

**BANK OF CHINA LIMITED INDIA BRANCH**  
**BASEL III: PILLAR 3 DISCLOSURES AS AT 31<sup>st</sup> December 2025**

The capital adequacy framework is applicable to Bank of China Limited India Branch situated in Mumbai for the period ended 31<sup>st</sup> December 2025.

These are primarily in the context of the disclosure requirements under Annexure 18 - Pillar 3 disclosure requirements of the Reserve Bank of India (RBI) Master Circular - Basel III capital regulation dated April 01, 2025. As stated in the said Master Circular, for the quarter ended 31<sup>st</sup> December 2025, the Bank has made the following Pillar 3 disclosures:

- (i) Table DF 1 – Scope of Application
- (ii) Table DF 2 – Capital Adequacy
- (iii) Table DF 3 – Credit Risk: General Disclosure for all Banks
- (iv) Table DF 4 – Credit Risk: Disclosures for portfolios subject to the standardized approach
- (v) Table DF 18 – Leverage Ratio

## **1. Scope of Application (DF - 1)**

### **Qualitative Disclosures:**

- a) List of group entities considered for consolidation: Not Applicable
- b) List of group entities not considered for consolidation both under the accounting and regulatory scope of consolidation: Not Applicable

### **Quantitative Disclosures:**

- a) List of group entities considered for consolidation: Not Applicable
- b) The aggregate amount of capital deficiencies in all subsidiaries which are not included in regulatory scope of consolidation: Not Applicable
- c) The aggregate amounts (e.g. current book value) of the bank's total interests in insurance entities, which are risk weighted: Not Applicable
- d) Any restrictions and impediments on transfer of funds or regulatory capital within the banking group. There are no restrictions or impediments on transfer of funds or regulatory capital within the banking group.

The Bank does not have any subsidiary in India which requires to be consolidated in line with AS21 (Consolidated Financial Statements).

## **2. Capital Adequacy (DF-2) Qualitative Disclosures**

The Bank's capital management approach is to ensure that it maintains a strong capital base to support its business growth and to meet regulatory capital requirements at all times. The Bank's Capital Funds are broadly classified as Tier 1 and Tier 2. The bank has well defined Internal Capital Adequacy Process (ICAAP) which covers methodology and information on the on-going assessment of the Bank's key risk, measurement and mitigation of risks. It also provides overview of current and future capital requirements of Bank based on growth projections and assessment of these risks. The focus of ICAAP includes Bank's capital planning, assessment and management of material risks and adequacy of capital under normal and stress conditions.

The Bank has adopted Standardized Approach for Credit Risk, Basic Indicator Approach (BIA) for Operational Risk and Standardized Duration Approach for Market risk for computing CRAR in line

with guidelines of the Reserve Bank of India.

Summary information on the terms and conditions of the main features of all capital instruments especially eligible for Tier 1 and Tier 2:

- Tier 1 capital: - Consists of funds from HO for the purpose of meeting capital adequacy norms.
- Tier 2 Capital: - Capital comprises of general loss provisions on standard assets, country risks and un-hedged foreign currency exposures.

Internal capital planning exercise will be carried as and when required to ensure adequacy of capital at the times of changing economic conditions, even at time of economic recession. The Bank wide risk appetite is translated in terms of the targeted CRAR ratio. In capital planning Bank will review:

- ✓ Current capital requirement of bank
- ✓ The targeted and sustainable capital in terms of business strategy, policy and risk appetite.
- ✓ The future capital planning is done on a three year outlook.

<b>Quantitative disclosures</b>	<b>As at 31<sup>st</sup> December 2025 (Amount in INR'000)</b>
<b>Capital requirements for credit risk (I):</b>	<b>161,219</b>
Portfolios subject to standardized approach	161,219
Securitization exposures	-
<b>Capital requirements for market risk (II):</b>	<b>48,263</b>
Standardized duration approach;	
Interest rate risk	-
Foreign exchange risk (including gold)	48,263
Equity risk	-
<b>Capital requirements for operational risk (III):</b>	<b>112,761</b>
Basic Indicator Approach	112,761
The Standardized Approach (if applicable)	-
<b>Total capital requirement (I + II + III)</b>	<b>322,242</b>
Total capital funds of the Bank (Tier I + Tier II)	2,887,701
Total risk weighted assets	2,478,785
<b>Common Equity Tier I Capital (CET1)</b>	<b>116.50%</b>
Tier I Capital ratio	115.97%
Tier II Capital ratio	0.52%
<b>Total Capital ratio</b>	<b>116.50%</b>

