# Bank of China (Canada)

## BASEL PILLAR III DISCLOSURE

## AS AT March 31, 2025

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# Bank of China (Canada)

## Basel Pillar III Disclosures

March 31, 2025

(All figures are in thousands of Canadian dollar, unless otherwise stated)

### 1. Scope of Application

In this document, the Bank of China (Canada) (the “Bank”) provides its Basel Pillar III disclosures, as required by the Office of the Superintendent of Financial Institutions Canada (OSFI).

The Bank is licensed to operate in Canada as a foreign bank subsidiary with full banking powers under the Bank Act. The Bank is a wholly owned subsidiary of Bank of China Limited (the “parent bank”). The Bank is domiciled in Canada and its registered office is located at 50 Minthorn Boulevard, Markham, Ontario, L3T 7X8, Canada.

(All figures are in thousands of Canadian dollar, unless otherwise stated)

### 2. Key Metrics

KM1 key metrics March 31, 2025 with comparative four prior quarters:

| | | Date | | | | |
|---|---|---|---|---|---|---|
| | *(CAD in '000 except ratios)* | 31-Mar-25 | 31-Dec-24 | 30-Sep-24 | 30-Jun-24 | 31-Mar-24 |
| | **Available capital (amounts)** | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 794,479 | 785,903 | 780,878 | 773,878 | 779,081 |
| 2 | Tier 1 | 794,479 | 785,903 | 780,878 | 773,878 | 779,081 |
| 3 | Total capital | 818,146 | 814,415 | 815,297 | 803,637 | 805,956 |
| | **Risk-weighted assets (amounts)** | | | | | |
| 4 | Total risk-weighted assets (RWA) | 2,996,925 | 3,307,223 | 3,271,384 | 2,891,612 | 3,001,262 |
| 4a | Total risk-weighted assets (pre-floor) | 2,996,925 | 3,307,223 | 3,271,384 | 2,891,612 | 3,001,262 |
| | **Risk-based capital ratios as a percentage of RWA** | | | | | |
| 5 | CET1 ratio (%) | 26.51% | 23.76% | 23.87% | 26.76% | 25.96% |
| 5a | CET1 ratio (%) (pre-floor ratio) | 26.51% | 23.76% | 23.87% | 26.76% | 25.96% |
| 6 | Tier 1 ratio (%) | 26.51% | 23.76% | 23.87% | 26.76% | 25.96% |
| 6a | Tier 1 ratio (%) (pre-floor ratio) | 26.51% | 23.76% | 23.87% | 26.76% | 25.96% |
| 7 | Total capital ratio (%) | 27.30% | 24.62% | 24.92% | 27.79% | 26.85% |
| 7a | Total capital ratio (%) (pre-floor ratio) | 27.30% | 24.62% | 24.92% | 27.79% | 26.85% |
| | **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 | 0 | 0 | 0 | 0 |
| 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 (%) | 22.01% | 19.26% | 19.37% | 22.26% | 21.46% |
| | **Basel III Leverage ratio** | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | 4,210,531 | 4,260,514 | 4,570,079 | 4,305,730 | 4,054,035 |
| 14 | Basel III leverage ratio (row 2 / row 13) | 18.87% | 18.45% | 17.09% | 17.97% | 19.22% |

(All figures are in thousands of Canadian dollar, unless otherwise stated)

