

بنك دبي التجاري
Commercial Bank of Dubai



Basel III – Pillar III Disclosures

For The Period Ended 30 June 2024

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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 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 the Group’s capital and risk profile.

The disclosures have been prepared in line with the disclosure templates introduced by the CBUAE guidelines on disclosure requirements (CBUAE/BSD/N/2020/4980, CBUAE/BSD/N/2021/5508 and CBUAE/BSD/2022/5280) published in November 2020, November 2021 and December 2022 respectively.

The Pillar III report of the Group for the period ended 30 June 2024 comprises condensed information on the underlying drivers of risk-weighted assets (RWA), capital of the Bank, its wholly owned subsidiaries 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 2024. The direct subsidiaries and associate of the Group are as follows:

Name of Subsidiary	Ownership Interest	County of Incorporation	Principle activities
<i>Subsidiary</i>			
CBD Financial Services LLC	100%	UAE	Providing brokerage facilities for local shares and bonds.
CBD Employment Services One Person Company LLC	100%	UAE	Supply of manpower services.
Attijari Properties LLC	100%	UAE	Self-owned property management services as well as buying and selling of real estate.
Noor Almethaq Real Estate Development LLC	100%	UAE	Development of real estate.
<i>Special Purpose Entity</i>			
CBD (Cayman) Limited	100%	Cayman Islands	Issuance of debt securities.
CBD (Cayman II) Limited	100%	Cayman Islands	Transact and negotiate derivative agreements.
VS 1897 (Cayman) Limited	100%	Cayman Islands	Manage investment acquired in the settlement of debt.
CBD Digital Lab Limited [Subsidiary of VS 1897 (Cayman) Limited]	100%	UAE	Technology research and development.

Name of Subsidiary	Ownership Interest	County of Incorporation	Principle activities
Hortin Holding Limited [Subsidiary of VS 1897 (Cayman) Limited]	100%	British Virgin Islands	Manage real estate related investment acquired in the settlement of debt.
Lodge Hill Limited [Subsidiary of VS 1897 (Cayman) Limited]	100%	British Virgin Islands	Manage real estate related investment acquired in the settlement of debt.
Westdene Investment Limited [Subsidiary of VS 1897 (Cayman) Limited]	100%	British Virgin Islands	Manage real estate related investment acquired in the settlement of debt.
<i>Associate</i>			
National General Insurance Co. (PJSC)	17.8%	UAE	Life and general insurance business as well as certain reinsurance business.

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”), Tier 1 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%.

In November 2020, CBUAE issued revised standards and guidelines for Capital Adequacy in UAE. The new version to the Standards includes additional Guidance on the topics of Credit Risk, Market Risk and Operational Risk. Following are the changes in the revised standards which have been adopted:

- 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 (CVA) for Pillar I and III

CBUAE requires the Pillar 2 - Supervisory Review Process to focus on each bank’s Internal Capital Adequacy Assessment Process (ICAAP) in addition to Pillar 1 Capital calculations. The ICAAP should include a risk based forward looking view of, but not limited to, Credit, Market and Operational Risk Capital.

The purpose of Pillar III – Market Discipline is to complement the minimum Capital requirements (Pillar I) and the supervisory review process (Pillar II). 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 include 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 2024.

These Pillar III disclosures have been subject to review from internal auditors and appropriate senior management within the Group and attested by the Board Audit 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, Credit Valuation Adjustment (CVA) 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.

The Group also assigns capital on other than Pillar I risk categories, for example 'Interest rate risk in the banking book' and for 'Concentration 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;
3. Total Capital, calculated as the sum of Tier 1 Capital and Tier 2 Capital, must be at least 10.5% of RWA.
4. In addition to the minimum CET1 capital of 7% of RWA, banks must maintain a capital conservation buffer (CCB) and Countercyclical Capital Buffer (CCyB), each a maximum of 2.5% of RWAs in the form of CET1 capitals.
5. 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 2024:

- The Group's Common Equity Tier 1 (CET1) ratio of 12.83% (31 December 2023: 12.54%), Tier 1 capital Ratio of 14.92% (31 December 2023: 14.81%), Capital Adequacy Ratio of 16.05 % (31 December 2023: 15.95%), are all above the regulatory requirements.
- The Group's leverage ratio of 10.03 % (31 December 2023: 9.97%) is above 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:

