



Commercial Bank International P.S.C

Basel III - Pillar 3 Disclosures -30 September 2024



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1. Introduction

This Basel III - Pillar 3 Report for Commercial Bank International (“CBI” or “the bank”) has been prepared in accordance with the public/ market disclosure requirements and guidelines in respect of Pillar 3 of Basel III, as prescribed by the Central Bank of the UAE (CBUAE) and other clarifications received from time to time along with the Formal Disclosure Policy of the Bank.

Based on the revised Capital Standards and guidelines issued by CBUAE, Banks are required to report the Pillar 3 Market Disclosure on quarterly, semi-annually, and annual basis.

2. Key metrics at consolidated group level (KM1)

	AED in 000's	Sep-24	Jun-24	Mar-24	Dec-23	Sep-23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	2,045,691	1,888,302	1,896,111	1,920,622	1,848,346
1a	Fully loaded ECL accounting model	2,011,059	1,856,157	1,871,773	1,861,439	1,792,273
2	Tier 1	2,504,816	2,347,427	2,355,236	2,379,747	2,307,471
2a	Fully loaded ECL accounting model Tier 1	2,470,184	2,315,282	2,330,898	2,320,564	2,251,398
3	Total capital	2,701,512	2,538,257	2,555,312	2,576,503	2,503,847
3a	Fully loaded ECL accounting model total capital	2,666,879	2,506,112	2,530,974	2,517,320	2,447,774
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	17,084,885	16,568,003	17,269,480	17,010,967	17,025,965
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	11.97%	11.40%	10.98%	11.29%	10.86%
5a	Fully loaded ECL accounting model CET1 (%)	11.77%	11.20%	10.84%	10.94%	10.53%
6	Tier 1 ratio (%)	14.66%	14.17%	13.64%	13.99%	13.55%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.46%	13.97%	13.50%	13.64%	13.22%
7	Total capital ratio (%)	15.81%	15.32%	14.80%	15.15%	14.71%
7a	Fully loaded ECL accounting model total capital ratio (%)	15.61%	15.13%	14.66%	14.80%	14.38%
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 (%)	4.97%	4.40%	3.98%	4.29%	3.86%
Leverage Ratio						
13	Total leverage ratio measure	23,584,811	22,445,259	21,667,933	21,562,956	21,494,437
14	Leverage ratio (%) (row 2/row 13)	10.62%	10.46%	10.87%	11.04%	10.74%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.47%	10.32%	10.76%	10.76%	10.47%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.62%	10.46%	10.87%	11.04%	10.74%
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	3,303,211	2,746,417	2,725,303	2,337,825	2,653,204
22	Total liabilities	17,804,454	17,016,608	16,094,542	16,052,929	15,846,954
23	Eligible Liquid Assets Ratio (ELAR) (%)	18.55%	16.14%	16.93%	14.56%	16.74%
ASRR						

24	Total available stable funding	16,308,931	14,555,331	14,453,300	14,695,718	14,241,683
25	Total Advances	13,963,749	13,756,379	13,056,941	13,677,694	12,661,953
26	Advances to Stable Resources Ratio (%)	85.62%	94.51%	90.34%	93.07%	88.91%

3. Overview of RWA (OV1)

AED in 000's		Sep-24	Jun-24	Sep-24
		RWA		Minimum capital requirements
1	Credit risk (excluding counterparty credit risk)	15,703,644	15,228,247	1,648,883
2	Of which: standardised approach (SA)	15,703,644	15,228,247	1,648,883
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)	15,981	19,074	1,678
7	Of which: standardised approach for counterparty credit risk	15,981	19,074	1,678
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	15,981	19,074	1,678
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	277,934	279,650	29,183
21	Of which: standardised approach (SA)	277,934	279,650	29,183
22	Of which: internal models approach (IMA)			
23	Operational risk	1,071,345	1,021,957	112,491
24	Amounts below thresholds for deduction (subject to 250% risk weight)			
25	Floor adjustment			
26	Total (1+6+10+11+12+13+14+15+16+20+23)	17,084,885	16,568,003	1,793,913

Note: Minimum capital requirements are calculated at 10.50%

4. Leverage Ratio

4.1 Summary Comparison of Accounting Assets vs Leverage Ratio Exposure Measure (LR1)

AED in 000's	Sep-24	
1	Total consolidated assets as per published financial statements	20,995,424
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(250,355)
3	Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference	0
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	(20,990)
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	36,279
9	Adjustment for securities financing transactions (ie repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,824,453
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	-
13	Leverage ratio exposure measure	23,584,811

4.2 Leverage Ratio Common Disclosure Template (LR2)

AED in 000's		Sep-24	Jun-24
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	20,745,069	19,725,473
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)	(20,990)	(22,929)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	20,724,079	19,702,544
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	3,643	8,542
9	Add-on amounts for PFE associated with all derivatives transactions	22,271	19,190
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)	36,279	38,825
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	5,612,881	5,412,941
20	(Adjustments for conversion to credit equivalent amounts)	(2,788,428)	(2,709,051)
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)	2,824,453	2,703,890
Capital and total exposures			
23	Tier 1 capital	2,504,816	2,347,427
24	Total exposures (sum of rows 7, 13, 18 and 22)	23,584,811	22,445,259
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.620%	10.458%
26	CBUAE minimum leverage ratio requirement	3.000%	3.000%
27	Applicable leverage buffers	7.620%	7.458%

5. Liquidity Risk

Liquidity Coverage Ratio (LIQ1) & Net Stable Funding Ratio (LIQ2)

Not Applicable – Not a regulatory requirement for Commercial Bank International as of Q3 2024.

5.1 Eligible Liquid Assets Ratio (ELAR)

AED in 000's			Sep-24
1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	2,041,184	
1.2	UAE Federal Government Bonds and Sukuks	800,035	
	Sub Total (1.1 to 1.2)	2,841,219	2,841,219
1.3	UAE local governments publicly traded debt securities	461,992	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	461,992	461,992
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	3,303,211	3,303,211
2	Total liabilities		17,804,454
3	Eligible Liquid Assets Ratio (ELAR)		18.55%

5.2 Advances to Stables Resource Ratio (ASRR)

AED in 000's			Sep-24
		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	12,855,742
	1.2	Lending to non-banking financial institutions	308,533
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	207,778
	1.4	Interbank Placements	591,696
	1.5	Total Advances	13,963,749
2		Calculation of Net Stable Ressources	
	2.1	Total capital + general provisions	3,156,412
		Deduct:	
	2.1.1	Goodwill and other intangible assets	20,991
	2.1.2	Fixed Assets	558,425
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	17,582
	2.1.6	Investment in subsidiaries, associates and affiliates	68,508
	2.1.7	Total deduction	665,506
	2.2	Net Free Capital Funds	2,490,906
	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	367,300
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	196,330
	2.3.5	Customer Deposits	13,254,395
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	Total other stable resources	13,818,025
	2.4	Total Stable Resources (2.2+2.3.7)	16,308,931
3		Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	85.62