

BANK OF CHINA LIMITED - INDIA BRANCH
BASEL III: PILLAR 3 DISCLOSURES AS AT 30TH SEPTEMBER 2023

The capital adequacy framework is applicable to Bank of China Limited India Branch situated in Mumbai for the period ended 30th September 2023.

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 May 12, 2023. The Bank has implemented the requirement laid down by RBI for Pillar 3 disclosure, covering both the quantitative and qualitative items. The information provided has been reviewed by senior management. All table DF references relate to those mentioned in Annexure 18 - Pillar 3 of the above mentioned circular.

The Basel III framework consists of three-mutually reinforcing pillars:

- (i) Pillar 1: Minimum capital requirements for credit risk, market risk and operational risk
- (ii) Pillar 2: Supervisory review of capital adequacy and evaluation process
- (iii) Pillar 3: Market discipline

Market Discipline (Pillar 3) comprises a set of disclosures on the Capital Adequacy and Risk Management framework of the Bank. Pillar 3 disclosures as per RBI master circular on Basel III Capital Regulations are set out in the following sections for information.

1. Scope of Application & Capital Adequacy (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.

Quantitative disclosures	As at 30th September 2023 (Amount in INR'000)
Capital requirements for credit risk (I):	85,014*
Portfolios subject to standardized approach	85,014
Securitization exposures	Nil
Capital requirements for market risk (II):	99,844*
Standardized duration approach;	
Interest rate risk	12,094
Foreign exchange risk (including gold)	87,750
Equity risk	Nil
Capital requirements for operational risk (III):	73,384*
Basic Indicator Approach	73,384
The Standardized Approach (if applicable)	Nil
Total capital requirement (I + II + III)	258,242
Total capital funds of the Bank (Tier I + Tier II)	2,861,399
Total risk weighted assets	1,986,475
Common Equity Tier I Capital (CET1)	143.61%
Tier I Capital ratio	143.61%
Tier II Capital ratio	0.43%
Total Capital ratio	144.04%

*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 BOC being a 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	1,000,000	NIL	1,000,000
Non Fund Based Exposure (Non-market related off-balance sheet exposures)	NIL	760,580	760,580

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

Type of Industry	Funded			Non Funded
	Standard	NPA	Total	Total
Non-Banking Financial Services	500,000	NIL	500,000	NIL
Wholesale Trade	500,000	NIL	500,000	NIL
Banking	NIL	NIL	NIL	760,580

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	42,777	700,669	51,694	59,374	50,716	-	-	-	-	21,500	926,730
Loans and Advances	-	-	-	-	-	500,000	500,000	-	-	-	1,000,000
Investments	-	-	-	-	1,293,902	-	96,800	336,157	201,740	-	1,928,599

- 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 30th September 2023, the Bank considered external ratings of its facilities to the two borrower counterparties.

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

Quantitative disclosures	Amount in INR'000
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:	
· Below 100% risk weight	1,000,000
· 100% risk weight	
· More than 100% risk weight	
· Deducted	NIL

** Note: The above tabulation is for loans & advances only and represents closing balance as at 30th September 2023.*

5. Credit Risk Mitigation: Disclosures for Standardized Approaches: DF-5

Taking collateral enables the Bank to manage and mitigate its credit exposure to a counter party. Collateral refers to assets in which the Bank has legally enforceable right in order to mitigate losses in case of a default.

The comprehensive assessment of collateral is performed in which certain qualitative & quantitative factors are considered, including:

- Nature;
- Quality;
- Liquidity;
- Market value;
- Exposure of collateral to other risks such as market risk and operational risk;
- Quality of charge;
- Legal status of rights;
- Legal enforce-ability; and
- Time required to dispose off.

As at 30th September 2023 the Bank had no collateral eligible as credit risk mitigant.

(INR in 000s)

Quantitative disclosures	Amount
· For each separately disclosed credit risk portfolio the total exposure (after, where applicable, on- or off balance sheet netting) that is covered by eligible financial collateral after the application of haircuts.	-
· For each separately disclosed portfolio the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees / credit derivatives (whenever specifically permitted by RBI)	-

6. Securitisation Exposures: Disclosure for Standardised Approach: DF-6

The Bank does not have any securitization exposure as at 30th September 2023.

7. Market Risk: DF-7

Market risk is defined as the risk of losses in on-balance sheet and off-balance sheet positions arising from movement in market prices.

