

Commercial Bank International P.S.C.

Basel III – Pillar 3 Disclosures

30th June 2022



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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

		30 th June 22	31 st March 22	31 st Dec 22
	Available capital (amounts)			
1	Common Equity Tier 1 (CET1)	1,557,762	1,630,115	1,596,425
1a	Fully loaded ECL accounting model	1,531,148	1,591,824	1,594,279
2	Tier 1	2,016,887	2,089,240	2,055,550
2a	Fully loaded ECL accounting model Tier 1	1,990,273	2,050,949	2,053,404
3	Total capital	2,194,060	2,261,755	2,226,625
3a	Fully loaded ECL accounting model total capital	2,167,446	2,223,464	2,224,479
	Risk-weighted assets (amounts)			
4	Total risk-weighted assets (RWA)	15,543,694	15,234,785	15,062,151
	Risk-based capital ratios as a percentage of RWA			
5	Common Equity Tier 1 ratio (%)	10.02%	10.70%	10.60%
5a	Fully loaded ECL accounting model CET1 (%)	9.85%	10.45%	10.58%
6	Tier 1 ratio (%)	12.98%	13.71%	13.65%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	12.80%	13.46%	13.63%
7	Total capital ratio (%)	14.12%	14.85%	14.78%
7a	Fully loaded ECL accounting model total capital ratio (%)	13.94%	14.59%	14.77%
	Additional CET1 buffer requirements as a percentage of RWA			
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	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%
12	CET1 available after meeting the bank's minimum capital requirements (%)	3.02%	3.70%	3.60%
	Leverage Ratio			
13	Total leverage ratio measure	23,382,773	23,966,266	23,849,479
14	Leverage ratio (%) (row 2/row 13)	8.63%	8.72%	8.62%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	8.51%	8.56%	8.61%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.63%	8.72%	8.62%
	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	2,409,294	3,703,932	3,870,104
22	Total liabilities	16,450,031	18,227,926	18,097,779
23	Eligible Liquid Assets Ratio (ELAR) (%)	14.65%	20.32%	21.38%
ASRR				
24	Total available stable funding	12,812,489	14,262,416	13,808,402
25	Total Advances	12,458,212	12,267,181	12,208,237
26	Advances to Stable Resources Ratio (%)	97.23%	86.01%	88.41%

3. Overview of RWA (OV1)

AED in 000's

		RWA		Minimum capital requirements
		30 th June 22	31 st March 22	30 th June 22
1	Credit risk (excluding counterparty credit risk)	14,128,268	13,749,496	1,483,468
2	Of which: standardized approach (SA)	14,128,268	13,749,496	1,483,468
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)	45,554	51,666	4,783
7	Of which: standardized approach for counterparty credit risk	45,554	51,666	4,783
8	Of which: Internal Model Method (IMM)	-	-	-
9	Of which: other CCR	-	-	-
10	Credit valuation adjustment (CVA)	-	-	-
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 - fallback approach	-	-	-
15	Settlement risk	-	-	-
16	Securitization exposures in the banking book	-	-	-
17	Of which: securitization internal ratings-based approach (SEC-IRBA)	-	-	-
18	Of which: securitization external ratings-based approach (SEC-ERBA)	-	-	-
19	Of which: securitization standardized approach (SEC-SA)	-	-	-
20	Market risk	194,641	258,392	20,437
21	Of which: standardized approach (SA)	194,641	258,392	20,437
22	Of which: internal models' approach (IMA)			
23	Operational risk	1,175,231	1,175,231	123,399
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)	15,543,694	15,234,785	1,632,088

Note Minimum capital requirements are calculated @ 10.50%

4. Composition of Capital

4.1 Composition of Regulatory Capital (CC1)

AED in 000's

		30 th June 2022
		Amounts
Common Equity Tier 1 capital: instruments and reserves		
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	1,737,383
2	Retained earnings	(360,838)
3	Accumulated other comprehensive income (and other reserves)	214,532
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	Common Equity Tier 1 capital before regulatory deductions	1,591,077
Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-
8	Goodwill (net of related tax liability)	(33,315)
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	Securitization 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 crossholdings 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	Total regulatory adjustments to Common Equity Tier 1	(33,315)
25	Common Equity Tier 1 capital (CET1)	1,557,762
Additional Tier 1 capital: instruments		
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	-
Additional Tier 1 capital: regulatory adjustments		

