

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

Pillar 3 Market Disclosures  
Quarter 2-2025

**TABLE OF CONTENTS**

<b>Note</b>	<b>Contents</b>	<b>Pages</b>
1	Introduction.....	2
2	Overview of risk management, key prudential metrics and RWA.....	3 – 4
3	Composition of Capital.....	5 – 7
4	Leverage ratio.....	8
5	Liquidity.....	9
6	Credit Risk .....	10 – 11
7	Market Risk .....	11

## **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)
- Stress test done to understand the impact on Capital adequacy.
- Assessment of risk in line with the scale & size of business.

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 and Finance departments. 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 (Dubai and Abu Dhabi) Branches and hence have not been included in these disclosures.

<b>Table</b>	<b>Information Overview</b>	<b>Disclosure Frequency</b>
CCA	Main features of regulatory capital instruments	Semi-annual
CCyB1	Geographical distribution of credit exposures used in the countercyclical buffer	Semi-annual
LIQ2	Net Stable Funding Ratio	Semi-annual
LIQ1	Liquidity Coverage Ratio	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:

		JUN-25 AED 000	MAR-25 AED 000	DEC-24 AED 000	SEP-24 AED 000	JUN-24 AED 000
	<b>Available capital (amounts)</b>					
1	Common Equity Tier 1 (CET1)	401,239	401,136	387,853	387,848	387,862
1a	Fully loaded ECL accounting model	401,239	401,136	387,853	387,848	387,862
2	Tier 1	401,239	401,136	387,853	387,848	387,862
2a	Fully loaded ECL accounting model Tier 1	401,239	401,136	387,853	387,848	387,862
3	Total capital	401,239	401,136	387,853	387,848	387,862
3a	Fully loaded ECL accounting model total capital	401,239	401,136	387,853	387,848	387,862
	<b>Risk-weighted assets (amounts)</b>					
4	Total risk-weighted assets (RWA)	848,159	745,189	795,182	685,956	700,863
	<b>Risk-based capital ratios as a percentage of RWA</b>					
5	Common Equity Tier 1 ratio (%)	47.31%	53.83%	48.78%	56.54%	55.34%
5a	Fully loaded ECL accounting model CET1 (%)	47.31%	53.83%	48.78%	56.54%	55.34%
6	Tier 1 ratio (%)	47.31%	53.83%	48.78%	56.54%	55.34%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	47.31%	53.83%	48.78%	56.54%	55.34%
7	Total capital ratio (%)	47.31%	53.83%	48.78%	56.54%	55.34%
7a	Fully loaded ECL accounting model total capital ratio (%)	47.31%	53.83%	48.78%	56.54%	55.34%
	<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 (%)	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 (%)	36.81%	43.33%	38.28%	46.04%	44.84%
	<b>Leverage Ratio</b>					
13	Total leverage ratio measure	2,083,007	1,857,119	1,901,038	1,792,775	1,792,046
14	Leverage ratio (%) (row 2/row 13)	19.26%	21.60%	20.40%	21.63%	21.64%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	19.26%	21.60%	20.40%	21.63%	21.64%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	19.26%	21.60%	20.40%	21.63%	21.64%
	<b>Liquidity Coverage Ratio</b>					
15	Total HQLA	-	-	-	-	-
16	Total net cash outflow	-	-	-	-	-
17	LCR ratio (%)	-	-	-	-	-
	<b>Net Stable Funding Ratio</b>					
18	Total available stable funding	-	-	-	-	-
19	Total required stable funding	-	-	-	-	-
20	NSFR ratio (%)	-	-	-	-	-
	<b>ELAR</b>					
21	Total HQLA	573,318	557,028	596,404	575,720	550,371
22	Total liabilities	273,556	256,814	314,917	288,994	287,262
23	Eligible Liquid Assets Ratio (ELAR) (%)	210%	217%	189%	199%	192%
	<b>ASRR</b>					
24	Total available stable funding	464,214	483,278	475,217	472,858	481,870
25	Total Advances	308,618	259,529	314,307	234,691	232,198
26	Advances to Stable Resources Ratio (%)	66.48%	53.70%	66.14%	49.63%	48.19%

