

بنك دبي التجاري
Commercial Bank of Dubai



Basel III – Pillar III Disclosures

For The Period Ended 30 June 2022

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Commercial Bank of Dubai

For the period ended 30 June 2022

1. Introduction

Commercial Bank of Dubai PSC (“the Bank”) was incorporated in Dubai, United Arab Emirates (U.A.E.) in 1969 and is registered as a Public Joint Shareholding Company (PJSC) in accordance with Federal Law No. 32 of 2021. The Bank is listed on the Dubai Financial Market. The Bank’s principal activity is commercial and retail banking. The registered address of the Bank is CBD Head Office, Al Ittihad Street, P.O. Box 2668, Dubai, United Arab Emirates.

2. Purpose and basis of preparation

The Central Bank of the UAE (“CBUAE”) supervises Commercial Bank of Dubai (“the Bank”) and its subsidiaries (together referred as the “Group”) on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. The capital requirements are computed at Group level using the Basel III framework of the Basel Committee on Banking Supervision (“Basel Committee”), after applying the amendments advised by the CBUAE, within national discretion. The Basel framework is structured around three pillars as follows:

- Pillar I prescribes the minimum capital requirements;
- Pillar II addresses the associated supervisory review process; and
- Pillar III specifies further public disclosure requirements in respect of their capital and risk profile.

The disclosures have been prepared in line with the disclosure templates introduced by the CBUAE guidelines on disclosure requirements (CBUAE/BSN/2020/4980 and CBUAE CBUAE/BSN/2021/5508) published in November 2020 and November 21 respectively.

The Pillar III report of the Group for the period ended 30 June 2022 comprises detailed information on the underlying drivers of risk-weighted assets (RWA), capital of the Bank, its wholly owned subsidiaries (together referred to as “the Group”) and the Group’s interest in an associate. The report should be read in conjunction with the Group’s reviewed Financial Statements as at 30 June 2022. The direct subsidiaries and associate of the Group are as follows:

Legal entity	Group percentage Shareholding	Nature of business	Country of incorporation	Description of Accounting / Regulatory treatment
CBD Financial Services LLC	100%	Brokerage Services	Dubai, UAE	Consolidation
CBD Employment Services One Person Company LLC	100%	Supply of manpower services	Dubai, UAE	Consolidation
Attijari Properties LLC	100%	Property management services	Dubai, UAE	Consolidation
CBD (Cayman) Limited	100%	Issuance of debt securities	Cayman Islands	Consolidation
CBD (Cayman II) Limited	100%	Transact and negotiate derivative agreements	Cayman Islands	Consolidation
VS 1897 (Cayman) Limited	100%	To manage investments acquired in settlement of debt	Cayman Islands	Consolidation
Noor AlMethaq Real Estate Development LLC	100%	Real Estate Development	Dubai, UAE	Consolidation
National General Insurance Co. (PJSC)	17.8%	Life and general insurance business	Dubai, UAE	Consolidation – Equity Method

3. Overview of Pillar III

Pillar III complements the minimum capital requirements and the supervisory review process. Its aim is to encourage market discipline by developing disclosure requirements which allow market participants to access specified information on the scope of application of Basel III, capital, particular risk exposures and risk assessment processes, and hence the capital adequacy of the institution. Disclosures comprises of quantitative and qualitative information and are provided at the consolidated level.

The CBUAE issued Basel III capital regulations, which came into effect from February 1st, 2017 introducing minimum capital requirements at three levels, namely Common Equity Tier 1 (“CET1”), Additional Tier 1 (“AT1”) and Total Capital. Additional capital buffers (Capital Conservation Buffer and Countercyclical Capital Buffer – maximum up to 2.5% for each buffer) introduced are over and above the minimum CET1 requirement of 7%.

Following are the changes in revised standards which have been adopted either prior to or during 2021.

- The Tier Capital Supply Standard
- Tier Capital Instruments Standard
- Pillar II Standard: Internal Capital Adequacy Assessment Procedures (ICAAP)
- Credit Risk, Market Risk and Operational Risk
- Equity Investments in Funds, Securitization, Counterparty Credit Risk and Leverage Ratio

Credit Value Adjustment for Pillar I and III are effective from 30 June 2022.

The purpose of Pillar III – Market Discipline is to complement the minimum Capital requirements (Pillar I) and the supervisory review process (Pillar II). The CBUAE supports the market discipline by developing a set of disclosures requirements which will allow market participants to access key information on the scope of application, capital, risk exposure, risk assessment process and hence the capital adequacy of the Group. The revised Pillar III disclosures, based on the common framework, are an effective means of informing the market about the risks faced by the Bank, and provide a consistent and understandable disclosure framework that enhances transparency and improve comparability and consistency.

