



中國銀行

BANK OF CHINA

BANK OF CHINA LTD.-ABU DHABI

PILLAR III DISCLOSURES (2024Q2)

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1. Overview of Risk Management and RWA

1.1 KM1: Key Metrics

Unit (000' AED, same below unless otherwise stated)

		a	b	c	d	e
		Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	447,253	447,318	448,385	385,026	397,900
1a	Fully loaded ECL accounting model	447,253	447,318	448,385	385,026	397,900
2	Tier 1	447,253	447,318	448,385	385,026	397,900
2a	Fully loaded ECL accounting model Tier 1	447,253	447,318	448,385	385,026	397,900
3	Total capital	463,032	461,385	464,143	399,570	406,574
3a	Fully loaded ECL accounting model total capital	463,032	461,385	464,143	399,570	406,574
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	1,340,780	1,203,328	1,338,594	1,204,148	735,205
Risk-based capital ratios as a percentage of RWA						
5	Common Equity Tier 1 ratio (%)	33.36%	37.17%	33.50%	31.97%	54.12%
5a	Fully loaded ECL accounting model CET1 (%)	33.36%	37.17%	33.50%	31.97%	54.12%
6	Tier 1 ratio (%)	33.36%	37.17%	33.50%	31.97%	54.12%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	33.36%	37.17%	33.50%	31.97%	54.12%
7	Total capital ratio (%)	34.53%	38.34%	34.67%	33.18%	55.30%
7a	Fully loaded ECL accounting model total capital ratio (%)	34.53%	38.34%	34.67%	33.18%	55.30%
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement (%)	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 (%)	2.50%	2.50%	2.50%	2.50%	2.50%
12	CET1 available after meeting the bank's capital requirements	24.03%	27.84%	24.17%	22.68%	44.80%
Leverage Ratio						
13	Total leverage ratio measure	4,276,703	3,557,025	3,408,896	2,860,720	2,958,747
14	Leverage ratio (%) (row 2/row 13)	10.46%	12.58%	13.15%	13.46%	13.45%
ELAR						
21	Total HQLA	890,936	844,892	844,666	669,294	1,241,652
22	Total liabilities	3,236,300	2,530,757	2,492,835	2,067,679	2,240,207
23	Eligible Liquid Assets Ratio (ELAR) (%)	27.53%	33.38%	33.88%	32.37%	55.42%
ASRR						
24	Total available stable funding	2,463,642	2,130,439	1,848,877	1,227,884	1,851,984
25	Total Advances	737,448	774,213	777,793	681,785	723,590
26	Advances to Stable Resources Ratio (%)	29.93%	36.34%	42.07%	55.53%	39.07%

1.2 OV1: Overview of RWA

		a	b	c
		RWA		Minimum capital requirements
		Q2 2024	Q1 2024	Q2 2024
1	Credit risk (excluding counterparty credit risk)	1,262,283	1,125,346	132,540
2	Of which: standardized approach (SA)	1,262,283	1,125,346	132,540
6	Counterparty credit risk (CCR)	0	0	0
10	Credit valuation adjustment (CVA)	0	0	0
20	Market risk	1,492	977	157
21	Of which: standardized approach (SA)	1,492	977	157
23	Operational risk	77,005	77,005	8,086
26	Total (1+6+10+11+12+13+14+15+16+20+23)	1,340,780	1,203,328	140,782

2. Composition of Capital

2.1 CC1: Composition of regulatory capital

		a	b
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
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	367,200	Same as (h) from CC2 template
2	Retained earnings	76,406	
3	Accumulated other comprehensive income (and other reserves)	4,935	
4	Directly issued capital subject to phase-out from CET1 (only applicable to non-joint stock companies)	0	
5	Common share capital issued by third parties (amount allowed in group CET1)	0	
6	Common Equity Tier 1 capital before regulatory deductions	448,541	
Common Equity Tier 1 capital regulatory adjustments			
7	Prudent valuation adjustments	0	
8	Goodwill (net of related tax liability)	0	CC2 (a) minus (d)
9	Other intangibles including mortgage servicing rights (net of related tax liability)	10	CC2 (b) minus (e)
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability)	1,278	
11	Cash flow hedge reserve	0	