		Jun'24	Mar'24	Dec'23	Sep'23	Jun'23
	Available capital (amounts)	(AED '000s)				
1	Common Equity Tier 1 (CET1)	13,545,538	12,847,161	12,203,222	12,705,960	12,066,821
1a	Fully loaded ECL accounting model	13,466,542	12,773,630	12,094,797	12,599,023	11,984,233
2	Tier 1	15,749,338	15,050,961	14,407,022	14,909,760	14,270,621
2a	Fully loaded ECL accounting model Tier 1	15,670,342	14,977,430	14,298,597	14,802,823	14,188,033
3	Total capital	16,947,053	16,222,228	15,517,077	16,007,085	15,346,074
3a	Fully loaded ECL accounting model total capital	16,868,057	16,148,697	15,408,652	15,900,148	15,263,486
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	105,568,265	103,535,259	97,300,973	95,280,172	93,429,931
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	12.83%	12.41%	12.54%	13.34%	12.92%
5a	Fully loaded ECL accounting model CET1 (%)	12.76%	12.34%	12.43%	13.22%	12.83%
6	Tier 1 ratio (%)	14.92%	14.54%	14.81%	15.65%	15.27%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	14.84%	14.47%	14.70%	15.54%	15.19%
7	Total capital ratio (%)	16.05%	15.67%	15.95%	16.80%	16.43%
7a	Fully loaded ECL accounting model total capital ratio (%)	15.98%	15.60%	15.84%	16.69%	16.34%
	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 (%)	5.55%	5.17%	5.45%	6.30%	5.92%
	Leverage Ratio					
13	Total leverage ratio measure	157,045,797	147,306,539	144,437,305	140,264,456	137,014,819
14	Leverage ratio (%) (row 2/row 13)	10.03%	10.22%	9.97%	10.63%	10.42%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	9.98%	10.17%	9.90%	10.55%	10.36%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	10.03%	10.22%	9.97%	10.63%	10.42%
	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	27,067,856	20,959,946	22,975,374	21,448,358	19,815,907
22	Total liabilities	125,119,583	115,273,562	113,094,418	111,073,278	108,814,581
23	Eligible Liquid Assets Ratio (ELAR) (%)	21.63%	18.18%	20.31%	19.31%	18.21%
	ASRR					
24	Total available stable funding	113,412,651	102,988,492	101,299,524	100,473,742	98,972,555
25	Total Advances	94,849,722	91,907,018	88,384,200	87,640,901	85,298,646
26	Advances to Stable Resources Ratio (%)	83.63%	89.24%	87.25%	87.23%	86.18%

"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.

(AED '000s)		RWA			Minimum capital requirements
		Jun'24	Mar'24	Dec'23	Jun'24
1	Credit risk (excluding counterparty credit risk)	95,012,925	92,811,911	87,871,210	9,976,357
2	Of which: standardised approach (SA)	95,012,925	92,811,911	87,871,210	9,976,357
3					
4					
5					
6	Counterparty credit risk (CCR)	428,426	482,694	474,420	44,985
7	Of which: standardised approach for counterparty credit risk	428,426	482,694	474,420	44,985
8					
9					
10	Credit valuation adjustment (CVA)	202,434	231,510	281,971	21,256
11					
12	Equity investments in funds - look-through approach	-	-	-	
13	Equity investments in funds - mandate-based approach	173,423	175,253	176,771	18,209
14	Equity investments in funds - fall-back approach	-	-	-	
15	Settlement risk	-	-	-	
16	Securitisation exposures in the banking book	-	-	-	
17					
18	Of which: securitisation external ratings-based approach (SEC-ERBA)	-	-	-	
19	Of which: securitisation standardised approach (SEC-SA)	-	-	-	
20	Market risk	1,119,328	1,162,614	1,038,385	117,529
21	Of which: standardised approach (SA)	1,119,328	1,162,614	1,038,385	117,529
22					
23	Operational risk	8,631,729	8,671,277	7,458,217	906,332
24					
25					
26	Total (1+6+10+11+12+13+14+15+16+20+23)	105,568,265	103,535,259	97,300,973	11,084,668

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 December 31, 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, 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 Central Bank of the UAE.

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The level of capital on shareholders' return is also recognised and the Group recognises 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, Concentration Risk, Strategic Risk, Legal and Compliance Risk, Stress Risk, Insurance Risk and Reputational Risk are all part of the ICAAP.

The Group also calculates the Risk Adjusted Return on Capital (RAROC) for credit applications to facilitate consideration of pricing on a risk-adjusted basis. RAROC calculations are a key component of the Credit Appraisal process.

