



Commercial Bank International P.S.C

Basel III - Pillar 3 Disclosures -31 March 2024



Table of Contents

S No	Particulars	Page No
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Contents

1.	Introduction.....	3
2.	Key metrics at consolidated group level (KM1)	3
3.	Overview of RWA (OV1).....	4
4.	Leverage Ratio.....	4
4.1	Summary Comparison of Accounting Assets vs Leverage Ratio Exposure Measure (LR1)	4
4.2	Leverage Ratio Common Disclosure Template (LR2).....	5
5.	Liquidity Risk	6
5.1	Eligible Liquid Assets Ratio (ELAR).....	6
5.2	Advances to Stables Resource Ratio (ASRR).....	6

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		Mar-24	Dec-23	Sep-23	Jun-23	Mar-23
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	1,896,111	1,920,622	1,848,346	1,823,897	1,770,800
1a	Fully loaded ECL accounting model	1,871,773	1,861,439	1,792,273	1,774,422	1,722,751
2	Tier 1	2,355,236	2,379,747	2,307,471	2,283,022	2,229,925
2a	Fully loaded ECL accounting model Tier 1	2,330,898	2,320,564	2,251,398	2,233,547	2,181,876
3	Total capital	2,555,312	2,576,503	2,503,847	2,477,711	2,423,760
3a	Fully loaded ECL accounting model total capital	2,530,974	2,517,320	2,447,774	2,428,236	2,375,712
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	17,269,480	17,010,967	17,025,965	16,897,825	16,828,758
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	10.98%	11.29%	10.86%	10.79%	10.52%
5a	Fully loaded ECL accounting model CET1 (%)	10.84%	10.94%	10.53%	10.50%	10.24%
6	Tier 1 ratio (%)	13.64%	13.99%	13.55%	13.51%	13.25%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	13.50%	13.64%	13.22%	13.22%	12.97%
7	Total capital ratio (%)	14.80%	15.15%	14.71%	14.66%	14.40%
7a	Fully loaded ECL accounting model total capital ratio (%)	14.66%	14.80%	14.38%	14.37%	14.12%
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 (%)	3.98%	4.29%	3.86%	3.79%	3.52%
Leverage Ratio						
13	Total leverage ratio measure	21,667,933	21,562,956	21,494,437	22,720,370	23,312,396
14	Leverage ratio (%) (row 2/row 13)	10.87%	11.04%	10.74%	10.05%	9.57%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.76%	10.76%	10.47%	9.83%	9.36%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.87%	11.04%	10.74%	10.05%	9.57%
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	2,725,303	2,337,825	2,653,204	2,659,124	2,591,505
22	Total liabilities	16,094,542	16,052,929	15,846,954	16,655,886	16,934,817

23	Eligible Liquid Assets Ratio (ELAR) (%)	16.93%	14.56%	16.74%	15.97%	15.30%
ASRR						
24	Total available stable funding	14,453,300	14,695,718	14,241,683	13,344,312	14,914,614
25	Total Advances	13,056,941	13,677,694	12,661,953	13,192,743	12,975,891
26	Advances to Stable Resources Ratio (%)	90.34%	93.07%	88.91%	98.86%	87.00%

3. Overview of RWA (OV1)

AED in 000's		Mar-24	Dec-23	Mar-24
		RWA		Minimum capital requirements
1	Credit risk (excluding counterparty credit risk)	15,971,329	15,690,494	1,676,990
2	Of which: standardised approach (SA)	15,971,329	15,690,494	1,676,990
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)	17,375	24,974	1,824
7	Of which: standardised approach for counterparty credit risk	17,375	24,974	1,824
8	Of which: Internal Model Method (IMM)			
9	Of which: other CCR			
10	Credit valuation adjustment (CVA)	17,375	24,974	1,824
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	278,029	279,945	29,193
21	Of which: standardised approach (SA)	278,029	279,945	29,193
22	Of which: internal models approach (IMA)			
23	Operational risk	985,371	990,579	103,464
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)	17,269,480	17,010,967	1,813,295

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		Mar-24
1	Total consolidated assets as per published financial statements	19,002,870
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(253,883)
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 recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	(25,118)
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	30,851
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)	2,913,213
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	21,667,933

4.2 Leverage Ratio Common Disclosure Template (LR2)

AED in 000's		Mar-24	Dec-23
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	18,748,987	18,720,229
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)	(25,118)	(27,170)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	18,723,869	18,693,059
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	8,189	13,340
9	Add-on amounts for PFE associated with all derivatives transactions	13,848	20,632
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)	30,851	47,561
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	5,858,612	5,664,159
20	(Adjustments for conversion to credit equivalent amounts)	(2,945,399)	(2,841,823)
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)	2,913,213	2,822,336
Capital and total exposures			
23	Tier 1 capital	2,355,236	2,379,747
24	Total exposures (sum of rows 7, 13, 18 and 22)	21,667,933	21,562,956
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.870%	11.036%
26	CBUAE minimum leverage ratio requirement	3.000%	3.000%
27	Applicable leverage buffers	7.870%	8.036%

5. Liquidity Risk

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

Not Applicable – Not a regulatory requirement for Commercial Bank International as of Q1 2024.

5.1 Eligible Liquid Assets Ratio (ELAR)

AED in 000's		Mar-24	
1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,131,535	
1.2	UAE Federal Government Bonds and Sukuks	1,087,030	
	Sub Total (1.1 to 1.2)	2,218,565	2,218,565
1.3	UAE local governments publicly traded debt securities	506,738	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub total (1.3 to 1.4)	506,738	506,738
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	2,725,303	2,725,303
2	Total liabilities		16,094,542
3	Eligible Liquid Assets Ratio (ELAR)		16.93%

5.2 Advances to Stables Resource Ratio (ASRR)

AED in 000's			Mar-24
	Items		Amount
1	Computation of Advances		
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)		12,000,975
1.2	Lending to non-banking financial institutions		418,390
1.3	Net Financial Guarantees & Stand-by LC (issued - received)		212,833
1.4	Interbank Placements		424,743
	1.5 Total Advances		13,056,941
2	Calculation of Net Stable Resources		
2.1	Total capital + general provisions		2,913,358
	Deduct:		
2.1.1	Goodwill and other intangible assets		25,118
2.1.2	Fixed Assets		431,253
2.1.3	Funds allocated to branches abroad		-
2.1.5	Unquoted Investments		15,561
2.1.6	Investment in subsidiaries, associates and affiliates		91,806
	2.1.7 Total deduction		563,738
	2.2 Net Free Capital Funds		2,349,620
	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		734,520
2.3.3	Refinancing of Housing Loans		-
2.3.4	Borrowing from non-Banking Financial Institutions		196,333
2.3.5	Customer Deposits		11,172,827
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date		-
	2.3.7 Total other stable resources		12,103,680
	2.4 Total Stable Resources (2.2+2.3.7)		14,453,300
3	Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)		90.34