Credit Agricole CIB – UAE

Pillar 3 Market Disclosures
Quarter 1-2025

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1 Introduction

The Basel 3 agreements are structured around three pillars:

- **Pillar 1** determines the minimum capital adequacy requirements and ratio levels in accordance with current regulatory framework:
- **Pillar 2** supplements the regulatory approach with the quantification of a capital requirement covering the major risks to which the Bank is exposed, based on the methodologies specific to it;
- **Pillar 3** introduces new standards for financial disclosures to the market. These must detail the components of regulatory capital, the assessments of risks both with regard to the regulations applied and the activity during the period.

Credit Agricole CIB publishes the qualitative and quantitative information required for a large listed institution, included in the consolidation scope of the Credit Agricole S.A Group.

Solvency Management is primarily aimed at assessing the capital and ensuring it is sufficient to cover the risks to which Credit Agricole CIB is or may be exposed in light of its activities.To that end, Credit Agricole CIB group measures regulatory capital requirements (Pillar 1) and manages regulatory capital by relying on short and medium term forward looking measures, consistent with budget projections, based on a central economic scenario.

Credit Agricole S.A's subsidiaries under exclusive control and subject to compliance with capital requirements, including the Credit Agricole CIB Group are allocated capital at a consistent level, taking into account local regulatory requirements, the capital requirements needed to finance their development and a management buffer tailored to the volatility of their CET1 ratio.

In addition, the group has a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) developed in accordance with the interpretation of the regulatory texts below. The ICAAP includes in particular:

- governance of capital management
- measurement of economic capital requirements based on risk identification process and a quantification of capital requirements using an internal approach (Pillar 2)
- performance of ICAAP stress tests aimed at stimulating capital destruction after 3 years of an adverse economic scenario
- a qualitative ICAAP that formalizes the major areas of risk assessment.

The Pillar 3 disclosures, based on a common framework, are an effective means of informing the market about the risks faced by a bank, which will allow market participants to assess key information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the bank.

Verification:

The Pillar 3 Disclosures have been prepared in accordance with the latest Capital Adequacy Standards issued by UAE Central bank. This report has been jointly compiled by Risk & Finance department. Pillar 3 disclosures have been independently reviewed by the internal audit department and approved by Bank's Senior Management.

Applicability of Pillar III disclosure templates:

The below set of disclosures are currently not applicable for CACIB UAE Onshore Branches and hence have not been included in these disclosures.

Table	Information Overview	Format	Disclosure Frequency
LIQ1	Liquidity Coverage Ratio	Fixed	Quarterly

2 Overview of Risk management, Key Prudential Metrics and RWA

2.1 Key metrics (KM1)

Key prudential regulatory metrics related to regulatory capital, leverage ratio and liquidity standards have been included in the following table.

		MAR-25 AED 000	DEC-24 AED 000	SEP-24 AED 000	JUN-24 AED 000	MAR-24 AED 000
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	401,136	387,853	387,848	387,862	387,815
1a	Fully loaded ECL accounting model	401,136	387,853	387,848	387,862	387,815
2	Tier 1	401,136	387,853	387,848	387,862	387,815
2a	Fully loaded ECL accounting model Tier 1	401,136	387,853	387,848	387,862	387,815
3	Total capital	401,136	387,853	387,848	387,862	387,815
3a	Fully loaded ECL accounting model total capital	401,136	387,853	387,848	387,862	387,815
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	745,189	795,182	685,956	700,863	606,582
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	53.83%	48.78%	56.54%	55.34%	63.93%
5a	Fully loaded ECL accounting model CET1 (%)	53.83%	48.78%	56.54%	55.34%	63.93%
6	Tier 1 ratio (%)	53.83%	48.78%	56.54%	55.34%	63.93%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	53.83%	48.78%	56.54%	55.34%	63.93%
7	Total capital ratio (%)	53.83%	48.78%	56.54%	55.34%	63.93%
7a	Fully loaded ECL accounting model total capital ratio (%)	53.83%	48.78%	56.54%	55.34%	63.93%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	43.33%	38.28%	46.04%	44.84%	53.43%
	Leverage Ratio					
13	Total leverage ratio measure	1,857,119	1,901,038	1,792,775	1,792,046	1,519,135
14	Leverage ratio (%) (row 2/row 13)	21.60%	20.40%	21.63%	21.64%	25.53%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	21.60%	20.40%	21.63%	21.64%	25.53%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	21.60%	20.40%	21.63%	21.64%	25.53%
	Liquidity Coverage Ratio					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	Net Stable Funding Ratio					
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
	ELAR					
21	Total HQLA	557,028	596,404	575,720	550,371	496,145
22	Total liabilities	256,814	314,917	288,994	287,262	192,773
23	Eligible Liquid Assets Ratio (ELAR) (%)	217%	189%	199%	192%	257%
	ASRR					
24	Total available stable funding	483,278	475,217	472,858	481,870	470,270
25	Total Advances	259,529	314,307	234,691	232,198	65,347
26	Advances to Stable Resources Ratio (%)	53.70%	66.14%	49.63%	48.19%	13.90%

