**	(2,701)	

Sn.	Description	(a) 30-Jun-26 AED'000	(b) 31-Dec-25 AED'000	(c) CC2 Reference
25.	**Common Equity Tier 1 capital (CET1)**	**580,939**	619,133	
	Additional Tier 1 capital: instruments			
26.	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	-	-	
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)**	**580,939**	619,133	
	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	10,623	10,398	
45.	**Tier 2 capital before regulatory adjustments**	**10,623**	10,398	
	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-26 AED'000	(b) 31-Dec-25 AED'000	(c) CC2 Reference
49.	CBUAE specific regulatory adjustments	-	-	
50.	**Total regulatory adjustments to Tier 2 capital**	**-**	-	
51.	**Tier 2 capital (T2)**	**10,623**	10,398	
52.	**Total regulatory capital (TC = T1 + T2)**	**591,562**	629,531	
53.	**Total risk-weighted assets**	**1,000,793**	983,503	
	Capital ratios and buffers			
54.	**Common Equity Tier 1 (as a percentage of risk-weighted assets)**	**58.05%**	62.95%	
55.	**Tier 1 (as a percentage of risk-weighted assets)**	**58.05%**	62.95%	
56.	**Total capital (as a percentage of risk-weighted assets)**	**59.11%**	64.01%	
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)**	**0.00%**	0.00%	
58.	*Of which: capital conservation buffer requirement*	*0.00%*	*0.00%*	
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.**	**48.61%**	53.51%	
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)	**42,576**	42,109	
70.	Cap on inclusion of provisions in Tier 2 under standardised approach	**10,623**	10,398	
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-26 AED'000	(b) 31-Dec-25 AED'000	(c) CC2 Reference
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)*	-	-	

Notes:

- *Retained earnings as at end of June 2026 does not include year-to-date profit.*

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-26	30-Jun-26	
	AED'000	AED'000	
Assets			
Cash and balances at central banks	170,987	163,171	*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	316,950	329,489	*Note 2*
Derivative financial instruments	-	-	
Loans and advances to banks	497,130	507,354	*Note 2*
Loans and advances to customers	299,293	317,912	*Note 2*
Reverse repurchases agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	
Current and deferred tax assets	9,154	9,154	
Prepayments, accrued income and other assets	21,006	28,822	*Note 1*
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	2,896	2,896	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	2,896	2,896	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	1,233	1,233	
Total assets	**1,318,649**	**1,360,031**	
Liabilities			
Deposits from banks	3,944	3,944	
Items in the course of collection due to other banks	-	-	
Customer accounts	646,613	646,613	
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	45,808	45,808	
Current and deferred tax liabilities	10,552	10,552	
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	4,945	2,133	*Note 2*
Retirement benefit liabilities	9,282	9,282	
Total liabilities	**721,144**	**718,332**	
Shareholders' equity			

Description	**(a) Balance sheet as in published financial statements**	**(b) Under regulatory scope of consolidation**	**(c) Reference**
	30-Jun-26	**30-Jun-26**	
	AED’000	**AED’000**	
Paid-in share capital	375,000	375,000	
Retained earnings	148,408	148,408	
Accumulated other comprehensive income	74,097	74,097	
Total shareholders' equity	**597,505**	**597,505**	

Description	(a) Balance sheet as in published financial statements	(b) Under regulatory scope of consolidation	(c) Reference
	31-Dec-25	31-Dec-25	
	AED’000	AED’000	
Assets			
Cash and balances at central banks	232,790	223,211	*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	316,049	329,306	*Note 2*
Derivative financial instruments	-	-	
Loans and advances to banks	355,363	366,023	*Note 2*
Loans and advances to customers	350,418	386,912	*Note 2*
Reverse repurchases agreements and other similar secured lending	-	-	
Available for sale financial investments (Includes FVOCI)	-	-	
Current and deferred tax assets	12,736	12,736	
Prepayments, accrued income and other assets	11,831	21,382	*Note 1*
Investments in associates and joint ventures	-	-	
Goodwill and other intangible assets	2,701	2,701	
Of which: goodwill	-	-	(a)
Of which: intangibles (excluding MSRs)	2,701	2,701	(b)
Of which: MSRs	-	-	(c)
Property, plant and equipment	1,498	1,498	
Total assets	1,283,386	1,343,769	
Liabilities			
Deposits from banks	11,164	11,164	
Items in the course of collection due to other banks	-	-	
Customer accounts	615,644	615,644	
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	7,812	7,784	
Current and deferred tax liabilities	14,699	14,699	
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-25	31-Dec-25	
	AED'000	AED'000	
Subordinated liabilities	-	-	
Provisions	3,272	19,956	*Note 2*
Retirement benefit liabilities	8,961	8,961	
Total liabilities	661,552	678,208	
Shareholders' equity			
Paid-in share capital	375,000	375,000	
Retained earnings	172,737	177,485	*Note 3*
Accumulated other comprehensive income	74,097	69,349	*Note 3*
Total shareholders' equity	621,834	621,834	