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 2023 audited Financial Statements sets out the Group's capital resources and adequacy (pages 103-106).

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

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7.2 Composition of Regulatory Capital (CC1)

		30 Jun 2024	31 Dec 2023
		(AED 000s)	(AED 000s)
	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	5,844,451	5,844,451
2	Retained earnings	8,396,541	7,069,028
3	Accumulated other comprehensive income (and other reserves)	(523,134)	(550,354)
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	13,717,858	12,363,125
	Common Equity Tier 1 capital regulatory adjustments		
7	Prudent valuation adjustments	-	-
8	Goodwill (net of related tax liability)	172,320	159,903
9	Other intangibles including mortgage servicing rights (net of related tax liability)	-	-
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	-	-
11	Cash flow hedge reserve	-	-
12	Securitisation gain on sale	-	-
13	Gains and losses due to changes in own credit risk on fair valued liabilities	-	-
14	Defined benefit pension fund net assets	-	-
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	-	-
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	-	-
17	Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	-
18	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation (amount above 10% threshold)	-	-
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	-
20	Amount exceeding 15% threshold	-	-
21	Of which: significant investments in the common stock of financials	-	-
22	Of which: deferred tax assets arising from temporary differences	-	-
23	CBUAE specific regulatory adjustments	-	-
24	Total regulatory adjustments to Common Equity Tier 1	172,320	159,903
25	Common Equity Tier 1 capital (CET1)	13,545,538	12,203,222
	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)	15,749,338	14,407,022

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		30 Jun 2024	31 Dec 2023
		(AED 000s)	(AED 000s)
	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	1,197,715	1,110,055
45	Tier 2 capital before regulatory adjustments	1,197,715	1,110,055
	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)	1,197,715	1,110,055
52	Total regulatory capital (TC = T1 + T2)	16,947,053	15,517,077
53	Total risk-weighted assets	105,568,265	97,300,973
	Capital ratios and buffers		
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	12.83%	12.54%
55	Tier 1 (as a percentage of risk-weighted assets)	14.92%	14.81%
56	Total capital (as a percentage of risk-weighted assets)	16.05%	15.95%
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	<i>Of which: capital conservation buffer requirement</i>	2.50%	2.50%
59	<i>Of which: bank-specific countercyclical buffer requirement</i>	0.00%	0.00%
60	<i>Of which: higher loss absorbency requirement (e.g. DSIB)</i>	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.	5.83%	5.54%
	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)		
65			
66	Significant investments in common stock of financial entities	-	-
67			
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 standardised approach (prior to application of cap)	-	-
70	Cap on inclusion of provisions in Tier 2 under standardised approach	-	-
71			
72			
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)		
73	<i>Current cap on CET1 instruments subject to phase-out arrangements</i>	-	-
74	<i>Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)</i>	-	-
75	<i>Current cap on AT1 instruments subject to phase-out arrangements</i>	-	-
76	<i>Amount excluded from AT1 due to cap (excess after redemptions and maturities)</i>	-	-
77	<i>Current cap on T2 instruments subject to phase-out arrangements</i>	-	-
78	<i>Amount excluded from T2 due to cap (excess after redemptions and maturities)</i>	-	-

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).