#### Narrative Commentary on QoQ Variance:

- **Total risk-weighted assets (RWA):** The QOQ variance is mainly due to increase in short term credit utilisations (mainly overdraft facilities) and increase in re-issuance of intra group guarantees.
- **ELAR:** Minimum ELAR required to be maintained as per the guidelines of the Central Bank of UAE is 10%, Average ELAR QoQ has decreased by 7% and stands at 210% as of June-25, the evolution in QoQ mainly due to the evolution under assets and liabilities during the quarter
- **ASRR:** Increase in ratio on QOQ is mainly due to increase in short term credit utilisations (mainly overdraft facilities) and decrease in customer deposits.

## 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
		JUN-25 AED 000	MAR-25 AED 000	JUN-25 AED 000
1	Credit risk (excluding counterparty credit risk)	798,627	697,237	83,856
2	Of which: standardised approach (SA)	798,627	697,237	83,856
3				
4				
5				
6	Counterparty credit risk (CCR)	3	1	0
7	Of which: standardised approach for counterparty credit risk	3	1	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	2,108	530	221
21	Of which: standardised approach (SA)	2,108	530	221
22				
23	Operational risk	47,421	47,421	4,979
24				
25				
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>848,159</b>	<b>745,189</b>	<b>89,056</b>

- **Total risk-weighted assets (RWA):** The QOQ increase from Q1 to Q2 is mainly due to increase in short term credit utilisations (mainly overdraft facilities) and increase in re-issuance of intra group guarantees.

**3 Composition of capital (CC1)**

		Amounts AED 000
	<b>Common Equity Tier 1 capital: instruments and reserves</b>	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capitalplus related stock surplus	316,403
2	Retained earnings	35,158
3	Accumulated other comprehensive income (and other reserves)	49,678
4	<i>Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)</i>	
5	Common share capital issued by third parties (amount allowed in group CET1)	
6	<b>Common Equity Tier 1 capital before regulatory deductions</b>	<b>401,239</b>
	<b>Common Equity Tier 1 capital regulatory adjustments</b>	
7	Prudent valuation adjustments	
8	Goodwill (net of related tax liability)	
9	Other intangibles including mortgage servicing rights (net of related tax liability)	
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	<b>Total regulatory adjustments to Common Equity Tier 1</b>	
25	<b>Common Equity Tier 1 capital (CET1)</b>	<b>401,239</b>
	<b>Additional Tier 1 capital: instruments</b>	
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	<i>Directly issued capital instruments subject to phase-out from additional Tier 1</i>	
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	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	
32	Additional Tier 1 capital before regulatory adjustments	
	<b>Additional Tier 1 capital: regulatory adjustments</b>	
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	<b>Additional Tier 1 capital (AT1)</b>	
39	<b>Tier 1 capital (T1= CET1 + AT1)</b>	<b>401,239</b>
	<b>Tier 2 capital: instruments and provisions</b>	
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	
45	<b>Tier 2 capital before regulatory adjustments</b>	
	<b>Tier 2 capital: regulatory adjustments</b>	
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)	
49	CBUAE specific regulatory adjustments	
50	<b>Total regulatory adjustments to Tier 2 capital</b>	
51	<b>Tier 2 capital (T2)</b>	
52	<b>Total regulatory capital (TC = T1 + T2)</b>	401,239
53	<b>Total risk-weighted assets</b>	848,159
	<b>Capital ratios and buffers</b>	
54	<b>Common Equity Tier 1 (as a percentage of risk-weighted assets)</b>	47.31%
55	<b>Tier 1 (as a percentage of risk-weighted assets)</b>	47.31%
56	<b>Total capital (as a percentage of risk-weighted assets)</b>	47.31%
57	<b>Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)</b>	2.50%
58	<b>Of which: capital conservation buffer requirement</b>	2.50%
59	<b>Of which: bank-specific countercyclical buffer requirement</b>	-
60	<b>Of which: higher loss absorbency requirement (e.g. DSIB)</b>	-
61	<b>Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.</b>	36.81%
	<b>The CBUAE Minimum Capital Requirement</b>	
62	Common Equity Tier 1 minimum ratio	7.00%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%
	<b>Amounts below the thresholds for deduction (before risk weighting)</b>	
66	Significant investments in common stock of financial entities	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	
	<b>Applicable caps on the inclusion of provisions in Tier 2</b>	
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	
70	Cap on inclusion of provisions in Tier 2 under standardised approach	
	<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)</b>	
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)	