\*The above disclosure is as per the Basel III guidelines wherein the minimum capital requirement is 13% (minimum capital ratio of 9% plus 2.5% of capital conversion buffer plus 1.5% of additional buffer applicable to BOC on account of being classified as GSIB).

### **Risk Exposure and Assessment:**

General qualitative disclosure for each risk area (identified as under), risk management objectives and policies, processes and techniques used by the Bank to identify, measure, monitor and control the following risks as material to its nature of operations:

- Credit Risk
- Market Risk
- Operational Risk
- Liquidity Risk
- Interest Rate Risk

### **General Qualitative Disclosures:**

**Risk Management and Internal Control Committee (“RMICC”):** Adequate risk management and measurement of risks in various business operations and timely remedial measures are performed through the RMICC, which meets at least once every quarter. The RMICC regularly oversees the Bank’s risk management policies / practices under various risks viz. Credit, Operational and Market risk. The committee assesses and monitors the level of risk under various functions and initiates appropriate mitigation measures wherever necessary.

### **3. Credit Risk [table DF 3]**

Credit risk is the risk of loss arising from failure of counterparties to meet their financial or contractual obligations to BOC India when due. The Credit risk faced by the Bank arises mainly from corporate advances, exposure to debt securities and settlement balances with market counter-parties.

BOC India maintains a credit risk management framework (policies) that clearly define roles and responsibilities, working procedures, limits and key controls. It is based on BOC’s comprehensive global risk management policies / guidelines.

#### **Credit Risk Rating**

Credit risk team assesses the customer’s credit worthiness and monitors the quality of loan portfolio periodically. It monitors credit risk on Bank-wide basis and ensures compliance with approved risk parameters and prudential limits.

The Bank’s internal credit rating plays a vital role in decision making and monitoring of customers. BOC India follows the Bank’s global rating system to internally rate customers. Internal ratings are assigned to customers based on various qualitative and quantitative risk parameters modelled in the system.

*Note: For credit risk weighted assets computation, the bank uses external ratings assigned by domestic credit rating agencies (like CRISIL, ICRA, CARE, etc.) accredited by the Reserve Bank of India.*

#### **Concentration Risk**

Concentration risk is managed by maintaining acceptable headroom and ongoing monitoring of exposures to ensure adherence to regulatory limits for single / group borrowers and inter-bank exposures.

#### **Credit Monitoring**

Exposure monitoring and assessment of customers’ business / financial performance on periodic basis enables business units and credit risk team to identify and report problem in relation to any loans on a prompt basis. Reports are received from business units on regular basis, which are evaluated and escalated to senior credit authorities for taking necessary action.

### Quantitative disclosure as per table DF 3 Total

a) Total gross credit exposures including Geographic distribution of exposures (Amount in INR'000s)

Particulars	Domestic	Overseas	Total
Fund Based Exposure	1,750,000	NIL	1,750,000
Non Fund Based Exposure (Non-market related off-balance sheet exposures)	NIL	156,407	156,407

b) Industry type distribution of exposures. (Amount in INR'000s)

Type of Industry	Funded			Non Funded
	Standard	NPA	Total	Total
Non-Banking Financial Services	1,250,000	NIL	1,250,000	NIL
Wholesale Trade	500,000	NIL	500,000	NIL
Mfg. of Insulated Wire Cables	NIL	NIL	NIL	156,407
Banking	1,250,000	NIL	1,250,000	NIL

c) Residual contractual maturity break down of assets(Amount in '000s)