AED'000s	30 Jun 2024		31 Dec 2023	
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
Assets				
Cash and balances with Central Bank	20,520,763	20,520,763	15,009,602	15,009,602
Due from banks, net	3,889,515	3,889,515	3,772,709	3,772,709
Loans and advances and Islamic financing, net	89,607,835	89,607,835	83,313,306	83,313,306
Investment securities, net	14,192,294	14,192,294	15,098,729	15,098,729
Investment in an associate	104,674	104,674	102,390	102,390
Investment properties, net	246,050	246,050	246,050	246,050
Property and equipment	494,339	494,339	431,843	431,843
Bankers acceptances	8,854,424	8,854,424	7,931,518	7,931,518
Positive mark to market value of derivatives	750,267	750,267	697,872	697,872
Other assets, net	2,596,331	2,596,331	2,383,472	2,383,472
Total assets	141,256,492	141,256,492	128,987,491	128,987,491
Liabilities				
Due to banks	7,934,667	7,934,667	7,833,389	7,833,389
Customer deposits and Islamic customer deposits	99,830,553	99,830,553	88,287,145	88,287,145
Notes and medium term borrowings	5,081,663	5,081,663	5,705,456	5,705,456
Due for trade acceptances	8,854,424	8,854,424	7,931,518	7,931,518
Negative mark to market value of derivatives	683,855	683,855	634,707	634,707
Other liabilities	3,027,888	3,027,888	2,813,919	2,813,919
Total liabilities	125,413,050	125,413,050	113,206,134	113,206,134
Shareholders' equity				
Share capital	2,985,192	2,985,192	2,985,192	2,985,192
Tier 1 capital notes	2,203,800	2,203,800	2,203,800	2,203,800
Legal and statutory reserve	1,492,596	1,492,596	1,492,596	1,492,596
General reserve	1,328,025	1,328,025	1,328,025	1,328,025
Capital reserve	38,638	38,638	38,638	38,638
Fair value reserve	(522,354)	(523,134)	(552,325)	(550,354)
Retained earnings	8,317,545	8,317,545	8,285,431	6,960,603
IFRS transitional arrangement	-	78,996	-	108,425
Regulatory deductions and adjustments	-	(172,320)	-	(159,903)
Eligible general provision	-	1,197,715	-	1,110,055
Total shareholders' equity	15,843,442	16,947,053	15,781,357	15,517,077

7.4 Main features of regulatory capital instruments (CCA)

		Quantitative / qualitative information
1	Issuer	Commercial Bank of Dubai P.S.C.
2	Unique identifier (e.g., CUSIP, ISIN or Bloomberg identifier for private placement)	XS2243350753
3	Governing law(s) of the instrument	English Law
	Regulatory treatment	
4	Transitional arrangement rules (i.e., grandfathering)	NA
5	Post-transitional arrangement rules (i.e., grandfathering)	NA
6	Eligible at solo/group/group and solo	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Perpetual Additional Tier 1 Capital Securities
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	AED 2,203.8 million as of 30 June 2024
9	Nominal amount of instrument	U.S.\$600,000,000
9a	Issue price	100 percent
9b	Redemption price	100% in case of an Optional Redemption or a Tax Event Redemption, and 101% in case of a Capital Event Redemption.
10	Accounting classification	Equity attributable to equity holders
11	Original date of issuance	21 October 2020
12	Perpetual or dated	Perpetual
13	Original maturity date	NA
14	Issuer call subject to prior supervisory approval	Yes
15	Optional call date, contingent call dates and redemption amount	21 April 2026 / Tax Event or a Capital Event / at Par for Optional and Tax Event call, at 101% in case of a Capital Event.
16	Subsequent call dates, if applicable	21 October 2026 and any Interest Payment Date thereafter
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Fixed
18	Coupon rate and any related index	6.000 percent
19	Existence of a dividend stopper	Yes
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Partially discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Partially discretionary
21	Existence of step-up or other incentive to redeem	No
22	Non-cumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	Write-down feature	Yes
25	If write-down, write-down trigger(s)	Notice from the UAE Central Bank (as the Regulator) to the Issuer that the Issuer has, or will, become Nonviable (as defined in the Conditions) without a write-down or a public injection of capital or equivalent support (i.e., Point of Non-Viability (PONV) trigger)
26	If write-down, full or partial	Full/Partial (Both Options available)
27	If write-down, permanent or temporary	Permanent
28	If temporary write-down, description of writeup mechanism	NA
28a	Type of subordination	Contractual
29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	Conditional and subordinated obligations – to the extent that the Solvency Conditions are not satisfied at the relevant time or if a bankruptcy order in respect of the Issuer has been issued by a court in the UAE, all claims of the Noteholders under the Notes will be extinguished, and the Notes will be cancelled without any further payment to be made by the Issuer under the Notes.
30	Non-compliant transitioned features	No
31	If yes, specify non-compliant features	NA

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 Jun 2024 (AED 000s)	31 Mar 2024 (AED 000s)	31 Dec 2023 (AED 000s)
1	Total consolidated assets as per published financial statements	141,256,491	130,976,428	128,987,491
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	(103,470)	684,032	656,051
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)	16,065,096	15,807,303	14,953,666
11	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-	-	-
12	Other adjustments	(172,320)	(161,224)	(159,903)
13	Leverage ratio exposure measure	157,045,797	147,306,539	144,437,305