CET1 ratio as of June 25 is 47.31%. In comparison, CET1 ratio as at Mar 25 end was 53.83%. The variance in ratio is mainly due to increase in short term credit utilisations (mainly overdraft facilities) and increase in re-issuance of intra group guarantees.  
IFRS transitional arrangement of Partial addback of ECL impact to CET1 of AED 103K is included in Retained Earnings.

### 3.1 Composition of regulatory capital (CC2)

Reconciliation of regulatory capital to balance sheet

	a	b	c
	Balance sheet as in published financial statements (AED 000)	Under regulatory scope of consolidation (AED 000)	Reference
	As at period-end JUN-25	As at period-end JUN-25	
<b>Assets</b>			
Cash and balances at central banks	673,622	676,350	Note A & D
Due from Head office and Branches	7,753	7,753	Note A
Due from Other Banks	44,657	44,676	Note A
Loans and advances	77,694	121,886	Note A & B
Other Assets	13,413	16,858	Note C
Property, plant and equipment	2,882	2,882	
<b>Total assets</b>	<b>820,021</b>	<b>870,405</b>	
<b>Liabilities</b>			
Due to Central Bank	-	2,630	Note D
Due to Head office and Branches	320,546	320,546	
Due to Other Banks	2,547	2,547	
Due to Customers	71,225	71,225	
Other liabilities	20,189	67,943	Note A & C
<b>Total liabilities</b>	<b>414,507</b>	<b>464,891</b>	
<b>Shareholders' equity</b>			
Paid-in share capital	316,403	316,403	
Regulatory credit risk reserve	15,597	15,597	
Retained earnings	39,433	39,433	Note E
Statutory Reserves	34,081	34,081	
<b>Total shareholders' equity</b>	<b>405,514</b>	<b>405,514</b>	

\*CACIB Onshore branches do not prepare or publish interim financials. The Bank has updated the balance sheet in the annual Financial Statement format solely for the purpose of Pillar 3 disclosures.

#### Reference:

Note A: ECL Allowances reclassified from Other liabilities

Note B: Specific Provision on bad and doubtful debts

Note C: Under the regulatory returns, Acceptances are classified under Other Assets/Other Liabilities while for Basel III returns and the Audited Financial Statements, these are reclassified under off balance sheet.

Note D: Open item under Central bank reconciliation netted off against cash and balances with central bank

Note E: Current Year's profit though not audited has been included in Retained Earnings

#### Narrative Commentary:

Balance sheet size as of June 30<sup>th</sup> 2025 was at 820 MAED vis-à-vis to 695MAED as at 31<sup>st</sup> Mar 2025. The variance is mainly due to increase in short term credit utilisations (mainly overdraft facilities) and increase in MBills placements with Central bank.