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 2025 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-26	(b) 31-Mar-26
On-balance sheet exposures		**AED'000**	AED'000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,313,704	1,359,262
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)	(2,896)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	**1,310,808**	1,356,366
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	169,438	150,685
20	(Adjustments for conversion to credit equivalent amounts)	(63,534)	(53,103)
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)**	**105,904**	97,582
Capital and total exposures			
23	**Tier 1 capital**	**580,939**	618,939
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	**1,416,712**	1,453,948
Leverage ratio			
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	**41.01%**	42.57%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	41.01%	42.57%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	**Applicable leverage buffers**	**0.00%**	0.00%

Notes:

- *Our leverage ratio was 41.01% at 30 June 2026, decreased from 42.57% at 31 March 2026. Leverage exposures decreased primarily due to lower on-balance sheet exposures during the quarter.*

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-26	30-Jun-26	31-Mar-26	31-Mar-26
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	170,987		313,924	
1.2	UAE Federal Government Bonds and Sukuks	-		-	
	Sub Total (1.1 to 1.2)	170,987	170,987	313,924	313,924
1.3	UAE local governments publicly traded debt securities	18,374		18,376	
1.4	UAE Public sector publicly traded debt securities	-		-	
	Subtotal (1.3 to 1.4)	18,374	18,374	18,376	18,376
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	73,349	39,407	73,338	60,846
1.6	**Total**	**262,710**	**228,768**	405,638	393,146
2	Total liabilities		716,199		732,389
3	**Eligible Liquid Assets Ratio (ELAR)**		**31.94%**		53.68%

Notes:

- *The Bank's ELAR decreased to 31.94% as at 30 June 2026, primarily driven by a reduction in CBUAE balances, as the Bank opted to deploy excess liquidity into higher-yielding secured assets. Nevertheless, the ratio remains comfortable above the CBUAE's minimum requirement of 10%, demonstrating a sound and resilient liquidity profile despite the decline.*

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-26	31-Mar-26
			Amount	Amount
1		**Computation of Advances**	**AED'000**	AED'000
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	284,818	288,372
	1.2	Lending to non-banking financial institutions	30,961	54,366
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	-	-
	1.4	Interbank Placements	292,830	307,906
	1.5	**Total Advances**	**608,609**	650,644
2		**Calculation of Net Stable Resources**		
	2.1	Total capital + general provisions	640,081	671,151
		Deduct:		
	2.1.1	Goodwill and other intangible assets	2,896	2,896
	2.1.2	Fixed Assets	1,233	1,350
	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**	**4,129**	4,246
	2.2	**Net Free Capital Funds**	**635,952**	666,905
	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	20,149	20,305
	2.3.5	Customer Deposits	532,462	564,996
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-	-
	2.3.7	**Total other stable resources**	**552,611**	585,301
	2.4	**Total Stable Resources (2.2+2.3.7)**	**1,188,563**	1,252,206
3		**Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)**	**51.21**	51.96

Notes:

- *The Bank's ASRR stood at 51.21% as at 30 June 2026, slightly down from 51.96% at 31 March 2026, and remains well below the CBUAE's maximum threshold of 100%. This provides significant headroom for the Bank to increase its lending and advance book without breaching regulatory limits. The decline in advances and stable resources, while notable, does not pose a regulatory concern and offers an opportunity to deploy excess liquidity into higher-yielding assets to improve revenue generation. Management will capitalize on this capacity to grow the asset book prudently while maintaining a sound funding structure.*

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-26	Defaulted exposures	Non-Defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1.	Loans	2,133	315,779	18,619	1,812	16,486	299,293
2.	Debt securities	-	329,489	12,539	-	12,539	316,950
3.	Off-balance sheet exposures	2,291	167,148	4,945	-	4,945	164,494
4.	**Total**	**4,424**	**812,416**	**36,103**	**1,812**	**33,970**	**780,737**

							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-25	Defaulted exposures	Non-Defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1.	Loans	19,956	366,956	36,494	8,792	16,538	350,418
2.	Debt securities	-	329,306	13,257	-	13,257	316,049
3.	Off-balance sheet exposures	6,854	165,713	3,272	-	3,272	169,295
4.	Total	26,810	861,975	53,023	8,792	33,067	835,762

Notes:

1. ***Loans** represent loans and advances to customers. For defaulted exposures: comprises gross balances of impaired loans and past due loans for more than 90 days;*
2. *For **Debt securities**: the gross value remained stable with no defaults in either period, supported by consistent general provisions;*
3. *For **off-balance exposures**: comprises balances of customers acceptances, letters of credit and guarantees for banks and customers, derivatives and irrevocable commitments;*
4. *Derivatives are taken after considering the PFE calculation;*
5. *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-26**
		AED'000
1.	**Defaulted loans and debt securities at the end of the previous reporting period**	19,956
2.	Loans and debt securities that have defaulted since the last reporting period	-
3.	Returned to non-default status	-
4.	Amounts written off	(18,178)
5.	Other changes	355
6.	**Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)**	**2,133**

Sn.	Description	31-Dec-25
		AED'000
1.	Defaulted loans and debt securities at the end of the previous reporting period	23,820
2.	Loans and debt securities that have defaulted since the last reporting period	-
3.	Returned to non-default status	-
4.	Amounts written off	(4,402)
5.	Other changes	538
6.	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	19,956