Market Risk is the risk to the bank's earnings and capital due to changes in the market level of interest rates or prices of securities, foreign exchange and equities, as well as the volatilities of those changes. The approaches to manage market risk in the Bank's Trading book and Banking book have to be different, as the positions are carried for different purposes.

Trading Book: The positions held by the bank with an intention of gain from price movements in short time period and hedging positions taken up for trading portfolio.

Banking Book: The banking book comprises assets and liabilities, which are contracted basically on account of relationship or for steady income and statutory obligations and are generally held till maturity.

Bank has established Market Risk Management Policy, which comprises of risk identification, risk measurement, risk control through setting up of limits and triggers, risk monitoring, models of analysis that value positions or measure market risk, risk reporting, etc. Risk Management Internal Control Committee monitors all the risk limits periodically and manages the issues relating to market risk management.

Local Asset Liability Committee "ALCO" meets on a monthly basis to review the structural liquidity, interest rate risk, asset/liability position, FX position if any, CRR/SLR compliance and Capital Adequacy. Stress testing is done on half yearly basis. Internal Capital Adequacy assessment on annual basis.

Quantitative Disclosures

The Bank is following the standardized duration approach for calculating capital requirements for market risk. (INR. '000s)

Capital requirement for market risk	As at 30th Sep 2023	As at 31 st March 2023
Standardized approach		
Interest rate risk	12,094	14,768
Foreign exchange risk (including Gold)	87,750	87,750
Equity risk	Nil	Nil

8. Operational Risk: DF-8

Qualitative Disclosures

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, systems, control or external events, and includes compliance risk, conduct risk and legal risk, but excludes strategic risk and reputational risk. As per Basel guidelines, Operational Risk Events are classified into the following standard levels (Level I) - Internal Fraud, External Fraud, Employment Practices and Work Place Safety, Clients Products and Business Practices, Damages to physical assets, Business disruption and system failures and Execution Delivery and Process Management.

Basis an approved Operational Risk Management Policy and other ORM policies and guidelines of the Bank, the Bank has implemented various operational risk management tools for risk identification, risk

assessment, risk analysis & monitoring risk mitigation and risk reporting. Bank undertakes Risk and Control Self-Assessment exercise annually to identify the strengths and weaknesses of the operational risk environment. Key Risk Indicators which reflect potential sources of operational risk events are being tracked on a monthly basis. Bank has also implemented necessary process and policy to perform operational risk stress testing on annual basis considering internal and industry risk events and loss incidents.

The Bank's approach to operational risk is to contain risks within the Bank's risk appetite and boundaries. As part of building risk culture, all Bank staff are regularly required to undergo various internal training & awareness programs on Operational Risk Management through training sessions and workshops.

Approach for Operational risk Capital Assessment

As per RBI guidelines, the Bank has adopted Basic Indicator Approach (BIA) for assessing capital for operational risk. As per BIA, Operational Risk Weighted Exposures (RWA) is INR 564,490 in '000 and 13% capital requirement on Risk Weighted Exposure as on 30th September 2023 is INR 73,384 in '000.

9. Interest Rate Risk in the Banking Book (IRRBB): DF-9 Qualitative Disclosures

Interest rate risk refers to the potential for the Bank's earnings or capital being reduced due to fluctuations in interest rates or variability of interest rates. Change in Net Interest Income or Economic Value of Equity is caused by unexpected changes in market interest rates. Interest rate risk is due to variability of interest rates.

The bank strives to between reducing risk to earnings from adverse movements in interest rates and enhancing net achieve a balance interest income through correct anticipation of the direction and extent on interest rate changes. IRRBB is measured and controlled using both Earnings Perspective (Traditional Gap Analysis) and Economic Value Perspective (Duration Gap Analysis). The bank performs Duration Gap Analysis and Traditional Gap Analysis as per RBI guidelines every month for managing risk.

The Duration Gap analysis analyzes the impact of 100 bps, 200 bps & 300 bps change in interest rate on the Net Worth for the Bank. Traditional Gap Analysis analyzes impact of 100bps, 200 bps & 300 bps change in the interest rates on the Earnings.

The net-worth of Bank as on 30th September 2023 is INR 2,852,917 ('000). If there is change in Interest Rates by 200 bps, the impact on MVE will be INR 20,826 ('000).

Bank also performs half yearly stress test on interest rate risk in order to analyze the impact of stress due to adverse movement in the interest rate risk and its impact on Bank's earnings.