In compliance with the CBUAE Basel III standards and guidelines, these disclosures includes qualitative and quantitative information of the Group’s risk management objectives and policies, risk assessment process, capital management and capital adequacy. The Group’s Pillar III disclosures are governed by the disclosure policy framework in line with CBUAE Basel III standards.

3.1 Policy and verification

The Bank has operated within a framework of internal controls and procedures for assessing the appropriateness of Pillar III market disclosure for period ended 30 June 2022.

This Pillar III disclosure have been subject to review from internal auditors and appropriate senior management within the Group and attested by the Board Executive Committee.

We confirm that the Bank's Pillar III disclosures, to the best of our knowledge, comply with the revised CBUAE Pillar III market disclosures requirements and have been prepared in compliance with the Bank's internal control framework.

3.2 Implementation of Basel III standards and guidelines

The Group has adopted the standardized approach for Credit Risk, Counterparty Credit Risk and Market Risk, mandate-based approach (MBA) for equity investments in funds held in the banking book and the basic indicator approach for Operational Risk (Pillar I) for regulatory reporting purposes. CVA capital charge is adopted and becomes effective from 30 June 2022.

The Group also assigns capital on other than Pillar I risk categories, for 'Interest rate risk on banking book' and for 'Business risk', within the Pillar II framework.

4. Highlights

In line with Article 2.2. of Capital Adequacy Regulation, CBUAE requires banks to apply the following minimum requirement:

1. CET1 must be at least 7% of risk weighted assets (RWA);
2. Tier 1 Capital must be at least 8.5% of RWA;

Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5% of RWA.

3. In addition to the minimum CET1 capital of 7% of RWA, banks must maintain a capital conservation buffer (CCB) and Countercyclical Capital Buffer (CCyB), maximum of 2.5% of RWAs on the form of CET1 capital.
4. All banks must maintain a leverage ratio of at least 3.0%.

The Group has complied with all the externally imposed capital requirements and is well capitalized with low leverage and high levels of loss-absorbing capacity. As at 30 June 2022:

- The Group's Common Equity Tier 1 (CET1) ratio of 11.88% (31 December 2021: 12.13%), Tier 1 capital Ratio of 14.28% (31 December 2021: 14.66%), Capital Adequacy Ratio of 15.43% (31 December 2021: 15.82%), are all well ahead of the regulatory requirements.
- The Group's leverage ratio of 10.12% (31 December 2021: 10.18%) is well ahead of the current regulatory requirement.
- The Group continues to manage its balance sheet proactively, with focus on sound RWA management.

5. Key Metrics (KM1)

Key prudential metrics related to regulatory capital have been included in the following table:

		30 June 2022	31 Mar 2022	31 Dec 2021
	Available capital (amounts)	(AED '000s)	(AED '000s)	(AED '000s)
1	Common Equity Tier 1 (CET1)	10,888,495	10,728,586	10,578,131
1a	Fully loaded ECL accounting model	10,779,929	10,627,840	10,446,609
2	Tier 1	13,092,295	12,932,386	12,781,931
2a	Fully loaded ECL accounting model Tier 1	12,983,729	12,831,640	12,650,409
3	Total capital	14,150,405	13,962,951	13,790,908
3a	Fully loaded ECL accounting model total capital	14,041,839	13,862,205	13,659,386
	Risk-weighted assets (amounts)			
4	Total risk-weighted assets (RWA)	91,682,114	89,433,470	87,196,454
	Risk-based capital ratios as a percentage of RWA			
5	Common Equity Tier 1 ratio (%)	11.88%	12.00%	12.13%
5a	Fully loaded ECL accounting model CET1 (%)	11.75%	11.88%	11.97%
6	Tier 1 ratio (%)	14.28%	14.46%	14.66%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.16%	14.34%	14.50%
7	Total capital ratio (%)	15.43%	15.61%	15.82%
7a	Fully loaded ECL accounting model total capital ratio (%)	15.31%	15.50%	15.66%
	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 (%)	0.0%	0.0%	0.00%
10	Bank D-SIB additional requirements (%)	0.0%	0.0%	0.00%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9+ row 10)	2.5%	2.5%	2.50%
12	CET1 available after meeting the bank's minimum capital requirements (%)	4.9%	5.0%	5.13%
	Leverage Ratio			
13	Total leverage ratio measure	129,398,057	130,745,486	125,577,380
14	Leverage ratio (%) (row 2/row 13)	10.12%	9.89%	10.18%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	10.03%	9.81%	10.07%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.12%	9.89%	10.18%
	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	17,708,722	18,928,013	18,847,145
22	Total liabilities	104,539,985	106,116,373	100,745,398
23	Eligible Liquid Assets Ratio (ELAR) (%)	16.94%	17.84%	18.71%
	ASRR			
24	Total available stable funding	92,464,193	90,815,735	90,833,058
25	Total Advances	82,620,325	82,114,764	79,932,460
26	Advances to Stable Resources Ratio (%)	89.35%	90.42%	88.00%

“Fully Loaded” means bank’s regulatory capital compared with a situation where the transitional arrangement had not been applied. CBUAE introduced transitional arrangements as per circular no. 04/2020 “Regulation Regarding Accounting Provisions and Capital Requirements - Transitional Arrangements”.