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	Additional Tier 1 capital (AT1)	459,125
39	Tier 1 capital (T1= CET1 + AT1)	2,016,887
Tier 2 capital: instruments and provisions		
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	-
41	<i>Directly issued capital instruments subject to phase-out from Tier 2</i>	-
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	<i>Of which: instruments issued by subsidiaries subject to phase-out</i>	-
44	Provisions	177,173
45	Tier 2 capital before regulatory adjustments	177,173
Tier 2 capital: regulatory adjustments		
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	Total regulatory adjustments to Tier 2 capital	-
51	Tier 2 capital (T2)	177,173
52	Total regulatory capital (TC = T1 + T2)	2,194,060
53	Total risk-weighted assets	15,543,694
Capital ratios and buffers		
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	10.02%
55	Tier 1 (as a percentage of risk-weighted assets)	12.98%
56	Total capital (as a percentage of risk-weighted assets)	14.12%
57	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%
58	Of which: capital conservation buffer requirement	2.50%
59	Of which: bank-specific countercyclical buffer requirement	0.00%
60	Of which: higher loss absorbency requirement (e.g., DSIB)	0.00%
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	10.50%
The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%
63	Tier 1 minimum ratio	8.50%
64	Total capital minimum ratio	10.50%
Amounts below the thresholds for deduction (before risk weighting)		
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities	-
66	Significant investments in common stock of financial entities	0
67	Mortgage servicing rights (net of related tax liability)	-
68	Deferred tax assets arising from temporary differences (net of related tax liability)	0
Applicable caps on the inclusion of provisions in Tier 2		

69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	212,607
70	Cap on inclusion of provisions in Tier 2 under standardized approach	177,173
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	Current cap on CET1 instruments subject to phase-out arrangements	0
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0
75	Current cap on AT1 instruments subject to phase-out arrangements	0
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	0
77	Current cap on T2 instruments subject to phase-out arrangements	0
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	0

4.2 Reconciliation of Regulatory Capital to Balance Sheet (CC2)

AED in 000's

	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	As of 30 th June 2022,	As of 30 th June 2022,
Assets		
Cash and balances with the Central Banks	1,196,743	1,196,743
Derivative financial assets	1,678	1,678
Deposits and balances due from banks	218,420	218,420
Loans and advances to customers	11,445,742	11,445,742
Islamic financing and investing assets	578,097	578,097
Financial assets at (FVTOCI)	44,975	103,584
Financial assets at (FVTPL)	145,243	-
Financial assets measured at amortised cost	2,017,223	2,017,223
Property inventory	613,910	422,491
Receivables and other assets	2,644,911	2,673,949
Investment properties	77,942	12,514
Intangible assets	33,315	33,315
Property and equipment	69,495	69,495
Investment in associates	-	-
Non-current asset held for sale	-	-
Total assets	19,087,694	18,773,251
Liabilities		
Balance due to the Central Bank of the UAE	(17,682)	(17,682)
Derivative financial liability	(1,523)	(1,523)
Deposits and balances due to banks	(2,507,103)	(2,507,103)
Customers' deposits	(10,461,643)	(10,460,090)
Islamic customers' deposits	(806,326)	(806,326)
Payables and other liabilities	(2,692,598)	(2,683,448)
Liabilities of assets held for sale	-	-
Total liabilities	(16,486,875)	(16,476,172)
Shareholders' equity		

Share capital	(1,737,383)	(1,737,383)
Tier 1 Capital	(459,125)	(459,125)
Statutory reserve	(272,146)	(269,376)
General reserve	(3,368)	(3,368)
Properties revaluation reserve	-	-
Investment's revaluation reserve	64,079	58,212
Specific provision reserve	(273,491)	(273,491)
General provision reserve	-	-
Accumulated loss / (Retained earnings)	149,482	387,764
Non-controlling interests	(68,867)	(312)
Total shareholders' equity	(2,600,819)	(2,297,079)