Quantitative Disclosures:

Bank monitors interest rate risk using Duration Gap approach to measure the Market Value of Equity (MVE) for upward and downward rate shocks as per RBI guidelines on the same. The potential change in MVE for different interest shocks as on 30th September 2023 as given below:

100 bps change in interest rates	-0.37%
200 bps change in interest rates	-0.73%
300 bps change in the interest rates	-1.10%

10. General Disclosure for Exposures Related to Counterparty Credit Risk:**DF 10 Qualitative disclosures**

As per the Master Circular - Prudential Guidelines on Capital Adequacy and Market Discipline - New Capital Adequacy Framework (NCAF) of RBI dated Jul 31, 2015, Banks are expected to use the standardized method for computation of counterparty credit exposure using the Current Exposure Method (CEM) for market related off balance sheet exposures. The Bank has not carried out any derivative transactions during the year, also there were no derivative contract outstanding as of 30th September 2023 which required any capital allocation.

(INR. in 000s)

Particulars	Notional Amount	Current Exposure
Foreign Exchange Contract	Nil	Nil
Total	Nil	Nil

Table DF-11: Composition of Capital (INR. In 000s)			
		Amounts Subject to Pre-Basel III Treatment	Ref No.
Common Equity Tier 1 capital: instruments and reserves			
1	Directly issued qualifying common share capital plus related stock surplus (share premium) (Funds received from Head Office)	3,525,375	
2	Retained earnings	(672,458)	
3	Accumulated other comprehensive income (and other reserves)	-	
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies ¹)	-	
	Public sector capital injections grandfathered until January 1, 2018	-	
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	
6	Common Equity Tier 1 capital before regulatory adjustments	2,852,917	
Common Equity Tier 1 capital: regulatory adjustments			
7	Prudential valuation adjustments	-	
8	Goodwill (net of related tax liability)	-	
9	Intangibles other than mortgage-servicing rights (net of related tax liability)	-	
10	Deferred tax assets ²	-	
		-	

11	Cash-flow hedge reserve		
12	Shortfall of provisions to expected losses	-	
13	Securitisation gain on sale	-	
14	Gains and losses due to changes in own credit risk on fair valued liabilities	-	
15	Defined-benefit pension fund net assets	-	
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	
17	Reciprocal cross-holdings in common equity	-	
18	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	
19	Significant investments in the common stock of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold) ³	-	
20	Mortgage servicing rights ⁴ (amount above 10% threshold)	-	
21	Deferred tax assets arising from temporary differences ⁵ (amount above 10% threshold, net of related tax liability)	-	
22	Amount exceeding the 15% threshold ⁶	-	
23	of which: significant investments in the common stock of financial entities	-	
24	of which: mortgage servicing rights	-	
25	of which: deferred tax assets arising from temporary differences	-	
26	National specific regulatory adjustments ⁷ (26a+26b+26c+26d)	-	
26a	of which: Investments in the equity capital of the unconsolidated insurance subsidiaries	-	
26b	of which: Investments in the equity capital of unconsolidated non-financial subsidiaries ⁸	-	
26c	of which: Shortfall in the equity capital of majority owned financial entities which have not been consolidated with the Bank	-	
26d	of which: Unamortised pension funds expenditures	-	
	Regulatory Adjustments Applied to Common Equity Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	

	of which:	-	
27	Regulatory adjustments applied to Common Equity Tier 1 due to insufficient Additional Tier 1 and Tier 2 to cover deductions	-	
28	Total regulatory adjustments to Common equity Tier 1	-	
29	Common Equity Tier 1 capital (CET 1)	2,852,917	
	Additional Tier 1 capital: instruments		
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus (31+32)	-	
31	of which: classified as equity under applicable accounting standards (Perpetual Non-Cumulative Preference Shares)	-	
32	of which: classified as liabilities under applicable accounting standards (Perpetual debt Instruments)	-	
33	Directly issued capital instruments subject to phase out from Additional Tier 1	-	
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)	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	Additional Tier 1 capital before regulatory adjustments	-	
	Additional Tier 1 capital: regulatory adjustments		
37	Investments in own Additional Tier 1 instruments	-	
38	Reciprocal cross-holdings in Additional Tier 1 instruments	-	
39	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	
40	Significant investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions) ¹⁰	-	
41	National specific regulatory adjustments (41a+41b)	-	
41a	Investments in the Additional Tier 1 capital of unconsolidated insurance subsidiaries	-	
41b	Shortfall in the Additional Tier 1 capital of majority owned financial entities which have not been consolidated with the Bank	-	
	Regulatory Adjustments Applied to Additional Tier 1 in respect of Amounts Subject to Pre-Basel III Treatment	-	

