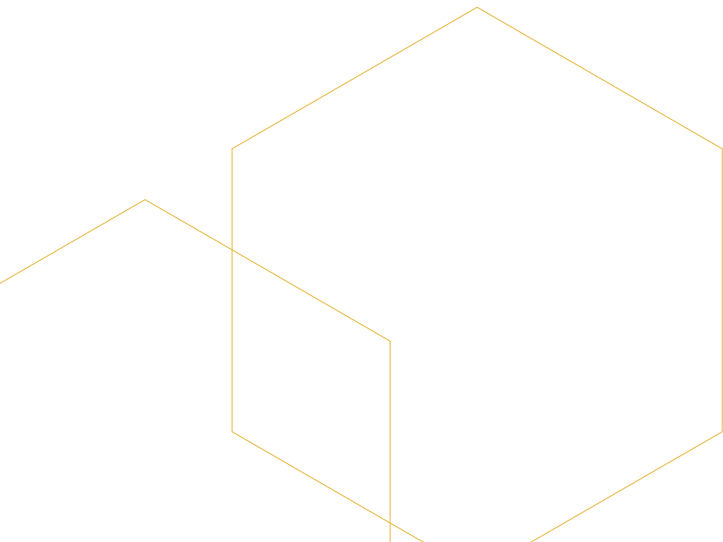




بنك الشارقة  
Bank of Sharjah

# Pillar 3 Report

31 March 2026



**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

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## Bank of Sharjah P.J.S.C.

### Pillar III Disclosure for the period ended 31 March 2026

#### 1. Introduction

Bank of Sharjah P.J.S.C. (the “Bank”), is a public joint stock company incorporated by an Amiri Decree issued on 22 December 1973 by His Highness The Ruler of Sharjah and was registered in February 1993 under the Commercial Companies Law Number 8 of 1984 (as amended). The Bank commenced its operations under a banking license issued by the United Arab Emirates Central Bank dated 26 January 1974. The Bank is engaged in commercial and investment banking activities.

The Bank’s registered office is located at Al Khan Road, P.O. Box 1394, Sharjah, United Arab Emirates. The Bank operates through six branches in the United Arab Emirates located in the Emirates of Sharjah, Dubai, Abu Dhabi, and City of Al Ain.

#### 2. Purpose and Basis of preparation

The CBUAE supervises Bank of Sharjah (“BOS” or the “Bank”) and its subsidiaries (together referred to as the “Group”) on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. The capital requirements are computed at a Group level using the Basel III framework of the Basel Committee on Banking Supervision (“Basel Committee”), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework is structured around three ‘pillars’: minimum capital requirements (Pillar I); supervisory review process (Pillar II); and market discipline (Pillar III).

The disclosures have been prepared in line with the disclosures template introduced by the CBUAE guidelines on disclosure requirements published in November 2020, November 2021, December 2022 and December 2023 respectively.

The Pillar III report of the Group for the period ended 31 March 2026 comprises detailed information on the underlying drivers of risk-weighted assets (RWA), and the capital of the Group. The report should be read in conjunction with the Group’s reviewed Financial Statements as at 31 March 2026.

The complete listing of all direct subsidiaries of Bank of Sharjah PJSC as at 31 March 2026 is as follows:

Name of Subsidiary	Proportion of ownership interest		Year of incorporation	Country of incorporation	Principal activities
	2026	2025			
Emirates Lebanon Bank S.A.L.	100%	100%	1965	Lebanon	Financial institution
EL Capital FZC	100%	100%	2007	U.A.E.	Investment in a financial institution
BOS Real Estate FZC	100%	100%	2007	U.A.E.	Real estate development activities
BOS Capital FZC	100%	100%	2007	U.A.E.	Investment
Polyco General Trading L.L.C.	100%	100%	2008	U.A.E.	General trading
Borealis Gulf FZC	100%	100%	2010	U.A.E.	Investment & Real estate development activities
BOS Funding Limited	100%	100%	2015	Cayman Islands	Financing activities
Muwaileh Capital FZC	90%	90%	2010	U.A.E.	Developing of real estate & related activities
BOS Repos Limited	100%	100%	2018	Cayman Islands	Financing activities
BOS Derivatives Limited	100%	100%	2018	Cayman Islands	Financing activities
GTW Holding LTD	100%	100%	2022	U.A.E. (ADGM)	Facilitate the sale of real estate assets
GDLR Holding LTD	100%	100%	2022	U.A.E. (ADGM)	Facilitate the sale of real estate assets
BOS Real Estate Egypt	100%	100%	2023	Egypt	Real estate development activities

## Bank of Sharjah P.J.S.C.

### Pillar III Disclosure for the period ended 31 March 2026

#### 3. Overview of Pillar III

Pillar III complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing disclosure requirements which allow market participants to assess certain specified information on the scope of application of Basel III, capital, particular risk exposures and risk assessment processes, and hence the capital adequacy of the institution. Disclosures consist of both quantitative and qualitative information and are provided on the consolidated level.