Narrative Commentary on Q-o-Q Variance:

- **Total risk-weighted assets (RWA):** QoQ Variance is mainly due to decrease in short term credit utilizations (mainly overdraft facilities).
- **ELAR:** ELAR increased during the quarter, the evolution QoQ mainly due to the evolution under assets and liabilities during the quarter.
- **ASRR:** Decrease in ASRR ratio is due to reduction in short term utilizations under a few clients.

2.2 Overview of Risk Weighted Assets (OV1)

The overall solvency ratio, as presented in the prudential ratio table is equal to the ratio of the total capital to the sum of the credit, market and operational risk-weighted exposures.

The following table provides an overview of total Risk Weighted Assets:

		a	b	c
		RWA		Minimum capital requirements
		MAR-25 AED 000	DEC-24 AED 000	MAR-25 AED 000
1	Credit risk (excluding counterparty credit risk)	697,237	763,966	73,210
2	Of which: standardised approach (SA)	697,237	763,966	73,210
3	[redacted]			
4				
5				
6	Counterparty credit risk (CCR)	1	3	0
7	Of which: standardised approach for counterparty credit risk	1	3	0
8	[redacted]			
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	[redacted]			
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitisation standardised approach (SEC-SA)		-	
20	Market risk	530	537	56
21	Of which: standardised approach (SA)	530	537	56
22	[redacted]			
23	Operational risk	47,421	30,677	4,979
24	[redacted]			
25				
26	**Total (1+6+10+11+12+13+14+15+16+20+23)**	**745,189**	**795,182**	**78,245**

Narrative Commentary:

Exposure remains in line with normal business operating activity, slight variation in credit risk exposure is mainly due to decrease in overdraft utilization.

3 Leverage ratio

3.1 Leverage Ratio Common Disclosure (LR2)

		a	b
		MAR-25 AED 000	DEC-24 AED 000
	On-balance sheet exposures		
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	739,169	766,080
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 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)	-	-
7	**Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)**	739,169	766,080
	Derivative exposures		
8	Replacement cost associated with *all* derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	7	13
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)**	7	13
	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	2,394,288	2,580,576
20	(Adjustments for conversion to credit equivalent amounts)	(1,276,344)	(1,445,630)
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)**	1,117,943	1,134,945
	Capital and total exposures		
23	**Tier 1 capital**	401,136	387,853
24	**Total exposures (sum of rows 7, 13, 18 and 22)**	1,857,119	1,901,038
	Leverage ratio		
25	**Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)**	21.60%	20.40%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	-	-
26	CBUAE minimum leverage ratio requirement	3%	3%
27	**Applicable leverage buffers**	-	-

Narrative Commentary

Exposure remains in line with normal business operating activity, slight variation in credit risk exposure is mainly due to decrease in short term utilizations (mainly overdrafts).

4 Liquidity
4.1 Eligible Liquid Assets Ratio (ELAR) (AED 000)

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	557,028	
1.2	UAE Federal Government Bonds and Sukuks	0	
	Sub Total (1.1 to 1.2)	557,028	557,028
1.3	UAE local governments publicly traded debt securities	0	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	**Total**	**557,028**	**557,028**
2	Total liabilities		256,814
3	**Eligible Liquid Assets Ratio (ELAR)**		**2.17**

Note: Data is based on a simple averages of daily observations over the period of 90 days of Q1 2025 (i.e. starting from 1st of Jan 2025 to end of Mar 31, 2025) as per regulatory guidelines.

4.2 Advances to Stables Resource Ratio (ASRR) (AED 000)

		Items	Amount
1		**Computation of Advances**	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	43,054
	1.2	Lending to non-banking financial institutions	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	206,050
	1.4	Interbank Placements	10,425
	1.5	**Total Advances**	259,529
2		**Calculation of Net Stable Ressources**	
	2.1	Total capital + general provisions	404,052
		Deduct:	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	3,129
	2.1.3	Funds allocated to branches abroad	0
	2.1.5	Unquoted Investments	0
	2.1.6	Investment in subsidiaries, associates and affiliates	0
	2.1.7	**Total deduction**	3,129
	2.2	**Net Free Capital Funds**	400,923
	2.3	**Other stable resources:**	
	2.3.1	Funds from the head office	0
	2.3.2	Interbank deposits with remaining life of more than 6 months	0
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	928
	2.3.5	Customer Deposits	81,427
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	**Total other stable resources**	82,355
	2.4	**Total Stable Resources (2.2+2.3.7)**	483,278
3		**Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)**	53.70