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 Jun 2024 AED 000s	31 Mar 2024 AED 000s	31 Dec 2023 AED 000s
On-balance sheet exposures				
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	140,506,224	130,976,428	128,987,491
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)	(172,320)	(161,224)	(159,903)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	140,333,904	130,815,204	128,827,588
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)	255,720	284,431	309,530
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	391,077	399,601	346,521
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)	646,797	684,032	656,051
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	48,681,804	49,372,887	46,871,050
20	(Adjustments for conversion to credit equivalent amounts)	(32,616,707)	(33,565,584)	(31,917,384)
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)	16,065,096	15,807,303	14,953,666
Capital and total exposures				
23	Tier 1 capital	15,749,338	15,050,961	14,407,022
24	Total exposures (sum of rows 7, 13, 18 and 22)	157,045,797	147,306,539	144,437,305
Leverage ratio				
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.03%	10.22%	9.97%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.03%	10.22%	9.97%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%	3.00%
27	Applicable leverage buffers	7.03%	7.22%	6.97%

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 Jun 2024 (AED 000s)		Gross carrying values of		Allowances / Impairments	ECL accounting provisions for credit losses		Net values
		Defaulted exposures	Non-defaulted exposures		Specific	General	
1	Loans	6,344,011	88,853,248	5,589,424	4,357,978	1,231,446	89,607,835
2	Debt securities	-	13,832,815	69	-	69	13,832,746
3	Off-balance sheet exposures	380,597	28,175,820	211,470	168	211,302	28,344,947
4	Total	6,724,608	130,861,883	5,800,963	4,358,146	1,442,817	131,785,528

31 Dec 2023 (AED 000s)		Gross carrying values of		Allowances / Impairments	ECL accounting provisions for credit losses		Net values
		Defaulted exposures	Non-defaulted exposures		Specific	General	
1	Loans	6,715,706	82,158,358	5,560,758	4,390,392	1,170,366	83,313,306
2	Debt securities	-	14,765,277	128	-	128	14,765,149
3	Off-balance sheet exposures	455,117	25,447,741	204,861	31,610	173,251	25,697,998
4	Total	7,170,823	122,371,376	5,765,747	4,422,002	1,343,745	123,776,453

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 Jun 2024 (AED 000s)	31 Dec 2023 (AED 000s)
1	Defaulted loans and debt securities at the end of the previous reporting period	6,715,706	6,078,877
2	Loans and debt securities that have defaulted since the last reporting period	482,784	1,728,091
3	Returned to non-default status	(7,239)	(319,890)
4	Amounts written off	(736,813)	(896,513)
5	Other changes	(110,427)	125,141
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	6,344,011	6,715,706

9.3 Credit risk mitigation techniques –Overview (CR3)

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

30-Jun-24 (AED 000s)		a	b	c	d	e	f	g
		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
1	Loans	69,302,580	20,268,602	2,889,269	1,267,931	993,354	-	-
2	Debt securities	13,832,815	-	-	-	-	-	-
3	Total	83,135,395	20,268,602	2,889,269	1,267,931	993,354	-	-
4	Of which defaulted	1,086,023	916,005	40,479	-	-	-	-

31-Dec-23 (AED 000s)		a	b	c	d	e	f	g
		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
1	Loans	61,740,206	21,333,132	3,593,762	1,378,758	1,052,231	-	-
2	Debt securities	14,765,277	-	-	-	-	-	-
3	Total	76,505,483	21,333,132	3,593,762	1,378,758	1,052,231	-	-
4	Of which defaulted	1,003,556	1,294,919	30,961	-	-	-	-

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 Jun 2024 (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
1	Sovereigns and their central banks	31,734,676	11,478	31,734,676	5,739	1,111,380	4%
2	Public Sector Entities	7,481,417	3,800,495	7,395,337	1,217,454	7,345,955	85%
3	Multilateral development banks	-	1,200,000	-	-	-	0%
4	Banks	8,782,262	2,367,457	8,782,262	1,011,507	5,432,382	55%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	52,206,352	44,697,986	49,070,412	12,561,369	59,022,458	96%
7	Regulatory retail portfolios	4,018,213	4,776,151	3,853,601	43,495	3,221,746	83%
8	Secured by residential property	13,446,897	17,089	13,446,289	-	5,442,499	40%
9	Secured by commercial real estate	8,275,320	777,078	7,802,582	6	7,802,588	100%
10	Equity Investment in Funds (EIF)	116,502	-	116,502	-	173,422	149%
11	Past-due loans	6,966,641	382,341	2,565,940	362,358	3,290,531	112%
12	Higher-risk categories	358,672	-	358,672	-	538,009	150%
13	Other assets	3,681,407	152,949	3,681,407	152,151	2,233,804	58%
14	Total	137,068,358	58,183,025	128,807,680	15,354,078	95,614,774	66%