The CBUAE issued Basel III capital regulations, which came into effect from 1 February 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 ('CET1'), Additional Tier 1 ('AT1') and Total Capital.

The minimum capital adequacy requirements as set out by the Central Bank of UAE are as follows:

- Minimum common equity tier 1 (CET 1) ratio of 7% of risk weighted assets (RWAs).
- Minimum tier 1 ratio of 8.5% of RWAs.
- Total capital adequacy ratio of 10.5% of RWAs.

In addition to CET 1 ratio of 7% of RWAs, a capital conservation buffer (CCB) of 2.5% of RWAs shall be maintained in the form of CET 1. A further counter cyclical buffer (CCyB) requirement shall be met by using CET 1. The level of CCyB is to be notified by 'the Central Bank' and there is no CCyB requirement during the current period. The Group has complied with all the externally imposed capital requirements and has prepared the capital adequacy ratios excluding the currency translation reserve resulting from the Lebanese operations.

Following are the changes in the revised standards which have been adopted:

- The Tier Capital Supply Standard
- Tier Capital Instruments Standard
- Pillar 2 Standard: Internal Capital Adequacy Assessment Process (ICAAP)
- Credit Risk, Market Risk and Operational Risk
- Equity Investment in Funds, Securitisation, Counterparty Credit Risk, Leverage Ratio
- Credit Value Adjustment (CVA) for Pillar I and III

CBUAE requires the Pillar 2 - Supervisory Review Process to focus on each bank's Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar 1 Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

#### 3.1 Verification

The Pillar 3 Disclosures for the period ending 31 March 2026 have been reviewed by the Group's internal and statutory auditors.

#### 3.2 Implementation of Basel III standards and guidelines

The Group is compliant with Standardised Approach for Credit, Market and the Basic Indicator Approach for Operational Risk (Pillar 1) as applicable as of 31 March 2026.

**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

**4. Key Metrics for the group (KM1)**

Key prudential regulatory metrics have been included in the following table:

	Mar 2026	Dec 2025	Sep 2025	Jun 2025	Mar 2025	
	AED 000	AED 000	AED 000	AED 000	AED 000	
<b>Available capital (amounts)</b>						
1	Common Equity Tier 1 (CET1)	4,823,077	4,596,122	4,224,939	4,052,756	3,924,362
1a	Fully loaded ECL accounting model	4,823,077	4,596,122	4,224,939	4,052,756	3,924,362
2	Tier 1	4,823,077	4,596,122	4,224,939	4,052,756	3,924,362
2a	Fully loaded ECL accounting model Tier 1	4,823,077	4,596,122	4,224,939	4,052,756	3,924,362
3	Total capital	5,154,730	4,941,017	4,399,892	4,428,761	4,290,843
3a	Fully loaded ECL accounting model total capital	5,154,730	4,941,017	4,399,892	4,428,761	4,290,843
<b>Risk-weighted assets (amounts)</b>						
4	Total risk-weighted assets (RWA)	28,756,772	29,277,899	31,590,709	31,549,316	30,998,249
<b>Risk-based capital ratios as a percentage of RWA</b>						
5	Common Equity Tier 1 ratio (%)	16.77%	15.70%	13.37%	12.85%	12.67%
5a	Fully loaded ECL accounting model CET1 (%)	16.77%	15.70%	13.37%	12.85%	12.67%
6	Tier 1 ratio (%)	16.77%	15.70%	13.37%	12.85%	12.67%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	16.77%	15.70%	13.37%	12.85%	12.67%
7	Total capital ratio (%)	17.93%	16.88%	13.93%	14.04%	13.84%
7a	Fully loaded ECL accounting model total capital ratio (%)	17.93%	16.88%	13.93%	14.04%	13.84%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	-	-	-	-	-
10	Bank D-SIB additional requirements (%)	-	-	-	-	-
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 (%)	7.43%	6.38%	3.43%	3.54%	3.34%
<b>Leverage Ratio</b>						
13	Total leverage ratio measure	56,720,183	49,752,107	50,690,378	48,306,640	46,076,297
14	Leverage ratio (%) (row 2/row 13)	8.50%	9.24%	8.33%	8.39%	8.55%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	8.50%	9.24%	8.33%	8.39%	8.55%
14b	"Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)"	8.50%	9.24%	8.33%	8.39%	8.55%
<b>Liquidity Coverage Ratio</b>						
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
<b>Net Stable Funding Ratio</b>						
18	-	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
<b>ELAR</b>						
21	Total HQLA	9,271,112	7,100,801	7,078,161	5,530,389	4,833,300
22	Total liabilities	50,400,929	44,177,321	45,824,695	43,484,658	41,182,676
23	Eligible Liquid Assets Ratio (ELAR) (%)	18.39%	16.07%	15.45%	12.72%	11.74%
<b>ASRR</b>						
24	Total available stable funding	43,210,498	38,707,466	37,697,692	36,906,475	34,474,533
25	Total Advances	36,541,296	32,529,357	32,820,432	32,302,516	27,917,078
26	Advances to Stable Resources Ratio (%)	84.57%	84.04%	87.06%	87.53%	80.98%