6. Overview of Risk Weighted Assets (OV1)

The following table provides an overview of RWAs, calculated in accordance with Basel III, by risk type and calculation approach.

		RWA	RWA	RWA	Minimum capital requirements
		30 June 2022	31 Mar 2022	31 Dec 2021	30 June 2022
(AED '000s)					
1	Credit risk (excluding counterparty credit risk) - standardized approach (SA)	83,043,028	81,442,479	79,096,138	8,719,518
6	Counterparty credit risk (CCR) - standardized approach (SA)	871,117	981,155	1,215,179	91,467
10	Credit valuation adjustment (CVA)	522,305	-	-	54,842
12	Equity investments in funds - look-through approach	-	-	-	-
13	Equity investments in funds - mandate-based approach	212,339	21,589	406,903	22,296
14	Equity investments in funds – fall back approach	-	-	-	-
15	Settlement risk	-	-	-	-
16	Securitization exposures in the banking book	-	-	-	-
20	Market risk - standardized approach (SA)	1,286,820	1,241,742	731,729	135,116
23	Operational risk	5,746,505	5,746,505	5,746,505	603,383
26	Total (1+6+10+12+13+14+15+16+20+23)	91,682,114	89,433,470	87,196,454	9,626,622

During Q1 2020, the CBUAE issued a regulation for a 'Prudential Filter' that permits Banks to add back increase in IFRS 9 stage 1 and stage 2 provisions to the regulatory capital over a transition period of 5 years on proportionate basis. The increase in IFRS 9 provision requirements is determined by calculating the difference between the IFRS 9 provision as at 31 December, 2019 and the IFRS 9 provision as of the respective reporting date. The proportion of the increase in IFRS 9 provisions that is permitted to be added-back to regulatory capital from 1 January 2020 onwards will be phased out over a 5 year transition period as follows:

Years	2020	2021	2022	2023	2024
Proportion of Provision	100%	100%	75%	50%	25%

7. Composition of Capital

7.1 Capital Management

The Group's regulator, the Central Bank of the UAE ('CBUAE'), sets and monitors regulatory capital requirements.

The Group's objectives when managing capital are as follows:

- Safeguard the Group's ability to continue as a going concern and optimize returns for shareholders;
- Comply with regulatory capital requirements set by the Central Bank of the UAE.

The Group's policy is to maintain a strong capital base so as to maintain investors, creditors and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Group recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Group also assesses its capital requirements internally taking into consideration growth requirements and business plans, and quantifies its Regulatory and Risk / Economic Capital requirements within its integrated ICAAP Framework. Risks such as Interest Rate Risk in the Banking Book, Credit Concentration Risk, Legal Risk, Compliance Risk, Liquidity Risk, Business Risk, Residual Risk, Counterparty Credit Risk and Reputational Risk are all part of the ICAAP.

The Group also calculates the Risk Adjusted Return on Capital (RAROC) for credit applications that are priced on a risk adjusted basis. RAROC calculations are also built into the Credit Appraisal System.

The CBUAE supervises the Group on a consolidated basis, and therefore receives information on the capital adequacy of, and sets capital requirements for, the Group as a whole. Effective from 2017, the capital is computed at a Group level using the Basel III framework of the Basel Committee on Banking Supervision ('Basel Committee'), after applying the amendments advised by the CBUAE, within national discretion. The Basel III framework, like Basel II, is structured around three 'pillars': minimum capital requirements, supervisory review process and market discipline.

The capital management section of the 2021 audited Financial Statements sets out the Group's capital resources and adequacy (pages 104-107).

The Group has complied with all the externally imposed capital requirements.

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7.2 Composition of Regulatory Capital (CC1)

		30 June 2022	31 December 2021
Common Equity Tier 1 capital: instruments and reserves		(AED 000s)	
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	5,570,844	5,570,844
2	Retained earnings	5,981,445	5,166,760
3	Accumulated other comprehensive income (and other reserves)	(571,278)	(72,764)
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	10,981,011	10,664,840
Common Equity Tier 1 capital regulatory adjustments			
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	92,516	85,068
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	-	1,641
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 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	Total regulatory adjustments to Common Equity Tier 1	92,516	86,709
25	Common Equity Tier 1 capital (CET1)	10,888,495	10,578,131