31 Dec 2023 (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
1	Sovereigns and their central banks	25,312,208	1,000,000	25,312,208	-	463,647	2%
2	Public Sector Entities	8,178,698	4,080,355	8,101,035	935,524	7,848,856	87%
3	Multilateral development banks	-	1,600,000	-	-	-	0%
4	Banks	8,865,662	1,556,337	8,705,450	865,608	5,064,304	53%
5	Securities firms	-	-	-	-	-	0%
6	Corporates	47,503,976	41,895,705	43,950,719	11,569,557	52,839,553	95%
7	Regulatory retail portfolios	4,243,866	4,099,172	3,885,489	48,656	3,281,099	83%
8	Secured by residential property	12,095,420	9,736	12,095,420	-	4,695,753	39%
9	Secured by commercial real estate	8,536,044	660,576	8,049,976	11	8,049,987	100%
10	Equity Investment in Funds (EIF)	118,872	-	118,872	-	176,770	149%
11	Past-due loans	7,423,297	456,411	2,793,240	439,198	3,525,968	109%
12	Higher-risk categories	427,254	-	427,254	-	640,881	150%
13	Other assets	3,193,491	100,327	3,193,491	89,212	1,935,581	59%
14	Total	125,898,786	55,458,619	116,633,151	13,947,767	88,522,400	68%

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 Jun 2024 (AED 000s)										
Asset Classes		RWA Weights								Total credit exposures amount (post CCF and post-CRM)
		0%	20%	35%	50%	75%	100%	150%	Others	
1	Sovereigns and their central banks	29,277,901	1,596,608	-	147,695	-	718,211	-	-	31,740,415
2	Public Sector Entities	-	1,268,279	-	504,425	-	6,840,087	-	-	8,612,791
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	2,688,916	-	4,420,509	-	2,684,342	1	-	9,793,768
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	1,035,840	-	1,275,750	-	50,516,297	273,550	8,530,344	61,631,781
7	Regulatory retail portfolios	-	-	-	-	2,701,399	1,195,697	-	-	3,897,096
8	Secured by residential property	-	-	12,306,374	-	18,589	1,121,326	-	-	13,446,289
9	Secured by commercial real estate	-	-	-	-	-	7,802,588	-	-	7,802,588
10	Equity Investment in Funds (EIF)	-	-	-	-	-	2,661	113,841	-	116,502
11	Past-due loans	-	-	-	-	-	2,203,832	724,466	-	2,928,298
12	Higher-risk categories	-	-	-	-	-	-	358,672	-	358,672
13	Other assets	1,728,214	-	-	-	-	2,000,669	-	104,674	3,833,557
14	Total	31,006,114	6,589,643	12,306,374	6,348,378	2,719,988	75,085,711	1,470,531	8,635,018	144,161,758

31 Dec 2023 (AED 000s)										
Asset Classes		RWA Weights								Total credit exposures amount (post CCF and post-CRM)
		0%	20%	35%	50%	75%	100%	150%	Others	
1	Sovereigns and their central banks	24,385,869	578,364	-	-	-	347,975	-	-	25,312,208
2	Public Sector Entities	-	1,376,091	-	173,660	-	7,486,808	-	-	9,036,559
3	Multilateral development banks	-	-	-	-	-	-	-	-	-
4	Banks	-	2,635,578	-	4,796,615	-	2,138,835	30	-	9,571,058
5	Securities firms	-	-	-	-	-	-	-	-	-
6	Corporates	-	1,054,608	-	1,528,788	-	44,625,840	267,714	8,043,325	55,520,275
7	Regulatory retail portfolios	-	-	-	-	2,612,183	1,321,961	-	-	3,934,145
8	Secured by residential property	-	-	11,376,816	-	18,943	699,661	-	-	12,095,420
9	Secured by commercial real estate	-	-	-	-	-	8,049,987	-	-	8,049,987
10	Equity Investment in Funds (EIF)	-	-	-	-	-	3,075	115,797	-	118,872
11	Past-due loans	-	-	-	-	-	2,645,378	587,060	-	3,232,438
12	Higher-risk categories	-	-	-	-	-	-	427,254	-	427,254
13	Other assets	1,500,708	-	-	-	-	1,679,606	-	102,390	3,282,703
14	Total	25,886,577	5,644,641	11,376,816	6,499,064	2,631,126	68,999,126	1,397,854	8,145,715	130,580,918