	of which:	-	
42	Regulatory adjustments applied to Additional Tier 1 due to insufficient Tier 2 to cover deductions	-	
43	Total regulatory adjustments to Additional Tier 1 capital	-	
44	Additional Tier 1 capital (AT1)	-	
44a	Additional Tier 1 capital reckoned for capital adequacy¹¹	-	
45	Tier 1 capital (T1 = CET1 + AT1) (29 + 44a)	2,852,917	
Tier 2 capital: instruments and provisions			
46	Directly issued qualifying Tier 2 instruments plus related stock surplus	-	
47	Directly issued capital instruments subject to phase out from Tier 2	-	
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)	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Provisions ¹²	8,482	
51	Tier 2 capital before regulatory adjustments	8,482	
Tier 2 capital: regulatory adjustments			
52	Investments in own Tier 2 instruments	-	
53	Reciprocal cross-holdings in Tier 2 instruments	-	
54	Investments in the capital of Banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the Bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold)	-	
55	Significant investments ¹³ in the capital Banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	
56	National specific regulatory adjustments (56a+56b)	-	
56a	of which: Investments in the Tier 2 capital of unconsolidated subsidiaries	-	
56b	of which: Shortfall in the Tier 2 capital of majority owned financial entities which have not been consolidated with the Bank	-	
	Regulatory Adjustments Applied To Tier 2 in respect of Amounts Subject to Pre-Basel III Treatment	-	
57	Total regulatory adjustments to Tier 2 capital	-	
58	Tier 2 capital (T2)	8,482	
58a	Tier 2 capital reckoned for capital adequacy¹⁴	-	
58b	Excess Additional Tier 1 capital reckoned as Tier 2 capital	-	

58c	Total Tier 2 capital admissible for capital adequacy (58a + 58b)	-	
59	Total capital (TC = T1 + T2) (45 + 58c)	2,861,399	
	Risk Weighted Assets in respect of Amounts Subject to Pre-Basel III Treatment		
60	Total risk weighted assets (60a + 60b + 60c)	1,986,475	
60a	of which: total credit risk weighted assets	653,954	
60b	of which: total market risk weighted assets	768,031	
60c	of which: total operational risk weighted assets	564,490	
	Capital Ratios		
61	Common Equity Tier 1 (as a percentage of risk weighted assets)	143.61%	
62	Tier 1 (as a percentage of risk weighted assets)	143.61%	
63	Total capital (as a percentage of risk weighted assets)	144.04%	
64	Institution specific buffer requirement (minimum CET1 requirement plus capital conservation and countercyclical buffer requirements, expressed as a percentage of risk weighted assets)	-	
65	of which: capital conservation buffer requirement	-	
66	of which: Bank specific countercyclical buffer requirement	-	
67	of which: G-SIB buffer requirement	-	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk weighted assets)	-	
	National minima (if different from Basel III)		
69	National Common Equity Tier 1 minimum ratio (if different from Basel III minimum)	5.50%	
70	National Tier 1 minimum ratio (if different from Basel III minimum)	7.00%	
71	National total capital minimum ratio (if different from Basel III minimum)	13.00%	
	Amounts below the thresholds for deduction (before risk weighting)		
72	Non-significant investments in the capital of other financial entities	-	
73	Significant investments in the common stock of financial entities	-	
74	Mortgage servicing rights (net of related tax liability)	-	
75	Deferred tax assets arising from temporary differences (net of related tax liability)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to standardised approach (prior to application of cap)	8,482	
77	Cap on inclusion of provisions in Tier 2 under standardised approach	-	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-	
79	Cap for inclusion of provisions in Tier 2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between March 31, 2017 and March 31,		

2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

Table DF-12: Composition of Capital – Reconciliation Requirements

Step 1 The Scope of regulatory consolidation and accounting consolidation is identical and accordingly the step 1 of the reconciliation is not required.

