

Credit Agricole CIB – UAE
(Dubai and Abu Dhabi Branches)

Pillar 3 Market Disclosures
Quarter 3-2024

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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.

		SEP-24 AED 000	JUN-24 AED 000	MAR-24 AED 000	DEC-23 AED 000	SEP-23 AED 000
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	387,848	387,862	387,815	372,933	372,896
1a	Fully loaded ECL accounting model	387,848	387,862	387,815	372,933	372,896
2	Tier 1	387,848	387,862	387,815	372,933	372,896
2a	Fully loaded ECL accounting model Tier 1	387,848	387,862	387,815	372,933	372,896
3	Total capital	387,848	387,862	387,815	372,933	372,896
3a	Fully loaded ECL accounting model total capital	387,848	387,862	387,815	372,933	372,896
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	685,956	700,863	606,582	578,265	731,649
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	56.54%	55.34%	63.93%	64.49%	50.97%
5a	Fully loaded ECL accounting model CET1 (%)	56.54%	55.34%	63.93%	64.49%	50.97%
6	Tier 1 ratio (%)	56.54%	55.34%	63.93%	64.49%	50.97%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	56.54%	55.34%	63.93%	64.49%	50.97%
7	Total capital ratio (%)	56.54%	55.34%	63.93%	64.49%	50.97%
7a	Fully loaded ECL accounting model total capital ratio (%)	56.54%	55.34%	63.93%	64.49%	50.97%
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 (%)	46.04%	44.84%	53.43%	53.99%	40.47%
Leverage Ratio						
13	Total leverage ratio measure	1,792,775	1,792,046	1,519,135	1,497,992	1,769,839
14	Leverage ratio (%) (row 2/row 13)	21.63%	21.64%	25.53%	24.90%	21.07%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	21.63%	21.64%	25.53%	24.90%	21.07%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	21.63%	21.64%	25.53%	24.90%	21.07%
Liquidity Coverage Ratio						
15	Total HQLA	0.00	0.00	0.00	0.00	0.00
16	Total net cash outflow	0.00	0.00	0.00	0.00	0.00
17	LCR ratio (%)	0.00	0.00	0.00	0.00	0.00
Net Stable Funding Ratio						
18	Total available stable funding	0.00	0.00	0.00	0.00	0.00
19	Total required stable funding	0.00	0.00	0.00	0.00	0.00
20	NSFR ratio (%)	0.00	0.00	0.00	0.00	0.00
ELAR						
21	Total HQLA	575,720	550,371	496,145	466,609	473,804
22	Total liabilities	288,994	287,262	192,773	225,885	276,583
23	Eligible Liquid Assets Ratio (ELAR) (%)	199%	192%	257%	207%	171%
ASRR						
24	Total available stable funding	472,858	481,870	470,270	433,725	528,295
25	Total Advances	234,691	232,198	65,347	29,521	96,685
26	Advances to Stable Resources Ratio (%)	49.63%	48.19%	13.90%	6.81%	18.30%

Narrative Commentary on Q-o-Q Variance:

- **Total risk-weighted assets (RWA):** The QoQ Variance is marginal (+2%) which is in line with the business activity of the UAE Onshore branches. The reduction is mainly due to decrease in utilizations under non-funded exposures.
- **ELAR:** QoQ evolution is mainly reflective of the increase HQLA (M-Bills & Overnight Deposit facility with UAE Central Bank)
- **ASRR:** No significant variance QoQ.

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
	SEP-24 AED 000	JUN-24 AED 000	SEP-24 AED 000
1 Credit risk (excluding counterparty credit risk)	654,794	669,711	68,753
2 Of which: standardised approach (SA)	654,794	669,711	68,753
3			
4			
5			
6 Counterparty credit risk (CCR)	1	7	0
7 Of which: standardised approach for counterparty credit risk	1	7	0
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	484	468	51
21 Of which: standardised approach (SA)	484	468	51
22			
23 Operational risk	30,677	30,677	3,221
24			
25			
26 Total (1+6+10+11+12+13+14+15+16+20+23)	685,956	700,863	72,025

Narrative Commentary:

No significant variance QoQ. Please see comments under KM1.

3 Leverage ratio

3.1 Leverage Ratio Common Disclosure (LR2)

	a	b
	SEP-24	JUN-24
	AED 000	AED 000
On-balance sheet exposures		
1 On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	681,424	654,320
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)	681,424	654,320
Derivative exposures		
8 Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	1	7
9 Add-on amounts for PFE associated with <i>all</i> 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)	1	7
Securities financing transactions		
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 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	2,558,749	2,616,163
20 (Adjustments for conversion to credit equivalent amounts)	(1,447,399)	(1,478,444)
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)	1,111,350	1,137,719
Capital and total exposures		
23 Tier 1 capital	387,848	387,862
24 Total exposures (sum of rows 7, 13, 18 and 22)	1,792,775	1,792,046
Leverage ratio		
25 Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	21.63%	21.64%
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

- No significant variance QoQ.
- On-Balance Sheet exposure is mainly due to increase in placements with UAE Central Bank (Overnight Deposit Facility) as at 30 Sep 2024 compared to the previous quarter.
- Off-Balance Sheet exposure is mainly due to QoQ decrease in non-funded exposure

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	575,720	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	575,720	575,720
1.3	UAE local governments publicly traded debt securities		
1.4	UAE Public sector publicly traded debt securities		
	Sub total (1.3 to 1.4)		
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks		
1.6	Total	575,720	575,720
2	Total liabilities		288,994
3	Eligible Liquid Assets Ratio (ELAR)		1.99

Note: Data is based on a simple average of daily observations over the Q3 2024 (i.e. starting from 01 Jul 2024 to 30 Sep 2024) 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)	70
1.2	Lending to non-banking financial institutions	
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	207,002
1.4	Interbank Placements	27,619
1.5	Total Advances	234,691
2	Calculation of Net Stable Ressources	
2.1	Total capital + general provisions	399,207
	Deduct:	
2.1.1	Goodwill and other intangible assets	
2.1.2	Fixed Assets	714
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	714
2.2	Net Free Capital Funds	398,493
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	
2.3.5	Customer Deposits	74,365
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
2.3.7	Total other stable resources	74,365
2.4	Total Stable Resources (2.2+2.3.7)	472,858
3	Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	49.63