4.3 Main Features of Regulatory Capital Instruments (CCA)

AED in 000's

		Quantitative / qualitative information	Common Equity
1	Issuer	CBI TIER 1 PRIVATE LIMITED	CBI
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	ISIN: XS1339766476	NA
3	Governing law(s) of the instrument	English Law	UAE Law
	Regulatory treatment		
4	Transitional arrangement rules (i.e., grandfathering)	Grandfathered at 100% eligibility for 10 years commencing from 1-Jan-2018 until 31-Dec-2027	NA
5	Post-transitional arrangement rules (i.e., grandfathering)	NA	NA
6	Eligible at solo/group/group and solo	Group	Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Ordinary shares
8	Amount recognized in regulatory capital (currency in millions, as of most recent reporting date)	AED 459.125 Mn	AED 1,737.383 Mn
9	Nominal amount of instrument	AED 459.125 Mn	AED 1,737.383 Mn
9a	Issue price	AED 459.125 Mn	AED 1,737.383 Mn
9b	Redemption price	AED 459.125 Mn	AED 1,737.383 Mn
10	Accounting classification	AT-1	Common Equity/ Ordinary shares
11	Original date of issuance	23-Dec-15	Multiple dates
12	Perpetual or dated	Perpetual	NA
13	Original maturity date	NA	NA
14	Issuer call subject to prior supervisory approval	Yes	NA
15	Optional call date, contingent call dates and redemption amount	on or after Dec-2021, redemption amount 100%	NA
16	Subsequent call dates, if applicable	First Call Date and every interest payment date thereafter	NA
	Coupons / dividends	Coupon	Dividend
17	Fixed or floating dividend/coupon	Floating	Floating
18	Coupon rate and any related index	5.993%	NA

19	Existence of a dividend stopper	Yes	Yes
20a	Fully discretionary, partially discretionary, or mandatory (in terms of timing)	Full discretionary	Full discretionary
20b	Fully discretionary, partially discretionary, or mandatory (in terms of amount)	Full discretionary	Full discretionary
21	Existence of step-up or other incentive to redeem	NA	NA
22	Non-cumulative or cumulative	Non-Cumulative	Non-Cumulative
23	Convertible or non-convertible	Non-Cumulative	Non-Cumulative
24	Write-down feature	Yes	Yes
25	If write-down, write-down trigger(s)	At the point of non-viability	At the point of non-viability
26	If write down, full or partial	Full	Full
27	If write-down, permanent or temporary	Permanent	Permanent
28	If temporary write-own, description of writeup mechanism	NA	NA
28a	Type of subordination	NA	NA
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	NA	NA
30	Non-compliant transitioned features	NA	NA
31	If yes, specify non-compliant features	NA	NA

Note: Details of Additional Tier 1 Capital Instruments are reported in the above table.

5. Macprudential Supervisory Measures

CCyB1: Geographical distribution of credit exposures used in the countercyclical buffer

Not applicable.

6. Leverage Ratio

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

		AED in 000's
		30 th June 2022
1	Total consolidated assets as per published financial statements	19,088,060
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(314,443)
3	Adjustment for securitized 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	(33,315)
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	45,554
9	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	-
10	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	4,598,596
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
12	Other adjustments	(1,678)
13	Leverage ratio exposure measure	23,382,773

6.2 Leverage Ratio Common Disclosure Template (LR2)

AED in 000's

		30 th June 22	31 st March 22
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	18,771,939	19,032,929
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 recognized 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)	(33,315)	(35,764)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	18,738,624	18,997,165
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)	25,711	29,188
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	6,828	7,717
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)	45,554	51,666
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	6,823,506	7,553,790
20	(Adjustments for conversion to credit equivalent amounts)	(2,224,911)	(2,636,355)
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)	4,598,596	4,917,435
Capital and total exposures			
23	Tier 1 capital	2,016,887	2,089,240
24	Total exposures (sum of rows 7, 13, 18 and 22)	23,382,773	23,966,266

Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	8.626%	8.717%
26	CBUAE minimum leverage ratio requirement	3.000%	3.000%
27	Applicable leverage buffers	5.626%	5.717%