### 3. Composition of Regulatory Capital

**Composition of regulatory capital - Modified CC1 Q1 2025**

| | Modified Capital Disclosure (CAD'000) | March 31, 2025 |
|---|---|---|
| | **Common Equity Tier 1 capital: instruments and reserves** | **All-in** |
| 1 | Directly issued qualifying common share capital (and equivalent for non-joint stock companies) plus related stock surplus | 455,230 |
| 2 | Retained earnings | 338,990 |
| 3 | Accumulated other comprehensive income (and other reserves) | 259 |
| 4 | Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies) | N/A |
| 5 | Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1) | N/A |
| 6 | **Common Equity Tier 1 capital before regulatory adjustments** | 794,479 |
| | **Common Equity Tier 1 capital: regulatory adjustments** | |
| 28 | **Total regulatory adjustments to Common Equity Tier 1** | N/A |
| 29 | **Common Equity Tier 1 capital (CET1)** | 794,479 |
| | **Additional Tier 1 capital: instruments** | |
| 30 | Directly issued qualifying Additional Tier 1 instruments plus related stock surplus | N/A |
| 33 | Directly issued capital instruments subject to phase out from Additional Tier 1 | N/A |
| 34 | Additional Tier 1 instruments (and CET1 instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1) | N/A |
| 36 | Additional Tier 1 capital before regulatory adjustments | N/A |
| | **Additional Tier 1 capital: regulatory adjustments** | |
| 43 | **Total regulatory adjustments to Additional Tier 1 capital** | N/A |
| 44 | **Additional Tier 1 capital (AT1)** | N/A |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | 794,479 |
| | **Tier 2 capital: instruments and allowances** | |
| 46 | Directly issued qualifying Tier 2 instruments plus related stock surplus | - |
| 47 | Directly issued capital instruments subject to phase out from Tier 2 | N/A |
| 48 | Tier 2 instruments (and CET1 and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier 2) | N/A |
| 50 | Collective allowances | N/A |
| 51 | Tier 2 capital before regulatory adjustments | - |
| | **Tier 2 capital: regulatory adjustments** | |
| 57 | **Total regulatory adjustments to Tier 2 capital** | 23,667 |
| 58 | **Tier 2 capital (T2)** | 23,667 |
| 59 | **Total capital (TC = T1 + T2)** | 818,146 |

(All figures are in thousands of Canadian dollar, unless otherwise stated)

| | | |
|---|---|---|
| 60 | **Total risk-weighted assets** | 2,996,925 |
| 60a | **Common Equity Tier 1 (CET1) Capital RWA** | N/A |
| 60b | **Tier 1 Capital RWA** | N/A |
| 60c | **Total Capital RWA** | N/A |
| | **Capital ratios** | |
| 61 | **Common Equity Tier 1 (as percentage of risk-weighted assets)** | 26.51% |
| 62 | **Tier 1 (as percentage of risk-weighted assets)** | 26.51% |
| 63 | **Total capital (as percentage of risk-weighted assets)** | 27.30% |
| | **OSFI all-in target** | |
| 69 | Common Equity Tier 1 capital all-in target ratio | 7% |
| 70 | Tier 1 capital all-in target ratio | 8.50% |
| 71 | Total capital all-in target ratio | 10.50% |
| | **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)** | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | N/A |
| 81 | Amounts excluded from CET1 due to cap (excess over cap after redemptions and maturities) | N/A |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | N/A |

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### 4. Leverage Ratio

**Leverage Ratio - LR2 - Leverage Ratio Disclosure Q1 2025 and Q4 2024 on an "all-in" basis**

| | Items | Amount (CAD in '000 except ratios) | |
|---|---|---|---|
| | | **March 31, 2025** | **December 31, 2024** |
| | **On-balance sheet exposures** | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and grandfathered securitization exposures but including collateral) | 3,812,398 | 3,849,554 |
| 4 | (Asset amounts deducted in determining Basel III "all-in" Tier 1 capital) | -203 | -231 |
| 5 | Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2) | 3,812,195 | 3,849,323 |
| | **Derivative exposure** | | |
| 6 | Replacement cost associated with all derivative transactions | - | - |
| 7 | Add-on amounts for PFE associated with all derivative transactions | 14 | 7 |
| 8 | (Exempted CCP-leg of client cleared trade exposures) | N/A | N/A |
| 9 | Adjusted effective notional amount of written credit derivatives | N/A | N/A |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives | N/A | N/A |
| 11 | Total derivative exposures (sum of lines 6 to 10) | 14 | 7 |
| | **Securities financing transaction exposures** | | |
| 12 | Gross SFT assets recognized for accounting purposes (with no recognition of netting), after adjusting for sale accounting transactions. | N/A | N/A |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | N/A | N/A |
| 14 | Counterparty credit risk (CCR) exposure for SFTs | N/A | N/A |
| 15 | Agent transaction exposure | N/A | N/A |
| 16 | Total securities financing transaction exposures (sum of lines 12 to 15) | 0 | 0 |
| | **Other off-balance sheet exposures** | | |
| 17 | Off-balance sheet exposure at gross notional amount | 939,302 | 972,654 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | -540,980 | -561,469 |
| 19 | Off-balance sheet items (sum of lines 17 and 18) | 398,322 | 411,185 |
| | **Capital and Total Exposures** | | |
| 20 | Tier 1 capital | 794,479 | 785,903 |
| 21 | Total Exposures (sum of lines 5, 11, 16 and 19) | 4,210,531 | 4,260,515 |
| | **Leverage Ratios** | | |
| 22 | Basel III leverage ratio | 18.87% | 18.45% |