



**BANK OF CHINA LTD.-ABU DHABI**

**PILLAR III DISCLOSURES**

**FOR THE QUARTER ENDED 30 SEPTEMBER**

**2022**

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# 1. Overview of Risk Management and RWA

## 1.1 KM1: Key Metrics

		a	b
		Q3 2022	Q2 2022
<b>Available capital (amounts)</b>			
1	Common Equity Tier 1 (CET1)	391,298	388,809
1a	Fully loaded ECL accounting model	391,298	388,809
2	Tier 1	391,298	388,809
2a	Fully loaded ECL accounting model Tier 1	391,298	388,809
3	Total capital	398,342	397,671
3a	Fully loaded ECL accounting model total capital	398,342	397,671
<b>Risk-weighted assets (amounts)</b>			
4	Total risk-weighted assets (RWA)	603,906	749,425
<b>Risk-based capital ratios as a percentage of RWA</b>			
5	Common Equity Tier 1 ratio (%)	64.79%	51.88%
5a	Fully loaded ECL accounting model CET1 (%)	64.79%	51.88%
6	Tier 1 ratio (%)	64.79%	51.88%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	64.79%	51.88%
7	Total capital ratio (%)	65.96%	53.06%
7a	Fully loaded ECL accounting model total capital ratio (%)	65.96%	53.06%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>			
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%
10	Bank D-SIB additional requirements (%)	0.00%	0.00%
11	Total of bank CET1 specific buffer requirements (%)	2.50%	2.50%
12	CET1 available after meeting the bank's capital requirements	54.29%	44.88%
<b>Leverage Ratio</b>			
13	Total leverage ratio measure	2,052,810	1,676,813
14	Leverage ratio (%) (row 2/row 13)	19.06%	23.19%
<b>ELAR</b>			
21	Total HQLA	417,408	281,074
22	Total liabilities	1,161,242	1,044,324
23	Eligible Liquid Assets Ratio (ELAR) (%)	35.94%	27%
<b>ASRR</b>			
24	Total available stable funding	1,305,710	1,045,171
25	Total Advances	698,882	427,534
26	Advances to Stable Resources Ratio (%)	53.53%	40.91%

## 1.2 OV1: Overview of RWA

		a	b	c
		RWA		Min Cap require
		Q3 2022	Q2 2022	Q3 2022
1	Credit risk (excluding counterparty credit risk)	563,483	708,924	59,166
2	Of which: standardized approach (SA)	563,483	708,924	59,166
6	Counterparty credit risk (CCR)	0	0	0
10	Credit valuation adjustment (CVA)	0	0	0
20	Market risk	503	581	53
21	Of which: standardized approach (SA)	503	581	53
23	Operational risk	39,920	39,920	4,192
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	603,906	749,425	63,410

## 2. LEVERAGE RATIO

### 2.1 LR2: Leverage ratio common disclosure template

		a	b
		Q3 2022	Q2 2022
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	1,655,289	1,407,271
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	0	0
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	0	0
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	0	0
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	0	0
6	(Asset amounts deducted in determining Tier 1 capital)	(3,240)	(3,244)
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	1,652,049	1,404,027
<b>Derivative exposures</b>			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	0	0
9	Add-on amounts for PFE associated with all derivatives transactions	0	0
10	(Exempted CCP leg of client-cleared trade exposures)	0	0
11	Adjusted effective notional amount of written credit	0	0

	derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	<b>Total derivative exposures (sum of rows 8 to 12)</b>	0	0
<b>Securities financing transactions</b>			
14	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	CCR exposure for SFT assets	0	0
17	Agent transaction exposures	0	0
18	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	0	0
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	735,160	545,571
20	(Adjustments for conversion to credit equivalent amounts)	(334,399)	(272,786)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	0	0
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	400,761	272,786
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	391,298	388,809
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	2,052,810	1,676,813
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	19.06%	23.19%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	0.00%	0.00%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	0.00%	0.00%

### 3. Liquidity

#### 3.1 ELAR: Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	122,233	
1.2	UAE Federal Government Bonds and Sukuks	295,175	
	Sub Total (1.1 to 1.2)	417,408	417,408
1.3	UAE local governments publicly traded debt securities	0	
1.4	UAE Public sector publicly traded debt securities	0	

	Sub total (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
<b>1.6</b>	<b>Total</b>	417,408	417,408
2	<b>Total liabilities</b>		1,161,242
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		35.94%

### 3.2 ASRR: Advances to Stables Resource Ratio

	Computation of Advances	Q3 2022
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	698,882
1.2	Lending to non-banking financial institutions	0
1.3	Net Financial Guarantees & Stand-by LC (issued - received)	0
1.4	Interbank Placements	0
<b>1.5</b>	<b>Total Advances</b>	698,882
	<b>Calculation of Net Stable Resources</b>	
2.1	Total capital + general provisions	413,513
	<b>Deduct:</b>	
2.1.1	Goodwill and other intangible assets	29
2.1.2	Fixed Assets	1,398
2.1.3	Funds allocated to branches abroad	0
2.1.5	Unquoted Investments	0
2.1.6	Investment in subsidiaries, associates and affiliates	0
<b>2.1.7</b>	<b>Total deduction</b>	1,427
<b>2.2</b>	<b>Net Free Capital Funds</b>	412,086
<b>2.3</b>	<b>Other stable resources:</b>	
2.3.1	Funds from the head office	0
2.3.2	Interbank deposits with remaining life of more than 6 months	0
2.3.3	Refinancing of Housing Loans	0
2.3.4	Borrowing from non-Banking Financial Institutions	0
2.3.5	Customer Deposits	893,624
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
<b>2.3.7</b>	<b>Total other stable resources</b>	893,624
<b>2.4</b>	<b>Total Stable Resources (2.2+2.3.7)</b>	1,305,710
	<b>Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)</b>	53.53