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		30 June 2022	31 December 2021
	Additional Tier 1 capital: instruments		
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	2,203,800	2,203,800
27	OF which: classified as equity under applicable accounting standards	2,203,800	2,203,800
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	2,203,800	2,203,800
	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)	2,203,800	2,203,800
39	Tier 1 capital (T1= CET1 + AT1)	13,092,295	12,781,931
	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	1,058,110	1,008,978
45	Tier 2 capital before regulatory adjustments	1,058,110	1,008,978
	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)	1,058,110	1,008,978
52	Total regulatory capital (TC = T1 + T2)	14,150,405	13,790,909
53	Total risk-weighted assets	91,682,114	87,196,454

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		30 June 2022	31 December 2021
	Capital ratios and buffers		
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	11.88%	12.13%
55	Tier 1 (as a percentage of risk-weighted assets)	14.28%	14.66%
56	Total capital (as a percentage of risk-weighted assets)	15.43%	15.82%
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%	2.50%
58	Of which: capital conservation buffer requirement	2.50%	2.50%
59	Of which: bank-specific countercyclical buffer requirement	0.00%	0.00%
60	Of which: higher loss absorbency requirement (e.g. DSIB)	0.00%	0.00%
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	4.88%	5.13%
	The CBUAE Minimum Capital Requirement		
62	Common Equity Tier 1 minimum ratio	7.00%	7.00%
63	Tier 1 minimum ratio	8.50%	8.50%
64	Total capital minimum ratio	10.50%	10.50%
	Amounts below the thresholds for deduction (before risk weighting)		
66	Significant investments in common stock of financial entities	-	-
68	Deferred tax assets arising from temporary differences (net of related tax liability)	-	-
	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)	-	-
70	Cap on inclusion of provisions in Tier 2 under standardized 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	-	-
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)	-	-

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7.3 Reconciliation of regulatory capital to balance sheet (CC2)

The following table shows the differences between the scope of accounting consolidation and regulatory consolidation. The table also presents the link between the Bank's balance sheet in its published financial statements and the numbers that are used in the composition of capital disclosure template (CC1).

30 June 2022	Balance sheet as in published financial statements	Under regulatory scope of consolidation
Assets (AED 000s)		
Cash and balances with Central Bank	13,396,729	13,396,729
Due from banks, net	2,663,856	2,663,856
Loans and advances and Islamic financing	78,852,428	78,852,428
Investment securities	9,524,343	9,524,343
Investment in an associate	89,742	89,742
Investment properties, net	188,793	188,793
Property and equipment	325,785	325,785
Bankers acceptances	8,911,107	8,911,107
Positive mark to market value of derivatives	863,846	863,846
Other assets, net	2,719,979	2,719,979
Total assets	117,536,608	117,536,608
Liabilities		
Due to banks	5,730,690	5,730,690
Customer deposits and Islamic customer deposits	84,826,873	84,826,873
Notes and medium term borrowings	2,584,974	2,584,974
Due for trade acceptances	8,911,107	8,911,107
Negative mark to market value of derivatives	785,926	785,926
Other liabilities	1,576,447	1,576,447
Total liabilities	104,416,017	104,416,017
Equity		
Share capital	2,802,734	2,802,734
Tier 1 capital notes	2,203,800	2,203,800
Legal and statutory reserve	1,401,447	1,401,447
General reserve	1,328,025	1,328,025
Capital reserve	38,638	38,638
Fair value reserve	(562,963)	(571,278)
Retained earnings	5,908,910	5,908,910
IFRS transitional arrangement	-	108,566
Regulatory deductions and adjustments	-	(128,547)
Eligible general provision	-	1,058,110
Total Capital	13,120,591	14,150,405

8 Leverage Ratio
8.1 Summary comparison of accounting assets vs leverage ratio exposure (LR1)

The following table reconciles the total assets in the published financial statements to the leverage ratio exposure measure.

		30 June 2022 (AED 000s)	31 Mar 2022 (AED 000s)	31 Dec 2021 (AED 000s)
1	Total consolidated assets as per published financial statements	117,536,608	119,036,179	114,212,596
2	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	-	-	-
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 recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-	-	-
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	1,144,577	1,406,493	1,664,139
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)	10,716,872	10,302,814	9,700,644
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	129,398,057	130,745,486	125,577,380

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8.2 Leverage ratio common disclosure template (LR2)

The following table provides a detailed breakdown of the components of the leverage ratio denominator, as well as information on the actual leverage ratio, minimum requirements and buffers.