**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

**5. Overview of Risk Weighted Assets (OV1)**

The following table provides an overview of RWAs, calculated in accordance with Basel III, by risk type and calculation approach.

		RWA			Minimum capital requirements
		Mar 2026	Dec 2025	Sep 2025	Mar 2026
		AED 000	AED 000	AED 000	AED 000
1	Credit risk (excluding counterparty credit risk)	26,528,812	27,585,860	30,051,822	2,785,525
2	Of which: standardised approach (SA)	26,528,812	27,585,860	30,051,822	2,785,525
3	Of which: foundation internal ratings-based (F-IRB) approach	-	-	-	-
4	Of which: supervisory slotting approach	-	-	-	-
5	Of which: advanced internal ratings-based (A-IRB) approach	-	-	-	-
6	Counterparty credit risk (CCR)	-	-	-	-
7	Of which: standardised approach for counterparty credit risk	-	-	-	-
8	Of which: Internal Model Method (IMM)	-	-	-	-
9	Of which: other CCR	-	-	-	-
10	Credit valuation adjustment (CVA)	3,421	5,769	18,003	359
11	Equity positions under the simple risk weight approach	-	-	-	-
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	Of which: securitisation internal ratings-based approach (SEC-IRBA)	-	-	-	-
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	-
20	Market risk	310,078	346,424	303,326	32,558
21	Of which: standardised approach (SA)	310,078	346,424	303,326	32,558
22	Of which: internal models' approach (IMA)	-	-	-	-
23	Operational risk	1,914,461	1,339,846	1,217,558	201,018
24	Amounts below thresholds for deduction (subject to 250% risk weight)	-	-	-	-
25	Floor adjustment	-	-	-	-
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>28,756,772</b>	<b>29,277,899</b>	<b>31,590,709</b>	<b>3,019,460</b>

**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

**6. Leverage Ratio**

**6.1 Summary comparison of accounting assets versus leverage ratio exposure (LR1)**

The following table reconciles the total assets in the published financial statements to the leverage ratio exposure measure.

		<b>Mar 2026</b>	<b>Dec 2025</b>	<b>Sep 2025</b>
		<b>AED 000</b>	<b>AED 000</b>	<b>AED 000</b>
1	Total consolidated assets as per published financial statements	54,693,696	48,371,413	49,589,011
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	-	-	-
4	Adjustments for temporary exemption of central bank reserves (if applicable)	-	-	-
5	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
6	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	-	-	-
7	Adjustments for eligible cash pooling transactions	-	-	-
8	Adjustments for derivative financial instruments	20,188	30,610	55,148
9	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-	-	-
10	Adjustments for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	(1,761,957)	(1,790,272)	(1,491,256)
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12	Other adjustments	3,768,256	3,140,356	2,537,475
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>56,720,183</b>	<b>49,752,107</b>	<b>50,690,378</b>

**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

**6. Leverage Ratio (continued)**

**6.2 Leverage ratio common disclosure template (LR2)**

The table below provides a breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements, and buffers as of period end.