Step 2

		Balance sheet as in financial statements ('000)	Balance sheet under regulatory scope of consolidation
A	Capital & Liabilities		Not Applicable
i	Paid-up Capital	3,525,375	
	Reserves & Surplus	19,457	
	Minority Interest	-	
	Total Capital	3,544,832	
ii	Deposits	346,709	
	of which: Deposits from Banks	-	
	of which: Customer deposits	346,709	
	of which: Other deposits (pl. specify)	-	
iii	Borrowings	-	
	of which: From RBI	-	
	of which: From Banks	-	
	of which: From other institutions & agencies	-	
	of which: Others (pl. specify)	-	
	of which: Capital instruments	-	
iv	Other liabilities & provisions	789,137	
	Total	4,680,678	

B	Assets		
i	Cash and balances with Reserve Bank of India	743,388	
	Balance with Banks and money at call and short notice	183,342	
ii	Investments:	1,928,599	
	of which: Government securities	1,928,599	
	of which: Other approved securities of which: Shares	-	
	of which: Debentures & Bonds	-	
	of which: Subsidiaries / Joint Ventures / Associates	-	
iii	Loans and advances	1,000,000	
	of which: Loans and advances to Banks	-	
	of which: Loans and advances to customers	1,000,000	
iv	Fixed assets	36,946	
v	Other assets	96,488	
	of which: Goodwill and intangible assets	-	
	of which: Deferred tax assets	-	
vi	Goodwill on consolidation	-	
vii	Debit balance in Profit & Loss account	691,915	
	Total Assets	4,680,678	

Step 3

Common Equity Tier 1 capital: instruments and reserves			
		Component of regulatory capital reported by Bank	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation from step 2
1	Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus	3,525,375	-
2	Retained earnings	(672,458)	-
3	Accumulated other comprehensive income (and other reserves)	-	-
4	Directly issued capital subject to phase out from CET1 (only applicable to non-joint stock companies)	-	-
5	Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1)	-	-
6	Common Equity Tier1 capital before regulatory adjustments	2,852,917	-
7	Prudential valuation adjustments	-	-
8	Goodwill (net of related tax liability)	-	-

Table DF-13: Main features of Regulatory Capital Instruments

BOC India has not issued any regulatory capital instruments.

Table DF-14: Full terms & conditions of Regulatory Capital Instruments

BOC India has not issued any regulatory capital instruments.

Table DF-15: Disclosure Requirements for Remuneration

In accordance with the requirements of the RBI Circular No. DBOD.NO.BC. 72/29.67/001/2011-12 dated 13 January 2012, the Head Office of the Bank has submitted a declaration to RBI that the Bank's compensation policies including that of the CEO's, is in compliance of the RBI regulations.

Table DF-16: Equities - Disclosure for Banking Book Positions

The bank has no investment in shares or equities.

Table DF-17: Summary Comparison of accounting assets and leverage ratio exposure

(INR.in 000s)

Sr. No.	Particulars	Amount
1	Total consolidated assets as per published financial statements	3,988,762
2	Adjustment 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 fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	-
4	Adjustments for derivative financial instruments	-
5	Adjustment for securities financing transactions (i.e. repos and similar secured lending)	-
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off- balance sheet exposures)	464,726
7	Other adjustments	-
8	Leverage ratio exposure	4,453,488

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

Sr. No.	Leverage ratio framework			
		30th Sep 2023	30th June 2023	31st Mar 2023
On-Balance sheet exposure				
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral)	39,88,762	4,409,445	4,612,806
2	(Asset amounts deducted in determining Basel III Tier 1 capital)	Nil	Nil	Nil
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	39,88,762	4,409,445	4,612,806
Derivative exposure				
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	Total derivative exposures (sum of lines 4 to 10)	Nil	Nil	Nil
Securities financing transaction exposures				
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	Total securities financing transaction exposures (sum of lines 12 to 15)	Nil	Nil	Nil
Other off-balance sheet exposures				
17	Off-balance sheet exposure at gross notional amount	760,580	1,419,080	1,636,079
18	(Adjustments for conversion to credit equivalent amounts)	-295,854	-622,233	-765,354
19	Off-balance sheet items (sum of lines 17 and 18)	464,726	796,847	870,725
Capital and total exposures				
20	Tier 1 capital	28,52,917	2,853,712	2,789,974
21	Total exposures (sum of lines 3, 11, 16 and 19)	44,53,488	5,206,292	5,483,531
Leverage ratio				
22	Basel III leverage ratio (20/21*100)	64.06%	54.81%	50.88%