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 Jun 2024 (AED 000s)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR (for derivatives)	182,657	279,341		1.4	646,797	428,426
	-	-		-	-	-
Simple Approach for credit risk mitigation (for SFTs)					-	-
Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
					-	-
Total						428,426

31 Dec 2023 (AED 000s)	Replacement cost	Potential future exposure	EEPE	Alpha used for computing regulatory EAD	EAD post-CRM	RWA
SA-CCR (for derivatives)	221,093	247,515		1.4	656,051	474,420
	-	-		-	-	-
Simple Approach for credit risk mitigation (for SFTs)					-	-
Comprehensive Approach for credit risk mitigation (for SFTs)					-	-
					-	-
Total						474,420

10.2 Credit valuation adjustment capital charge (CCR2)

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

(AED 000s)		30 Jun 2024		31 Dec 2023	
		EAD post-CRM	RWA	EAD post-CRM	RWA
1	All portfolios subject to the Standardised CVA capital charge	646,797	202,434	656,051	281,971
2	All portfolios subject to the Simple alternative CVA capital charge	-	-	-	-

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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 Jun 2024 (AED 000s)	Credit Exposure							
Regulatory Portfolio	0%	20%	50%	75%	100%	150%	Others	Total
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	11,385	-	-	11,385
Multilateral development banks (MDBS)	-	-	-	-	-	-	-	-
Banks	-	144,627	198,658	-	228	-	-	343,512
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	269,629	-	22,271	291,900
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	-	144,627	198,658	-	281,242	-	22,271	646,797

31 Dec 2023 (AED 000s)	Credit Exposure							
Regulatory Portfolio	0%	20%	50%	75%	100%	150%	Others	Total
Sovereigns	-	-	-	-	-	-	-	-
Public Sector Entities (PSEs)	-	-	-	-	22,451	-	-	22,451
Multilateral development banks (MDBS)	-	-	-	-	-	-	-	-
Banks	-	129,091	147,070	-	546	-	-	276,707
Securities firms	-	-	-	-	-	-	-	-
Corporates	-	-	-	-	331,924	-	23,682	355,605
Regulatory retail portfolios	-	-	-	22	-	-	-	22
Secured by residential property	-	-	-	-	-	-	-	-
Secured by commercial real estate	-	-	-	-	-	-	-	-
Equity Investment in Funds (EIF)	-	-	-	-	-	-	-	-
Past-due loans	-	-	-	-	-	-	-	-
Higher-risk categories	-	-	-	-	-	-	-	-
Other assets	1,265	-	-	-	-	-	-	1,265
Total	1,265	129,091	147,070	22	354,921	-	23,682	656,051

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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 Jun 2024 (AED 000s)	a	b	c	d	e	f
	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	-	-	-	-	-	-
Cash - other currencies	-	568,863	-	69,839	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	568,863	-	69,839	-	-

31 Dec 2023 (AED 000s)	a	b	c	d	e	f
	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	-	-	-	-	-	-
Cash - other currencies	-	470,071	-	44,080	-	-
Domestic sovereign debt	-	-	-	-	-	-
Government agency debt	-	-	-	-	-	-
Corporate bonds	-	-	-	-	-	-
Equity securities	-	-	-	-	-	-
Other collateral	-	-	-	-	-	-
Total	-	470,071	-	44,080	-	-

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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 Jun 2024		31 Dec 2023	
		EAD (post-CRM)	RWA	EAD (post-CRM)	RWA
1	Exposures to QCCPs (total)		7,045		28,547
2	Exposures for trades at QCCPs (excluding initial margin and default fund contribution); of which:	15,481	7,045	48,423	28,547
3	(i) OTC derivatives	15,481	7,045	48,423	28,547
4	(ii) Exchange-traded derivatives	-	-	-	-
5	(iii) Securities financing transactions	-	-	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
7	Segregated initial margin	-	-	-	-
8	Non-segregated initial margin	177,685	-	98,829	-
9	Pre-funded default fund contributions	-	-	-	-
10	Unfunded default fund contributions	-	-	-	-
11	Exposures to non-QCCPs (total)		-		-
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contribution); of which:	-	-	-	-
13	(i) OTC derivatives	-	-	-	-
14	(ii) Exchange-traded derivatives	-	-	-	-
15	(iii) Securities financing transactions	-	-	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-	-	-
17	Segregated initial margin	-	-	-	-
18	Non-segregated initial margin	-	-	-	-
19	Pre-funded default fund contributions	-	-	-	-
20	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 Jun 2024	31 Dec 2023
		RWA	RWA
1	General Interest rate risk (General and Specific)	570,070	593,683
2	Equity risk (General and Specific)	380,130	323,433
3	Foreign exchange risk	169,127	121,269
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus method	-	-
7			
8	Securitisation	-	-
9	Total	1,119,328	1,038,385