		30 June 22	31 Mar 22	31 Dec 21
	On-balance sheet exposures (AED 000s)			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	117,536,608	119,036,179	114,212,596
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)	117,536,608	119,036,179	114,212,596
	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)	399,842	507,002	721,353
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	417,713	497,636	467,318
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)	1,144,577	1,406,493	1,664,139
	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	35,438,126	35,331,274	31,775,130
20	(Adjustments for conversion to credit equivalent amounts)	(24,721,254)	(25,028,460)	(22,074,486)
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)	10,716,872	10,302,814	9,700,644
	Capital and total exposures			
23	Tier 1 capital	13,092,295	12,932,386	12,781,931
24	Total exposures (sum of rows 7, 13, 18 and 22)	129,398,057	130,745,486	125,577,380
	Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.12%	9.89%	10.18%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.12%	9.89%	10.18%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27	Applicable leverage buffers	7.12%	6.89%	7.18%

9 Credit Risk

9.1 Credit quality of assets (CR1)

The table provides a comprehensive picture of the credit quality of the Bank's (on- and off-balance sheet) assets.

30 June 2022 (AED 000s)	Gross carrying values of		Allowances / Impairments	ECL accounting provisions for credit losses		Net values
	Defaulted exposures	Non- defaulted exposures		Specific	General	
Loans	6,284,244	77,309,293	4,741,109	3,469,588	1,271,521	78,852,428
Debt securities	-	9,049,213	-	-	-	9,049,213
Off-balance sheet exposures	263,211	17,648,337	-	-	-	17,911,548
Total	6,547,455	104,006,843	4,741,109	3,469,588	1,271,521	105,813,189

31 December 2021 (AED 000s)	Gross carrying values of		Allowances / Impairments	ECL accounting provisions for credit losses		Net values
	Defaulted exposures	Non- defaulted exposures		Specific	General	
Loans	6,102,103	74,363,100	4,023,818	2,765,530	1,258,288	76,441,385
Debt securities	-	8,655,825	-	-	-	8,655,825
Off-balance sheet exposures	279,276	16,816,459	-	-	-	17,095,735
Total	6,381,379	99,835,384	4,023,818	2,765,530	1,258,288	102,192,945

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

The below table identifies the changes in the Bank's stock of defaulted exposures, the flows between non-defaulted and defaulted exposure categories and reductions in the stock of defaulted exposures due to write-offs.

		30 June 2022 (AED 000s)	31 December 2021 (AED 000s)
1	Defaulted loans and debt securities at the end of the previous reporting period	6,102,103	5,165,565
2	Loans and debt securities that have defaulted since the last reporting period	804,382	1,660,602
3	Returned to non-default status	(268,240)	(25,465)
4	Amounts written back / (written off)	285,805	(972,423)
5	Other changes	(639,806)	273,824
6	Defaulted loans and debt securities at the end of the reporting period	6,284,244	6,102,103

9.3 Credit risk mitigation techniques –Overview (CR3)

The following table represents the extent of use of credit risk mitigation techniques.

30 June 2022 (AED 000s)	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	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	54,627,277	22,866,244	3,791,081	2,630,428	921,625	-	-
Debt securities	9,049,213	-	-	-	-	-	-
Total	63,676,490	22,866,244	3,791,081	2,630,428	921,625	-	-
Of which defaulted	1,172,050	1,645,383	36,487	-	-	-	-

31 December 2021 (AED 000s)	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	Exposures secured by credit derivatives	Exposures secured by credit derivatives, of which: secured amount
Loans	52,753,853	23,197,251	4,290,755	1,748,569	319,818	-	-
Debt securities	8,655,825	-	-	-	-	-	-
Total	61,409,691	23,197,251	4,290,755	1,748,569	319,818	-	-
Of which defaulted	1,298,374	2,047,030	152,798	-	-	-	-

9.4 Standardized approach - Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4)

The following table illustrates the effect of CRM on standardized approach capital requirements' calculations. RWA density provides a synthetic metric on riskiness of each portfolio.

30 June 2022 (AED 000s)	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns and their central banks	19,156,990	164,353	19,156,990	7,798	690,143	4%
Public Sector Entities	8,080,608	2,710,860	7,906,667	1,131,058	8,394,004	93%
Multilateral development banks	33,247	994,860	33,247	-	6,649	20%
Banks	6,278,257	1,939,523	6,077,694	911,637	3,887,725	56%
Securities firms	-	-	-	-	-	0%
Corporates	44,129,033	35,228,827	40,363,100	8,907,505	46,698,967	95%
Regulatory retail portfolios	3,862,797	2,746,166	3,719,922	72,932	3,256,650	86%
Secured by residential property	9,098,118	28,283	9,096,202	-	3,490,259	38%
Secured by commercial real estate	9,020,722	1,323,418	8,650,772	2,029	8,652,801	100%
Equity Investment in Funds (EIF)	141,560	-	141,560	-	212,339	150%
Past-due loans	8,571,581	265,812	4,877,365	243,989	6,220,959	121%
Higher-risk categories	83,430	-	83,430	-	125,145	150%
Other assets	4,076,449	91,709	4,076,449	89,290	2,490,843	60%
Total	112,532,792	45,493,811	104,183,398	11,366,238	84,126,484	73%