Maturity Pattern	Day - 1	2-7 Days	8-14 Days	15-30 Days	31 days to 2 months	2 months and upto 3 months	Over 3 Months and upto 6 months	6 months to 1 year	Over 1 Year and upto 3 years	Over 5 years	Total
Cash and balance with RBI and other Banks	165,364	NIL	NIL	40,712	NIL	NIL	NIL	NIL	NIL	NIL	206,076
Loans and Advances	NIL	NIL	NIL	NIL	500,000	NIL	NIL	NIL	1,250,000	NIL	1,750,000
Investments	NIL	NIL	NIL	NIL	NIL	NIL	501,134	250,247	1,076,404	NIL	1,827,785

d) Amount of NPAs (Gross) -NIL

e) Net NPAs -NIL

f) NPA Ratios -NIL

g) Movement of NPAs (Gross) -NIL

h) Movement of provisions for NPAs -NIL

i) Amount of Non-Performing Investments -NIL

j) Amount of provisions held for non-performing investments -NIL

k) Movement of provisions for depreciation on investments –NIL

#### **4. Credit Risk: Disclosures for Portfolios subject to Standardised Approach: DF-4 External Ratings**

The Bank has adopted the standardized approach of the new capital adequacy framework for computation of capital for credit risk. The Bank has assigned risk weights to different classes of assets as prescribed by RBI.

As at 31<sup>st</sup> December 2025, the Bank considered external rating for three borrowers' facility while one was unrated.

For non-market related off-balance sheet exposures, the Bank considered external credit ratings of counter guarantee issuing foreign banks.

<b>Quantitative disclosures</b>	<b>Amount in INR'000</b>
a) For exposure amounts after risk mitigation subject to the standardised approach, amount of a Bank's outstanding (rated and unrated) in the following three major risk buckets as well as those that are deducted: <ul style="list-style-type: none"> <li data-bbox="263 555 587 589">· Below 100% risk weight</li> <li data-bbox="263 667 504 701">· 100% risk weight</li> <li data-bbox="263 779 635 813">· More than 100% risk weight</li> <li data-bbox="263 869 408 902">· Deducted</li> </ul>	1,250,000  NIL  500,000  NIL

**\* Note: The above tabulation is for loans & advances only and represents closing balance as at 31<sup>st</sup> December 2025.**

**DF-18: Leverage ratio common disclosure template (Rs.in 000s)**

Sr. No.	Leverage ratio framework	31st Dec 2025	30th Sep 2025	30th Jun 2025
<b>On-Balance sheet exposure</b>				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	3,933,873	4,216,857	3,915,323
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	Nil	Nil	Nil
3	<b>Total on-balance sheet exposures</b> (excluding derivatives and SFTs) (sum of lines 1 and 2)	3,933,873	4,216,857	3,915,323
<b>Derivative exposure</b>				
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	Nil	Nil	Nil
5	Add-on amounts for PFE associated with all derivatives transactions	Nil	Nil	Nil
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	Nil	Nil	Nil
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	Nil	Nil	Nil
8	(Exempted CCP leg of client-cleared trade exposures)	Nil	Nil	Nil
9	Adjusted effective notional amount of written credit derivatives	Nil	Nil	Nil
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	Nil	Nil	Nil
11	<b>Total derivative exposures (sum of lines 4 to 10)</b>	Nil	Nil	Nil
<b>Securities financing transaction exposures</b>				
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	Nil	Nil	Nil
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	Nil	Nil	Nil
14	CCR exposure for SFT assets	Nil	Nil	Nil
15	Agent transaction exposures	Nil	Nil	Nil
16	<b>Total securities financing transaction exposures (sum of lines 12 to 15)</b>	Nil	Nil	Nil
<b>Other off-balance sheet exposures</b>				
17	Off-balance sheet exposure at gross notional amount	156,407	163,195	327,113
18	(Adjustments for conversion to credit equivalent amounts)	-78,203	-81,598	-163,556
19	<b>Off-balance sheet items (sum of lines 17 and 18)</b>	78,203.31	81,597.57	163,556
<b>Capital and total exposures</b>				
20	<b>Tier 1 capital</b>	2,874,733	2,929,125	2,849,633
21	<b>Total exposures (sum of lines 3, 11, 16 and 19)</b>	4,012,076	4,298,455	4,078,879
<b>Leverage ratio</b>				
22	<b>Basel III leverage ratio (20/21*100)</b>	71.65%	68.14%	69.86%