7. Liquidity Risk

7.1 Eligible Liquid Assets Ratio (ELAR)

AED in 000's

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,179,056	
1.2	UAE Federal Government Bonds and Sukuks	549,474	
	Sub Total (1.1 to 1.2)	1,728,530	1,728,530
1.3	UAE local governments publicly traded debt securities	509,289	
1.4	UAE Public sector publicly traded debt securities	73,107	
	Subtotal (1.3 to 1.4)	582,396	498,615
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	182,149	182,149
1.6	Total	2,493,075	2,409,294
2	Total liabilities		16,450,031
3	Eligible Liquid Assets Ratio (ELAR)		14.65%

7.2 Advances to Stables Resource Ratio (ASRR)

AED in 000's

		Items	Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	12,103,771
	1.2	Lending to non-banking financial institutions	122,504
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	231,937
	1.4	Interbank Placements	0
	1.5	Total Advances	12,458,212
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	2,518,943
		Deduct:	
	2.1.1	Goodwill and other intangible assets	31,994
	2.1.2	Fixed Assets	491,985
	2.1.3	Funds allocated to branches abroad	0
	2.1.5	Unquoted Investments	20,007
	2.1.6	Investment in subsidiaries, associates, and affiliates	91,806
	2.1.7	Total deduction	635,792
	2.2	Net Free Capital Funds	1,883,151
	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	973,288
	2.3.3	Refinancing of Housing Loans	0

	2.3.4	Borrowing from non-Banking Financial Institutions	12,393
	2.3.5	Customer Deposits	9,943,657
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	Total other stable resources	10,929,338
	2.4	Total Stable Resources (2.2+2.3.7)	12,812,489
3		Advances to Stable Resources Ratio (1.6/ 2.4*100)	97.23

8. Credit Risk

8.1 Credit Quality of Assets (CR1)

AED in 000's

		Gross carrying values of		Allowances/ Impairments	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non- defaulted exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	2,207,281	10,352,872	535,949	351,251	184,699	12,024,204
2	Debt securities	-	2,023,525	6,302	-	6,302	2,017,222
3	Off-balance sheet exposures	267,000	6,556,507	28,572	7,013	21,559	6,794,934
4	Total	2,474,281	18,932,903	570,824	358,263	212,561	20,836,360

8.2 Changes in stock of defaulted loans and debt securities (CR2)

AED in 000's

		30 th June 22
1	Defaulted loans and debt securities at the end of the previous reporting period	2,716,369
2	Loans and debt securities that have defaulted since the last reporting period	454,354
3	Returned to non-default status	94,527
4	Amounts written off	714,727
5	Other changes	112,812
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	2,474,281

8.3 Credit risk mitigation techniques – overview (CR3)

AED in 000's

	Exposures unsecured: carrying amount	Exposures secured by collateral	Exposures secured by collateral of which: secured amount	Exposures secured by financial guarantees	Exposures secured by financial guarantees, of which: secured amount	Exposure s secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
1	Loans	13,852,800	3,101,762	3,101,762	-	-	-
2	Debt securities	2,023,525	-	-	-	-	-
3	Total	15,876,325	3,101,762	3,101,762	-	-	-
4	Of which defaulted	1,564,366	273,721	273,721	-	-	-

8.4 Standardised approach - credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

AED in 000's

	Asset classes	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
1	Sovereigns and their central banks	3,528,682	180,000	3,528,682	36,000	973,627	27.31%
2	Public Sector Entities	1,467,584	30,712	1,466,853	30,712	1,150,294	76.81%
3	Multilateral development banks	-	-	-	-	-	0.00%
4	Banks	406,302	116,605	406,302	56,728	259,447	56.03%
5	Securities firms	103,884	59,989	37,239	48,142	85,381	100.00%
6	Corporates	4,481,616	5,868,675	3,943,976	1,591,196	5,559,214	100.43%
7	Regulatory retail portfolios	439,882	206,563	419,008	50,929	373,069	79.39%
8	Secured by residential property	683,114	0	682,187	0	255,560	37.46%
9	Secured by commercial real estate	2,623,960	139,517	2,323,914	33,570	2,357,484	100.00%
10	Equity Investment in Funds (EIF)	-	-	-	-	-	0.00%
11	Past-due loans	1,571,087	267,000	1,297,366	267,000	2,177,241	139.18%
12	Higher-risk categories	54,250	-	54,250	-	81,375	150.00%
13	Other assets	901,642	-	901,642	-	855,576	94.89%
	Total	16,262,002	6,869,060	15,061,419	2,114,277	14,128,268	82.26%