9.4 Standardized approach - Credit risk exposure and Credit Risk Mitigation (CRM) effects (CR4) (continued)

31 December 2021 (AED 000s)	Exposures before CCF and CRM		Exposures post CCF and CRM		RWA and RWA density	
Asset classes	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
Sovereigns and their central banks	20,679,748	350,287	20,679,748	75,456	923,260	4%
Public Sector Entities	8,570,161	3,235,515	8,407,505	1,325,167	8,601,618	88%
Multilateral development banks	-	-	-	-	-	0%
Banks	5,756,185	1,947,563	5,742,250	962,592	3,189,963	48%
Securities firms	-	-	-	-	-	0%
Corporates	42,558,711	31,441,171	39,009,123	7,729,812	43,579,062	93%
Regulatory retail portfolios	4,484,272	2,725,737	4,077,005	67,110	3,584,235	86%
Secured by residential property	7,246,457	13,186	7,244,383	-	2,743,918	38%
Secured by commercial real estate	10,178,364	681,494	9,800,477	22,245	9,822,722	100%
Equity Investment in Funds (EIF)	279,429	-	279,429	-	406,903	146%
Past-due loans	7,205,598	295,307	4,223,245	268,506	5,460,354	122%
Higher-risk categories	42,770	-	42,770	-	64,155	150%
Other assets	3,065,945	90,221	3,065,945	89,932	2,342,030	74%
Total	110,067,640	40,780,481	102,571,880	10,540,820	80,718,220	71%

9.5 Standardized approach - Exposures by asset classes and risk weights (CR5)

The following table presents the breakdown of credit risk exposures under the standardized approach by asset class and risk weight.

30 June 2022 (AED 000s)	RWA Weights									
Asset Classes	0%	20%	35%	50%	75%	85%	100%	150%	250%	Total
Sovereigns and their central banks	18,034,142	550,630	-	-	-	-	580,017	-	-	19,164,789
Public Sector Entities	-	382,362	-	675,662	-	-	7,979,701	-	-	9,037,725
Multilateral development banks	-	33,247	-	-	-	-	-	-	-	33,247
Banks	-	2,648,397	-	1,966,141	-	-	2,374,430	363	-	6,989,331
Securities firms	-	-	-	-	-	-	-	-	-	-
Corporates	-	1,029,762	-	1,075,503	-	8,067,176	39,098,163	-	-	49,270,605
Regulatory retail portfolios	-	-	-	-	2,144,819	-	1,648,035	-	-	3,792,854
Secured by residential property	-	-	8,612,250	-	31,925	-	452,027	-	-	9,096,202
Secured by commercial real estate	-	-	-	-	-	-	8,652,801	-	-	8,652,801
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	141,560	-	141,560
Past-due loans	-	-	-	-	-	-	2,922,144	2,199,210	-	5,121,354
Higher-risk categories	-	-	-	-	-	-	-	83,430	-	83,430
Other assets	1,809,509	-	-	-	-	-	2,266,489	-	89,742	4,165,740
Total	19,843,651	4,644,398	8,612,250	3,717,306	2,176,744	8,067,176	65,973,807	2,424,563	89,742	115,549,637

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9.5 Standardized approach - Exposures by asset classes and risk weights (CR5) (continued)

31 December 2021 (AED 000s)	RWA Weights									
	0%	20%	35%	50%	75%	85%	100%	150%	250%	Total
Sovereigns and their central banks	19,361,919	587,532	-	-	-	-	805,753	-	-	20,755,204
Public Sector Entities	-	428,750	-	1,576,108	-	-	7,727,814	-	-	9,732,672
Multilateral development banks	-	-	-	-	-	-	-	-	-	0
Banks	-	3,257,249	-	1,818,539	-	-	1,628,674	380	-	6,704,842
Securities firms	-	-	-	-	-	-	-	-	-	0
Corporates	-	1,606,436	-	978,020	-	9,238,094	34,916,385	-	-	46,738,935
Regulatory retail portfolios	-	-	-	-	2,239,519	-	1,904,596	-	-	4,144,115
Secured by residential property	-	-	6,911,207	-	32,723	-	300,453	-	-	7,244,383
Secured by commercial real estate	-	-	-	-	-	-	9,822,722	-	-	9,822,722
Equity Investment in Funds (EIF)	-	-	-	-	-	-	24,480	254,949	-	279,429
Past-due loans	-	-	-	-	-	-	2,554,546	1,937,205	-	4,491,751
Higher-risk categories	-	-	-	-	-	-	-	42,770	-	42,770
Other assets	956,425	-	-	-	-	-	2,104,401	-	95,051	3,155,877
Total	20,318,344	5,879,967	6,911,207	4,372,667	2,272,242	9,238,094	61,789,824	2,235,304	95,051	113,112,700

10 Counterparty credit risk (CCR)
10.1 Analysis of Counterparty Credit Risk by approach (CCR1)

The following table provides a comprehensive view of the method used to calculate counterparty credit risk regulatory requirements and the main parameters used within each method.