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-26**	**(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	422,293	-	422,293	-	119,117	28%
2.	Public Sector Entities	36,746	-	36,746	-	18,373	50%
3.	Multilateral development banks	-	-	-	-	-	0%
4.	Banks	653,446	3,400	653,446	3,400	437,675	67%
5.	Securities firms	-	-	-	-	-	0%
6.	Corporates	145,983	162,100	145,983	99,312	178,086	73%
7.	Regulatory retail portfolios	997	1,647	997	901	805	42%
8.	Secured by residential property	83	-	83	-	29	35%
9.	Secured by commercial real estate	56,244	-	56,244	-	55,244	98%
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	0%
11.	Past-due loans	2,133	2,291	-	2,291	1,617	71%
12.	Higher-risk categories	-	-	-	-	-	0%
13.	Other assets	42,106	-	42,106	-	38,867	92%
14.	**Total**	**1,360,031**	**169,438**	**1,357,898**	**105,904**	**849,813**	**58%**

Sn.	31-Dec-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	493,725	-	493,725	-	119,021	24%
2.	Public Sector Entities	36,749	-	36,749	-	18,374	50%
3.	Multilateral development banks	-	-	-	-	-	0%
4.	Banks	512,015	3,450	512,015	3,450	378,275	73%
5.	Securities firms	-	-	-	-	-	0%
6.	Corporates	184,095	160,898	184,095	94,401	213,703	77%
7.	Regulatory retail portfolios	992	1,365	992	693	791	47%
8.	Secured by residential property	3,087	-	3,087	-	3,012	98%
9.	Secured by commercial real estate	54,834	-	54,834	-	53,834	98%
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	0%
11.	Past-due loans	19,956	6,854	-	6,854	1,617	24%
12.	Higher-risk categories	-	-	-	-	-	0%
13.	Other assets	38,316	-	38,316	-	43,214	113%
14.	Total	1,343,769	172,567	1,323,813	105,398	831,841	58%

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-26 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	312,277	-	-	18,363	-	-	55,088	36,565	-	422,293
2.	Public Sector Entities	-	-	-	36,746	-	-	-	-	-	36,746
3.	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4.	Banks	-	195,084	-	165,932	-	-	256,105	39,725	-	656,846
5.	Securities firms	-	-	-	-	-	-	-	-	-	-
6.	Corporates	61,938	-	-	-	-	35,145	148,212	-	-	245,295
7.	Regulatory retail portfolios	1,023	-	-	-	282	-	593	-	-	1,898
8.	Secured by residential property	-	-	83	-	-	-	-	-	-	83
9.	Secured by commercial real estate	1,000	-	-	-	-	-	55,244	-	-	56,244
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11.	Past-due loans	674	-	-	-	-	-	1,617	-	-	2,291
12.	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13.	Other assets	10,712	7,822	-	-	-	-	14,418	-	9,154	42,106
14.	**Total**	**387,624**	**202,906**	**83**	**221,041**	**282**	**35,145**	**531,277**	**76,290**	**9,154**	**1,463,802**

		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	AED'000
Sn.	31-Dec-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	383,774	-	-	18,362	-	-	55,088	36,501	-	493,725
2.	Public Sector Entities	-	-	-	36,749	-	-	-	-	-	36,749
3.	Multilateral development banks	-	-	-	-	-	-	-	-	-	-
4.	Banks	-	96,204	-	160,327	-	-	219,060	39,874	-	515,465
5.	Securities firms	-	-	-	-	-	-	-	-	-	-
6.	Corporates	55,673	-	-	-	-	60,799	162,024	-	-	278,496
7.	Regulatory retail portfolios	869	-	-	-	103	-	713	-	-	1,685
8.	Secured by residential property	-	-	115	-	-	-	2,972	-	-	3,087
9.	Secured by commercial real estate	1,000	-	-	-	-	-	53,834	-	-	54,834
10.	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-	-
11.	Past-due loans	5,237	-	-	-	-	-	1,617	-	-	6,854
12.	Higher-risk categories	-	-	-	-	-	-	-	-	-	-
13.	Other assets	12,279	2,409	-	-	-	-	10,892	-	12,736	38,316
14.	Total	458,832	98,613	115	215,438	103	60,799	506,200	76,375	12,736	1,429,211

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-26	(b) 31-Dec-25
		AED'000	AED'000
1.	General Interest rate risk (General and Specific)	-	-
2.	Equity risk (General and Specific)	-	-
3.	Foreign exchange risk	1,214	1,896
4.	Commodity risk	-	-
	Options		-
5.	Simplified approach	-	-
6.	Delta-plus method	-	-
7.	Scenario approach	-	-
8.	Securitisation	-	-
9.	**Total**	**1,214**	1,896

8. Acronyms

Sn.	Abbreviations	Description
1.	**AKF**	**Al Khaliji France** S.A. (Head office in France and its Branches in the UAE)
2.	**AKF ALCCO**	**AKF Asset, Liability** and **Capital 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.	**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

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 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.