12	Securitization gain on sale	0	
13	Gains and losses due to changes in own credit risk on fair valued liabilities	0	
14	Defined benefit pension fund net assets	0	
15	Investments in own shares (if not already subtracted from paid-in capital on reported balance sheet)	0	
16	Reciprocal cross-holdings in CET1, AT1, Tier 2	0	
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)	0	
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)	0	
19	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	0	
20	Amount exceeding 15% threshold	0	
21	Of which: significant investments in the common stock of financials	0	
22	Of which: deferred tax assets arising from temporary differences	0	
23	CBUAE specific regulatory adjustments	0	
24	Total regulatory adjustments to Common Equity Tier 1	1,288	
25	Common Equity Tier 1 capital (CET1)	447,253	
Additional Tier 1 capital: instruments			
26	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	0	CC2 (i)
27	Of which: classified as equity under applicable accounting standards	0	
28	Of which: classified as liabilities under applicable accounting standards	0	
29	Directly issued capital instruments subject to phase-out from additional Tier 1	0	
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)	0	
31	Of which: instruments issued by subsidiaries subject to phase-out	0	
32	Additional Tier 1 capital before regulatory adjustments	0	
Additional Tier 1 capital: regulatory adjustments			
33	Investments in own additional Tier 1 instruments	0	
34	Investments in capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0	
35	Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation	0	
36	CBUAE specific regulatory adjustments	0	
37	Total regulatory adjustments to additional Tier 1 capital	0	
38	Additional Tier 1 capital (AT1)	0	
39	Tier 1 capital (T1= CET1 + AT1)	447,253	
Tier 2 capital: instruments and provisions			
40	Directly issued qualifying Tier 2 instruments plus related stock surplus	0	
41	Directly issued capital instruments subject to phase-out from Tier 2	0	
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)	0	
43	Of which: instruments issued by subsidiaries subject to phase-out	0	
44	Provisions	15,779	

45	Tier 2 capital before regulatory adjustments	15,779	
Tier 2 capital: regulatory adjustments			
46	Investments in own Tier 2 instruments	0	
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)	0	
48	Significant investments in the capital, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	0	
49	CBUAE specific regulatory adjustments	0	
50	Total regulatory adjustments to Tier 2 capital	0	
51	Tier 2 capital (T2)	15,779	
52	Total regulatory capital (TC = T1 + T2)	463,032	
53	Total risk-weighted assets	1,340,780	
Capital ratios and buffers			
54	Common Equity Tier 1 (as a percentage of risk-weighted assets)	33.36%	
55	Tier 1 (as a percentage of risk-weighted assets)	33.36%	
56	Total capital (as a percentage of risk-weighted assets)	34.53%	
57	Institution specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	2.50%	
58	Of which: capital conservation buffer requirement	2.50%	
59	Of which: bank-specific countercyclical buffer requirement	0.00%	
60	Of which: higher loss absorbency requirement (e.g. DSIB)	0.00%	
61	Common Equity Tier 1 (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirement.	24.03%	
The CBUAE Minimum Capital Requirement			
62	Common Equity Tier 1 minimum ratio	7.00%	
63	Tier 1 minimum ratio	8.50%	
64	Total capital minimum ratio	10.50%	
Amounts below the thresholds for deduction (before risk weighting)			
65	Non-significant investments in the capital and other TLAC liabilities of other financial entities	0	
66	Significant investments in common stock of financial entities	0	
67	Mortgage servicing rights (net of related tax liability)	0	
68	Deferred tax assets arising from temporary differences (net of related tax liability)	0	
Applicable caps on the inclusion of provisions in Tier 2			
69	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardized approach (prior to application of cap)	18,732	
70	Cap on inclusion of provisions in Tier 2 under standardized approach	15,779	
71	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	0	
72	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	0	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2018 and 1 Jan 2022)			
73	Current cap on CET1 instruments subject to phase-out arrangements	0	
74	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	

75	Current cap on AT1 instruments subject to phase-out arrangements	0	
76	Amount excluded from AT1 due to cap (excess after redemptions and maturities)	0	
77	Current cap on T2 instruments subject to phase-out arrangements	0	
78	Amount excluded from T2 due to cap (excess after redemptions and maturities)	0	