8.5 Standardised approach - exposures by asset classes and risk weights (CR5)

AED in 000's

Risk Weight		0%	20%	35%	50%	75%	85%	100%	150%	Total credit exposures amount (post CCF and post-CRM)
1	Sovereigns and their central banks	2,471,401	149,567	-	-	-	-	943,714	-	3,564,682
2	Public Sector Entities	-	-	-	694,542	-	-	803,023	-	1,497,565
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	216,995	-	59,973	-	-	186,062	-	463,030
5	Securities firms	-	-	-	-	-	-	85,381	-	85,381
6	Corporates	-	41,922	-	46,296	-	49,938	5,485,235	-	5,623,390
7	Regulatory retail portfolios	-	-	-	-	387,476	-	82,462	-	469,938
8	Secured by residential property	-	-	649,767	-	17,114	-	15,307	-	682,187
9	Secured by commercial real estate	-	-	-	-	-	-	2,357,484	-	2,357,484
10	Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-	-
11	Past-due loans	-	-	-	-	-	-	338,616	1,225,750	1,564,366
12	Higher-risk categories	-	-	-	-	-	-	-	54,250	54,250
13	Other assets	76,066	-	-	-	-	-	765,576	60,000	901,642
14	Total	2,547,467	408,484	649,767	800,811	404,589	49,938	11,062,858	1,340,000	17,263,913

9. Counterparty Credit Risk (CCR)

9.1 Credit risk (CCR) exposure by approach (CCR1)

AED in 000's

		Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
1	SA-CCR (for derivatives)	25,711	6,828		1.4	45,554	22,159
2	Internal Model Method (for derivatives and SFTs)						
3	Simple Approach for credit risk mitigation (for SFTs)						
4	Comprehensive Approach for credit risk mitigation (for SFTs)						
5	VaR for SFTs						
6	Total	25,711	6,828			45,554	22,159

9.2 Standardised approach - CCR exposures by regulatory portfolio and risk weights (CCR3)

AED in 000's

Risk weight	0%	20%	50%	75%	100%	150%	Total credit exposure
Regulatory portfolio							
Sovereigns	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	-	-	-
Multilateral development banks (MDBs)	-	-	-	-	-	-	-
Banks	-	15,440	22,086	-	-	-	37,526
Securities firms	-	-	-	-	-	-	-
Corporates	-	-	-	-	8,028	-	8,028
Regulatory retail portfolios	-	-	-	-	-	-	-
Secured by residential property	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-
Total	-	15,440	22,086	-	8,028	-	45,554

9.3 Composition of collateral for CCR exposure (CCR5)

AED in 000's

	Collateral used in derivative transactions		Collateral used in SFTs	
	Fair value of collateral received	Fair value of posted collateral	Fair value of collateral received	Fair value of posted collateral
Cash - domestic currency	-	-	-	-
Cash - other currencies	-	24,095	-	-
Domestic sovereign debt	-	-	-	-
Government agency debt	-	-	-	-
Corporate bonds	-	-	-	-
Equity securities	-	-	-	-
Other collateral	-	-	-	-
Total	-	24,095	-	-

9.4 Credit derivative exposures (CCR6)

Not Applicable

9.5 Exposures to central counterparties (CCR8)

Not Applicable

10. Securitisation

Not Applicable reports: SECA, SEC1, SEC2, SEC3 and SEC4

11. Market Risk under the standardised approach (MR1)

Total Capital Requirement for Market Risk under Standardized Approach as on 30th June 2022.

		<i>AED in 000's</i>
		RWA
1	General Interest rate risk (General and Specific)	5,188.18
2	Equity risk (General and Specific)	-
3	Foreign exchange risk	189,452.83
4	Commodity risk	-
	Options	-
5	Simplified approach	-
6	Delta-plus method	-
7	Scenario approach	-
8	Securitization	-
9	Total	194,641.01