30 June 2022 (AED 000s)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR (for derivatives)	399,842	417,713		1.4	1,144,577	871,117
Simple Approach for credit risk mitigation (for SFTs)					-	-
Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
Total					1,144,577	871,117

31 December 2021 (AED 000s)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR (for derivatives)	721,353	467,318		1.4	1,664,139	1,215,179
Simple Approach for credit risk mitigation (for SFTs)					-	-
Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
Total					1,664,139	1,215,179

10.2 Credit valuation adjustment capital charge (CCR2)

The following table provides the CVA regulatory calculations with a breakdown by standardised approach.

30 June 2022 (AED 000s)	EAD post-CRM	RWA
All portfolios subject to the Standardised CVA capital charge	1,144,577	522,305

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10.3 Standardized approach - CCR exposures by regulatory portfolio and risk weights (CCR3)

The following table provides a breakdown of counterparty credit risk exposures calculated according to the standardized approach by regulatory portfolio and by risk weight.

30 June 2022 (AED 000s)	Credit Exposure							
Regulatory Portfolio	0%	20%	50%	75%	85%	100%	150%	Total
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (SPEs)	-	-	67,972	-	-	19,227	-	87,199
Multilateral development banks (MDBS)	-	-	-	-	-	-	-	-
Banks	-	166,883	188,713	-	-	-	-	355,596
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	32,483	642,365	-	674,848
Regulatory retail portfolios	-	-	-	22,017	-	-	-	22,017
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	2,029	-	2,029
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	1,653	-	1,653
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	1,235	-	-	-	-	-	-	1,235
Total	1,235	166,883	256,685	22,017	32,483	665,274	-	1,144,577

31 December 2021 (AED 000s)	Credit Exposure							
Regulatory Portfolio	0%	20%	50%	75%	85%	100%	150%	Total
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (SPEs)	-	-	311,424	-	-	119,259	-	430,684
Multilateral development banks (MDBS)	-	-	-	-	-	-	-	-
Banks	-	157,988	303,452	-	-	-	-	461,440
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	112,162	618,220	-	730,382
Regulatory retail portfolios	-	-	-	27	-	-	-	27
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	22,245	-	22,245
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	14,040	14,040
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	5,321	-	-	-	-	-	-	5,321
Total	5,321	157,988	614,876	27	112,162	759,724	14,040	1,664,139

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10.4 Composition of collateral for Counterparty Credit Risk exposure (CCR5)

The following table provide a breakdown of all types of collateral posted or received by the Bank to support or reduce the counterparty credit risk exposures related to derivative transactions.

30 June 2022 (AED 000s)	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
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	55,080	-	-
Cash - other currencies	-	136,439	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	136,439	-	55,080	-	-

31 December 2021 (AED 000s)	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
	Segregated	Unsegregated	Segregated	Unsegregated		
Cash - domestic currency	-	-	-	532,858	-	-
Cash - other currencies	-	34,738	-	-	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	34,738	-	532,858	-	-

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10.5 Exposures to central counterparties (CCR8)

The following table provides a comprehensive picture of the bank's exposures to central counterparties. In particular, the template includes all types of exposures and related capital requirements.

30 June 2022 (AED 000s)	EAD (post-CRM)	RWA
Exposures to QCCPs (total)		-
Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	42,875	-
(i) OTC derivatives	42,875	27,358
(ii) Exchange-traded derivatives	-	-
(iii) Securities financing transactions	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	81,195	-
Pre-funded default fund contributions	-	-
Unfunded default fund contributions	-	-
Exposures to non-QCCPs (total)		-
Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution); of which:	-	-
(i) OTC derivatives	-	-
(ii) Exchange-traded derivatives	-	-
(iii) Securities financing transactions	-	-
(iv) Netting sets where cross-product netting has been approved	-	-
Segregated initial margin	-	
Non-segregated initial margin	-	-
Pre-funded default fund contributions	-	-
Unfunded default fund contributions	-	-

11 Market Risk

11.1 Market risk under the standardized approach (MR1)

The following table provides the components of capital requirement under the standardized approach for market risk.

(AED 000s)	30 June 2022 RWA	31 December 2022 RWA
General Interest rate risk (General and Specific)	707,359	700,874
Equity risk (General and Specific)	514,177	3,921
Foreign exchange risk	65,283	26,935
Commodity risk	-	-
Options		
Simplified approach	-	-
Delta-plus method	-	-
Securitization	-	-
Total	1,286,819	731,730

12 Liquidity Risk
12.1 Eligible Liquid Assets Ratio (ELAR)

The following table presents the breakdown of the Bank's available high-quality liquid assets (HQLA), as measured and defined according to the CBUAE Liquidity Regulations.