2.2 CC2: Reconciliation of regulatory capital to balance sheet

	a	b
	Balance sheet as in published financial statements	Under regulatory scope of consolidation
	30 June 2024	30 June 2024
Assets		
Cash and balances with the UAE Central Bank	177,323	177,323
Due from banks	2,046,978	2,046,978
Due from related parties	32,195	32,195
Financial assets measured at amortized cost	713,613	713,613
Loans and advances	737,448	737,448
Other Assets	16,628	16,628
Property, plant and equipment	2,857	2,857
Intangible assets	10	10
Current and deferred tax assets	1,278	1,278
Total assets	3,728,330	3,728,330
Liabilities		
Customer deposits	2,321,412	2,321,412
Due to related parties	877,509	877,509
Due to banks and other financial institutions	2,681	2,681
Other liabilities	34,698	34,698
Provisions	5,786	5,786
Total liabilities	3,242,086	3,242,086
Shareholders' equity		
Paid-in share capital	367,200	367,200
Of which: amount eligible for CET1	367,200	367,200
Of which: amount eligible for AT1	0	0
Retained earnings	101,163	101,163
Accumulated other comprehensive income	17,881	17,881
Total shareholders' equity	486,244	486,244

2.3 CCA: Main features of regulatory capital instruments

		a
		Quantitative / qualitative information
1	Issuer	N/A
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	N/A
	Regulatory treatment	N/A
4	Transitional arrangement rules (i.e. grandfathering)	N/A
5	Post-transitional arrangement rules (i.e. grandfathering)	N/A
6	Eligible at solo/group/group and solo	N/A
7	Instrument type (types to be specified by each jurisdiction)	N/A
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	N/A
9	Nominal amount of instrument	N/A
9a	Issue price	N/A
9b	Redemption price	N/A
10	Accounting classification	N/A
11	Original date of issuance	N/A
12	Perpetual or dated	N/A
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	N/A
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step-up or other incentive to redeem	N/A
22	Non-cumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	Writedown feature	N/A
25	If writedown, writedown trigger(s)	N/A
26	If writedown, full or partial	N/A
27	If writedown, permanent or temporary	N/A
28	If temporary write-own, description of writeup mechanism	N/A
28a	Type of subordination	N/A

29	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned).	N/A
30	Non-compliant transitioned features	N/A
31	If yes, specify non-compliant features	N/A

3. Macro prudential Supervisory measures

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

Geographical breakdown	a	b		c	d	e
	Countercyclical capital buffer rate	Exposure values and/or risk-weighted assets used in the computation of the countercyclical capital buffer		Risk-weighted assets	Bank-specific countercyclical capital buffer rate	Countercyclical buffer amount
		Exposure values				
N/A						
Sum						
Total						

4. LEVERAGE RATIO

4.1 LR2: Leverage ratio common disclosure template

		a	b
		Q2 2024	Q1 2024
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	3,728,330	3,010,501
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)	-1,288	-1,291
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	3,727,042	3,009,210
Derivative exposures			

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 derivatives	0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	Total derivative exposures (sum of rows 8 to 12)	0	0
Securities financing transactions			
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	Total securities financing transaction exposures (sum of rows 14 to 17)	0	0
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	1,062,593	1,058,900
20	(Adjustments for conversion to credit equivalent amounts)	-512,932	-511,085
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	0	0
22	Off-balance sheet items (sum of rows 19 to 21)	549,661	547,815
Capital and total exposures			
23	Tier 1 capital	447,253	447,318
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,276,703	3,557,025
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	10.46%	12.58%
25	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	10.46%	12.58%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	Applicable leverage buffers	0.00%	0.00%

5. 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	177,323	
1.2	UAE Federal Government Bonds and Sukuks	713,613	

	Sub Total (1.1 to 1.2)	890,936	890,936
1.3	UAE local governments publicly traded debt securities	0	
1.4	UAE Public sector publicly traded debt securities	0	
	Subtotal (1.3 to 1.4)	0	0
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	890,936	890,936
2	Total liabilities		3,236,300
3	Eligible Liquid Assets Ratio (ELAR)		27.53%

