The Chairman of the Authority's Board of Directors' Decision No. (11/ Chairman) of 2026 Concerning the amendment of the Regulations Manual of the Financial Activities Approved by the Chairman of the Authority's Board of Directors' Decision No. (13) of 2021

The Chairman of the Capital Market Authority' Board of Directors,

Having perused:

Federal Decree-Law No. (32) of 2025 Concerning the Capital Market Authority;

Federal Decree-Law No. (33) of 2025 Concerning the Regulation of the Capital Market;

Cabinet Resolution No. (13) of 2000 concerning the Regulation as to the Functioning of the Securities & Commodities Authority, as amended;

Cabinet Resolution No. (51/ 2 C) of 2025 concerning the Restructuring of the Board of Directors of the Securities & Commodities Authority;

The Chairman of the Authority's Board of Directors' Decision No. (13/ Chairman) of 2021 on the Regulations Manual of the Financial Activities and Status Regularization Mechanisms, as amended.

Based on the approval of the Authority's Board of Directors at its eighth meeting of the ninth round held on 09/04/2026;

And as required by the interest of work,

Has Decided:

Article (1)

The (First Category) of Chapter Four (Capital Adequacy) / Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ First: (Minimum Capital Requirements) shall be amended as follows:

1- **The first category (core capital - Tier I):** includes the following items:

A. **Common Equity, under the First Category, Tier 1 (CET1), which includes the following**:

1. Equity**:** includes the fully paid-up capital.

2. Retained profits**:** Including the part of the annual profits of the licensed body that is added annually to equity and approved in the annual general assembly of the licensing body. Likewise, realized losses for these years are deducted.

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3. Profits and losses for the current period**:** The profits shall be approved by the auditor.

B. **Additional Capital (AT1), which includes the following**:

1. Unconditional capital contributions.
2. Non-voting equity.
3. The amount of the capital increase of the licensed entity – excluding joint-stock companies – if the capital increase procedures have not been completed till the date of issuing the solvency report.

Article (2)

The (Third Category) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ First: (Minimum Capital Requirements) shall be deleted.

Article (3)

The (last paragraph) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ First: (Minimum Capital Requirements) shall be deleted.

Article (4)

A new paragraph shall be added under No. (3) to Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ First: (Minimum Capital Requirements), as follows:

"3. The licensed entity engaging in any of the financial activities specified in this Chapter shall continuously maintain the minimum capital requirements in accordance with the models approved by the Authority, as follows:

A. **Common Equity - Tier 1 (CET1) under the First Category**: not less than 7% of the minimum requirements, reflecting the quality and composition of core capital relative to risk-weighted assets (RWA).

B. **Additional Capital - Tier 1 (AT1) under the First Category**: reflecting the quality and composition of core capital relative to the total risks facing the company.

Article 5

Clause (1/1) titled (Credit Risk) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ Second: (Allocation of a Portion of Capital to Cover Risks) shall be amended as follows:

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"A. The capital allocated to face credit risk shall not be less than (16.5%) of the amounts calculated in accordance with Weighting Risk that are calculated and the percentages specified in the model approved by the Authority, and this percentage shall be applied gradually in accordance with the circular issued by the Authority."

Article (6)

Clause (3) titled (Operational Risk) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ Second: (Allocation of a Portion of Capital to Cover Risks) shall be amended as follows:

- The word "First" shall be deleted.
- Paragraph (C) of Clause (2) titled the third method (the standard method) shall be deleted.
- "Second" shall be fully deleted.

Article (7)

Clause (7) titled (Exposure to risks) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ Second: (Allocation of a Portion of Capital to Cover Risks) shall be renumbered as Clause (10).

Article (8)

A new clause shall be added under No. (7) titled (Excessive Leverage Risk) to Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ Second: (Allocation of a Portion of Capital to Cover Risks), as follows:

7. The capital requirements necessary to cover excessive leverage risks shall be calculated through the Leverage Ratio, taking into account the following:

A. The Core Capital (Tier 1) shall not be less than (3%) of the company's total assets, both on and off balance sheet.

B. The measurement of this type of risk aims to limit excessive lending and over-financing.

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Article (9)

Clause (8) titled (liquidity risk) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (1) (Pillar I: Capital)/ Second: (Allocation of a Portion of Capital to Cover Risks) shall be amended as follows:

"The licensed body shall comply with the following: ..."

Article (10)

Clauses (5) and (18) under Chapter Four (Capital Adequacy)/ Part Two (Pillars of Capital Adequacy)/ Article (3) (Pillar III: Disclosure and Reports) shall be amended as follows:

5. Paragraph (C) Expanded Capital Value (Tier III) shall be deleted from Clause (5).
18. The phrase [Expanded Capital (Tier III)] shall be deleted from Clause (18).

Article (4)

This Decision shall be published in the Official Gazette and shall come into force as of the date of its issuance.

Mohammed Ali Al Shorafa Al Hammadi
Chairman of the Board of Directors

Issued in Abu Dhabi on 30 /04 /2026

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