#### 4 Leverage ratio

Summary comparison of accounting assets vs leverage ratio exposure (LR2)

	a	b
	JUN-25	MAR-25
	AED 000	AED 000
<b>On-balance sheet exposures</b>		
On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	866,960	739,169
Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework		
Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		
(Asset amounts deducted in determining Tier 1 capital)		
<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	866,960	739,169
<b>Derivative exposures</b>		
Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	16	7
Add-on amounts for PFE associated with <i>all</i> derivatives transactions		
(Exempted CCP leg of client-cleared trade exposures)		
Adjusted effective notional amount of written credit derivatives		
(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
<b>Total derivative exposures (sum of rows 8 to 12)</b>	16	7
<b>Securities financing transactions</b>		
Gross SFT <i>assets</i> (with no recognition of netting), after adjusting for sale accounting transactions		
(Netted amounts of cash payables and cash receivables of gross SFT assets)		
CCR exposure for SFT assets		
Agent transaction exposures		
<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>		
<b>Other off-balance sheet exposures</b>		
Off-balance sheet exposure at gross notional amount	2,663,762	2,394,288
(Adjustments for conversion to credit equivalent amounts)	(1,447,731)	(1,276,344)
(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)		
<b>Off-balance sheet items (sum of rows 19 to 21)</b>	1,216,031	1,117,943
<b>Capital and total exposures</b>		
<b>Tier 1 capital</b>	401,239	401,136
<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	2,083,007	1,857,119
<b>Leverage ratio</b>		
Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	19.26%	21.60%
Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)		
CBUAE minimum leverage ratio requirement	3%	3%
<b>Applicable leverage buffers</b>		

## 5 Liquidity

### 5.1 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	573,318	
1.2	UAE Federal Government Bonds and Sukuks		
	Sub Total (1.1 to 1.2)	573,318	573,318
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	<b>Total</b>	<b>573,318</b>	<b>573,318</b>
2	Total liabilities		273,556
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>2.10</b>

**Note:** Data is based on simple average of daily observations calculated over a period of 91 days starting 1st of April 2025 to 30th of June 2025

### 5.2 Advances to Stables Resource Ratio (ASRR) (AED 000)

		Items	Amount
1		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	77,702
	1.2	Lending to non-banking financial institutions	
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	208,937
	1.4	Interbank Placements	21,979
	1.5	<b>Total Advances</b>	<b>308,618</b>
2		<b>Calculation of Net Stable Ressources</b>	
	2.1	Total capital + general provisions	406,554
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	
	2.1.2	Fixed Assets	2,882
	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	<b>Total deduction</b>	<b>2,882</b>
	2.2	<b>Net Free Capital Funds</b>	<b>403,672</b>
	2.3	<b>Other stable resources:</b>	
	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	240
	2.3.5	Customer Deposits	60,302
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	
	2.3.7	<b>Total other stable resources</b>	<b>60,542</b>
	2.4	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>464,214</b>
3		<b>Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)</b>	<b>66.48</b>

## 6 Credit Risk

### 6.1 Credit quality of assets (CR1) (AED 000)

		a	b	c	d	e	f
		Gross carrying values of		Allowances/ Impairment s	Of which ECL accounting provisions for credit losses		Net values (a+b-c)
		Defaulted exposures	Non-defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	43,809	78,077	44,192	44,184	8	77,694
2	Debt securities	-	-	-	-	-	-
3	Off-balance sheet exposures	-	2,118,077	915	-	915	2,117,162
4	<b>Total</b>	<b>43,809</b>	<b>2,196,154</b>	<b>45,107</b>	<b>44,184</b>	<b>923</b>	<b>2,194,856</b>

#### Definition of default

According to the Basel definition, the bank considers that default has occurred for an obligor when one or more of the following events have happened:

- The Bank concludes that the obligor is unlikely to repay its obligation in full.
- The Bank makes a specific provision resulting from deterioration in the credit quality of the counterparty.
- The Bank disposes off the credit obligation to a third party at an economic loss.
- The Bank agrees to a distressed restructuring of the credit obligation resulting in reduction of the obligation due to significant markdown or postponement of principal, interest and/or other fees.
- A material debt/receivable is overdue for more than 90 days.
- A Default event in the legal meaning (specified in credit agreement and decided by creditors)

\* Defaulted Exposures: In line with the CBUAE Pillar 3 guidelines, out of the total defaulted exposures of 44,184 KAED , only the past due for more than 90 days have been disclosed in CR1.