5.2 ASRR: Advances to Stables Resource Ratio

	Computation of Advances	Q2 2024
1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	737,448
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
1.5	Total Advances	737,448
	Calculation of Net Stable Resources	
2.1	Total capital + general provisions	492,030
	Deduct:	
2.1.1	Goodwill and other intangible assets	10
2.1.2	Fixed Assets	2,857
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
2.1.7	Total deduction	2,867
2.2	Net Free Capital Funds	489,163
2.3	Other stable resources:	
2.3.1	Funds from the head office	0
2.3.2	Interbank deposits with remaining life of more than 6 months	0
2.3.3	Refinancing of Housing Loans	0
2.3.4	Borrowing from non-Banking Financial Institutions	0
2.3.5	Customer Deposits	1,974,479
2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
2.3.7	Total other stable resources	1,974,479
2.4	Total Stable Resources (2.2+2.3.7)	2,463,642
	Advances TO STABLE RESOURCES RATIO (1.6/ 2.4*100)	29.93

6. Credit Risk

6.1 CR1: Credit quality of assets

		a	b	c	d	e	f
		Gross carrying values of		Allowance s/Impairm ents	Of which ECL accounting provisions for credit losses on SA exposures		Net values (a+b-c)
		Defaulted exposures	Non-default ed exposures		Allocated in regulatory category of Specific	Allocated in regulatory category of General	
1	Loans	0	737,448	3,337		3,337	734,110
2	Debt securities	0	727,000	6		6	726,994
3	Off-balance sheet exposures	0	1,062,593	1,686		1,686	1,060,907
4	Total	0	2,527,041	5,029	-	5,029	2,522,012

6.2 CR2: Changes in stock of defaulted loans and debt securities

		a
1	Defaulted loans and debt securities at the end of the previous reporting period	0
2	Loans and debt securities that have defaulted since the last reporting period	0
3	Returned to non-default status	0
4	Amounts written off	0
5	Other changes	0
6	Defaulted loans and debt securities at the end of the reporting period (1+2-3-4±5)	0

6.3 CR4: Standardized approach - credit risk exposure and Credit Risk Mitigation (CRM) effects

		a	b	c	d	e	f
		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	Asset classes	On-balance sheet amount	Off-balanc e sheet amount	On-balance sheet amount	Off-balanc e sheet amount	RWA	RWA density
1	Sovereigns and their central banks	1,337,622	0	1,007,773	0	17,360	1%
2	Public Sector Entities	190,563	65,589	128,122	32,795	58,419	23%
3	Multilateral development banks						
4	Banks	2,091,377	807,109	2,091,377	403,555.00	1,027,397	35%
5	Securities firms						

6	Corporates	102,118	189,895	102,118	72,998	150,541	52%
7	Regulatory retail portfolios						
8	Secured by residential property						
9	Secured by commercial real estate						
10	Equity Investment in Funds (EIF)						
11	Past-due loans						
12	Higher-risk categories						
13	Other assets	6,650	0	6,650	0	8,567	129%
14	Total	3,728,330	1,062,593	3,336,040	509,348	1,262,284	26%

6.4 CR5: Standardized approach - exposures by asset classes and risk weights

		a	b	d	f	h	i
	Risk weight	0%	20%	50%	100%	others	Total credit exposures amount (post-CCF and CRM)
	Asset classes						
1	Sovereigns and their central banks	990,413			17,360		1,007,773
2	Public Sector Entities		128,122		32,795		160,917
3	Multilateral development banks						
4	Banks		758,980	1,720,702	15,250		2,494,932
5	Securities firms						
6	Corporates			49,150	125,966		175,116
7	Regulatory retail portfolios						
8	Secured by residential property						
9	Secured by commercial real estate						

10	Equity Investment in Funds (EIF)						
11	Past-due loans						
12	Higher-risk categories						
13	Other assets				5,372	1,278	6,650
14	Total	990,413	887,102	1,769,852	196,743	1,278	3,845,388

7. Market Risk

		a
		RWA
1	General Interest rate risk (General and Specific)	0
2	Equity risk (General and Specific)	0
3	Foreign exchange risk	1,492
4	Commodity risk	0
	Options	0
5	Simplified approach	0
6	Delta-plus method	0
7	Scenario approach	0
8	securitization	0
9	Total	1,492