1	High Quality Liquid Assets	30 June 2022		31 Mar 2022		31 Dec 2021	
		Nominal amount	Eligible Liquid Asset	Nominal amount	Eligible Liquid Asset	Nominal amount	Eligible Liquid Asset
		(AED 000s)	(AED 000s)	(AED 000s)	(AED 000s)	(AED 000s)	(AED 000s)
1.1	Physical cash in hand at the bank + balances with the CBUAE	13,514,782		12,068,559		14,729,110	
1.2	UAE Federal Government Bonds and Sukuks	2,874,847		5,644,037		2,871,250	
	Sub Total (1.1 to 1.2)	16,389,629	16,389,629	17,712,596	17,712,596	17,600,360	17,600,360
1.3	UAE local governments publicly traded debt securities	1,069,533		1,028,568		1,097,709	
1.4	UAE Public sector publicly traded debt securities	-		-		-	
	Subtotal (1.3 to 1.4)	1,069,533	1,069,533	1,028,568	1,028,568	1,097,709	1,097,709
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	249,560	249,560	186,849	186,849	149,076	149,076
1.6	Total	17,708,722	17,708,722	18,928,013	18,928,013	18,847,145	18,847,145
2	Total liabilities		104,539,985		106,116,373		100,745,398
3	Eligible Liquid Assets Ratio (ELAR)		16.94%		17.84%		18.71%

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12.2 Advances to Stables Resource Ratio (ASRR)

The following table presents the breakdown of the Bank's Advances to Stables Resource ratio as per the Liquidity regulations.

	Items	30 June 2022	31 Mar 2022	31 Dec 2021
1	Computation of Advances	(AED 000s)	(AED 000s)	(AED 000s)
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	77,040,786	76,879,785	74,562,303
1.2	Lending to non-banking financial institutions	3,083,163	3,067,904	3,137,369
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	1,881,027	1,514,658	1,571,189
1.4	Interbank Placements	615,349	652,417	661,599
1.5	Total Advances	82,620,325	82,114,764	79,932,460
2	Calculation of Net Stable Resources			
2.1	Total capital + general provisions	14,394,002	14,234,258	14,804,635
	Deduct:			
2.1.1	Goodwill and other intangible assets	92,516	84,114	85,068
2.1.2	Fixed Assets	1,821,315	1,822,847	1,745,072
2.1.3	Funds allocated to branches abroad	-	-	-
2.1.5	Unquoted Investments	398,648	262,985	281,389
2.1.6	Investment in subsidiaries, associates and affiliates	89,742	98,115	95,051
2.1.7	Total deduction	2,402,221	2,268,061	2,206,580
2.2	Net Free Capital Funds	11,991,781	11,966,197	12,598,055
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	5,639,962	5,592,340	5,614,078
2.3.3	Refinancing of Housing Loans	-	-	-
2.3.4	Borrowing from non-Banking Financial Institutions	5,613,181	5,218,691	5,671,355
2.3.5	Customer Deposits	68,943,794	67,763,032	66,674,095
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	275,475	275,475	275,475
2.3.7	Total other stable resources	80,472,412	78,849,538	78,235,003
2.4	Total Stable Resources (2.2+2.3.7)	92,464,193	90,815,735	90,833,058
3	Advances to stable resources ratio (1.5 / 2.4*100)	89.35%	90.42%	88.00%

13 Comparative figures

Certain comparative figures have been reclassified to conform to the presentation adopted in these Basel III – Pillar III disclosures, the effect of which are considered immaterial.

14 Acronyms

ALCO	Assets & Liabilities Committee	IRR	Interest Rate Risk
ALM	Asset and Liability Management	LCR	Liquidity Coverage Ratio
AT1	Additional Tier 1	LGD	Loss Given Default
CBUAE	Central Bank United Arab Emirates	NIM	Net Interest Margin
CCF	Credit Conversion Factor	ORM	Operational Risk Management
CCP	Central Counterparty	OTC	Over the Counter Derivatives
CCR	Counterparty Credit Risk	PD	Probability of Default
CCyB	Countercyclical Capital buffer	PFE	Potential Future Exposure
CET1	Common Equity Tier 1	PRA	Prudential Regulation Authority
CRM	Credit Risk Mitigation	PSE	Public Sector entity
CVA	Credit Value Adjustment	RWA	Risk Weighted Asset
EAD	Exposure at default	SA	Standardized Approach
ECAI	External Credit Assessment Institutions	T1	Tier 1 Capital
EL	Expected Loss	T2	Tier 2 Capital
HQLA	High Quality Liquid Assets	TC	Total Capital
IFRS	International Financial Reporting Standards	VaR	Value at Risk
ICAAP	Internal Capital Adequacy Assessment Process		