		Mar 2026	Dec 2025	Sep 2025
		AED 000	AED 000	AED 000
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	54,625,564	48,182,601	49,351,214
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)	7,787	11,827	14,031
4	(Adjustment for securities received under securities financing transactions that are recognised 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)	-	-	(201,738)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>54,633,351</b>	<b>48,194,428</b>	<b>49,163,507</b>
<b>Derivative exposures</b>				
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	2,571	5,490	4,861
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	9,831	13,293	36,256
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	<b>Total derivative exposures (sum of rows 8 to 12)</b>	<b>12,402</b>	<b>18,783</b>	<b>41,117</b>
<b>Securities financing transactions</b>				
14	Gross SFT <i>assets</i> (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	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other off-balance sheet exposures</b>				
19	Off-balance sheet exposure at gross notional amount	3,836,387	3,329,168	2,977,010
20	(Adjustments for conversion to credit equivalent amounts)	(1,761,957)	(1,790,272)	(1,491,256)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>2,074,430</b>	<b>1,538,896</b>	<b>1,485,754</b>
<b>Capital and total exposures</b>				
23	<b>Tier 1 capital</b>	<b>4,823,077</b>	<b>4,596,122</b>	<b>4,224,939</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>56,720,183</b>	<b>49,752,107</b>	<b>50,690,378</b>
<b>Leverage ratio</b>				
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	<b>8.50%</b>	<b>9.24%</b>	<b>8.33%</b>
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.50%	9.24%	8.33%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	<b>5.50%</b>	<b>6.24%</b>	<b>5.33%</b>

**Bank of Sharjah P.J.S.C.**  
**Pillar III Disclosure for the period ended 31 March 2026**

**7. Liquidity risk management**

**7.1 Eligible Liquid Asset Ratio (ELAR)**

	Mar 2026		Dec 2025		Sep 2025	
	AED 000	AED 000	AED 000	AED 000	AED 000	AED 000
High Quality Liquid Assets	Nominal Amount	Eligible Liquid Assets	Nominal Amount	Eligible Liquid Assets	Nominal Amount	Eligible Liquid Assets
Physical cash in hand at the bank + balance with the CBUAE	5,056,220		3,304,664		3,473,288	
UAE Federal Government Bonds and Sukuks	2,096,562		2,125,360		1,939,423	
<b>Subtotal</b>	<b>7,152,782</b>	<b>7,152,782</b>	<b>5,430,024</b>	<b>5,430,024</b>	<b>5,412,711</b>	<b>5,412,711</b>
UAE local governments publicly traded debt securities	3,438,870		3,672,000		3,315,651	
UAE Public sector publicly traded debt securities	-		-		-	
<b>Subtotal</b>	<b>3,438,870</b>	<b>2,118,330</b>	<b>3,672,000</b>	<b>1,670,777</b>	<b>3,315,651</b>	<b>1,665,450</b>
Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	-	-	-	-	-
<b>Total</b>	<b>10,591,652</b>	<b>9,271,112</b>	<b>9,102,024</b>	<b>7,100,801</b>	<b>8,728,362</b>	<b>7,078,161</b>
Total liabilities		50,400,929		44,177,321		45,824,695
<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>18.39%</b>		<b>16.07%</b>		<b>15.45%</b>

**7.2 Advances to Stables Resources Ratio (ASRR)**

	Mar 2026 AED 000	Dec 2025 AED 000	Sep 2025 AED 000
<b>Computation of Advances</b>			
Net Lending (Gross loans - specific and collective provisions + interest in suspense)	36,087,903	31,803,499	32,048,066
Lending to non-banking financial institutions	55,095	55,111	57,016
Financial Guarantees & Stand-by LC (Issued - Received)	214,648	215,295	219,495
Interbank placements	183,650	455,452	495,855
<b>Total Advances</b>	<b>36,541,296</b>	<b>32,529,357</b>	<b>32,820,432</b>
<b>Calculation of Net Stable Resources</b>			
Total capital + general provision	6,168,225	6,052,307	5,741,094
<b>Deduct:</b>			
Goodwill and other intangible assets	-	-	-
Fixed Assets	360,430	273,437	1,253,419
Funds allocated to branches abroad	-	-	-
Unquoted Investments	81,981	82,017	82,586
Investment in subsidiaries, associates and affiliates	-	-	-
<b>Total deduction</b>	<b>442,411</b>	<b>355,454</b>	<b>1,336,005</b>
<b>Net Free Capital Funds</b>	<b>5,725,814</b>	<b>5,696,853</b>	<b>4,405,089</b>
<b>Other stable resources:</b>			
Funds from the head office	-	-	-
Interbank deposits with remaining life of more than 6 months	165,417	-	-
Refinancing of Housing Loans	-	-	-
Borrowing from non-banking financial institutions	1,009,731	851,548	551,635
Customer Deposits	30,864,669	26,718,750	29,115,745
Capital market funding/ term borrowings maturing after 6 months from reporting date	5,444,867	5,440,315	3,625,223
<b>Total other stable resources</b>	<b>37,484,684</b>	<b>33,010,613</b>	<b>33,292,603</b>
<b>Total Stable Resources</b>	<b>43,210,498</b>	<b>38,707,466</b>	<b>37,697,692</b>
<b>Advances to stable resources ratio</b>	<b>84.57%</b>	<b>84.04%</b>	<b>87.06%</b>