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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 Jun 2024		31 Mar 2024		31 Dec 2023	
		Nominal amount	Eligible Liquid Asset	Nominal amount	Eligible Liquid Asset	Nominal amount	Eligible Liquid Asset
(AED 000s)							
1.1	Physical cash in hand at the bank + balances with the CBUAE	20,434,864		11,556,618		15,133,339	
1.2	UAE Federal Government Bonds and Sukuks	4,469,393		7,355,801		5,621,204	
	Sub Total (1.1 to 1.2)	24,904,257	24,904,257	18,912,419	18,912,419	20,754,543	20,754,543
1.3	UAE local governments publicly traded debt securities	1,547,995		1,550,711		1,554,630	
1.4	UAE Public sector publicly traded debt securities	-		-		-	
	Subtotal (1.3 to 1.4)	1,547,995	1,547,995	1,550,711	1,550,711	1,554,630	1,554,630
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	615,604	615,604	496,816	496,816	666,201	666,201
1.6	Total	27,067,856	27,067,856	20,959,946	20,959,946	22,975,374	22,975,374
2	Total liabilities		125,119,583		115,273,562		113,094,418
3	Eligible Liquid Assets Ratio (ELAR)		21.63%		18.18%		20.31%

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 Jun 2024	31 Mar 2024	31 Dec 2023
1	Computation of Advances	(AED 000s)		
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	89,111,311	85,603,180	82,061,841
1.2	Lending to non-banking financial institutions	1,727,802	2,383,944	2,390,221
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	1,821,616	1,838,401	1,864,999
1.4	Interbank Placements	2,188,993	2,081,493	2,067,139
1.5	Total Advances	94,849,722	91,907,018	88,384,200
2	Calculation of Net Stable Resources			
2.1	Total capital + general provisions	17,288,146	16,560,813	17,126,845
	Deduct:			
2.1.1	Goodwill and other intangible assets	172,320	161,224	159,903
2.1.2	Fixed Assets	1,752,787	1,814,662	1,617,391
2.1.3	Funds allocated to branches abroad	-	-	-
2.1.5	Unquoted Investments	306,567	312,887	280,590
2.1.6	Investment in subsidiaries, associates and affiliates	104,674	105,112	102,390
2.1.7	Total deduction	2,336,348	2,393,885	2,160,274
2.2	Net Free Capital Funds	14,951,798	14,166,928	14,966,571
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	8,421,386	7,688,353	7,100,680
2.3.3	Refinancing of Housing Loans	-	-	-
2.3.4	Borrowing from non-Banking Financial Institutions	5,616,834	4,493,498	3,547,418
2.3.5	Customer Deposits	82,310,908	74,527,988	73,573,130
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	2,111,725	2,111,725	2,111,725
2.3.7	Total other stable resources	98,460,853	88,821,564	86,332,953
2.4	Total Stable Resources (2.2+2.3.7)	113,412,651	102,988,492	101,299,524
3	Advances to stable resources ratio (1.5 / 2.4*100)	83.63%	89.24%	87.25%

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	MRT	Material Risk Takers
CCF	Credit Conversion Factor	NIM	Net Interest Margin
CCP	Central Counterparty	NSFR	Net Stable Funding Ratio
CCR	Counterparty Credit Risk	ORM	Operational Risk Management
CCyB	Countercyclical Capital buffer	OTC	Over the Counter Derivatives
CET1	Common Equity Tier 1	PD	Probability of Default
CRM	Credit Risk Mitigation	PFE	Potential Future Exposure
CRO	Chief Risk Officer	PRA	Prudential Regulation Authority
CVA	Credit Value Adjustment	PSE	Public Sector Entity
DVA	Debit 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	TESS	Target Economic Support Scheme
ICAAP	Internal Capital Adequacy Assessment Process	VaR	Value at Risk