\*\*Total Off-balance sheet exposures exclude unconditionally cancellable commitments of 545,685K AED

### 6.2 Changes in stock of defaulted loans and debt securities (CR2) (AED 000)

	a
1 Defaulted loans and debt securities at the end of the previous reporting period	43,059
2 Loans and debt securities that have defaulted since the last reporting period	-
3 Returned to non-default status	-
4 Amounts written off	-
5 Other changes	750
6 Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	43,809

### 6.3 Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4) (AED 000)

Asset classes	a		b		c		d		e		f
	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density						RWA density
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA						
1 Sovereigns and their central banks	676,350		676,350								0%
2 Public Sector Entities											0%
3 Multilateral development banks											0%
4 Banks	53,966	1,746,496	53,966	977,261	518,528						50%
5 Securities firms											0%
6 Corporates	77,701	917,266	77,701	187,647	265,348						100%
7 Regulatory retail portfolios											0%
8 Secured by residential property											0%
9 Secured by commercial real estate											0%
10 Equity Investment in Funds (EIF)											0%
11 Past-due loans	44,184										0%
12 Higher-risk categories											0%
13 Other assets	14,759		14,759		14,751						100%
14 Total	866,960	2,663,762	822,776	1,164,908	798,627						40%

Note: The QoQ increase from Q1 to Q2 is mainly due to to increase in short term credit utilisations (mainly overdraft facilities) and increase in re-issuance of intra group guarantees.

#### 6.4 Standardised approach - exposures by asset classes and risk weights (CR5) (AED 000)

		a	b	c	d	e	f	g	h	i
	Risk weight	0%	20%	35%	50%	75%	100%	150%	Others	Total credit exposures amount (post CCF and post-CRM)
Asset classes										
1	Sovereigns and their central banks	676,350								676,350
2	Public Sector Entities									-
3	Multilateral development banks									-
4	Banks	238	13,982		1,010,136		-	7,109		1,031,465
5	Securities firms									-
6	Corporates	387					265,348			265,735
7	Regulatory retail portfolios									-
8	Secured by residential property									-
9	Secured by commercial real estate									-
10	Equity Investment in Funds (EIF)									-
11	Past-due loans									-
12	Higher-risk categories									-
13	Other assets	8			-		14,751			14,759
14	<b>Total</b>	<b>676,983</b>	<b>13,982</b>	<b>-</b>	<b>1,010,136</b>	<b>-</b>	<b>280,099</b>	<b>7,109</b>	<b>-</b>	<b>1,988,309</b>

**Narrative commentary:** Exposures after applying CRM as at 30 June 2025 was at 1,988M AED compared to 1,768M AED as at 31 March 2025. The QOQ increase is mainly due to to increase in short term credit utilisations (mainly overdraft facilities) and increase in re-issuance of intra group guarantees.

**Note on Past Due Loans:** As per Pillar 3 guidelines, past due loans correspond to the unsecured portion of any loan past due for more than 90 days needs to be shown under dedicated line 'Past due loans' in above table.

As of June 30, 2025, past due loan for more than 90 days amounted to AED43,809K which has been fully provided. In this case, net exposure remains zero and hence, has not been segregated in above table.

## 7 Market Risk

### 7.1 Market risk under the standardised approach (SA) (MR1) (AED 000)

	a
	RWA
1 General Interest rate risk (General and Specific)	
2 Equity risk (General and Specific)	
3 Foreign exchange risk	2,108
4 Commodity risk	
Options	
5 Simplified approach	
6 Delta-plus method	
7	
8 Securitisation	
9 <b>Total</b>	<b>2,108</b>