



INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
ABU DHABI BRANCH

31 March 2023 PILLAR III DISCLOSURES

**Industrial and Commercial Bank of
China Limited - Abu Dhabi Branch**

PILLAR III DISCLOSURES

FOR THE QUARTER ENDED 31 MARCH 2023

Industrial and Commercial Bank of China Limited - Abu Dhabi Branch
Pillar III Disclosures for the quarter ended 31 March 2023

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1. Overview of Risk Management and RWA

KM1: Key Metrics

		AED 000				
		(a)	(b)	(c)	(d)	(e)
		Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	543,752	545,115	536,345	534,762	539,086
1a	Fully loaded ECL accounting model	543,752	545,115	536,345	534,762	539,086
2	Tier 1	543,752	545,115	536,345	534,762	539,086
2a	Fully loaded ECL accounting model Tier 1	543,752	545,115	536,345	534,762	539,086
3	Total capital	640,568	658,265	645,080	642,971	649,369
3a	Fully loaded ECL accounting model total capital	640,568	658,265	645,080	642,971	649,369
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	1,940,364	1,782,993	1,432,976	1,389,152	1,555,245
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	28.02%	30.57%	37.43%	38.50%	34.66%
5a	Fully loaded ECL accounting model CET1 (%)	28.02%	30.57%	37.43%	38.50%	34.66%
6	Tier 1 ratio (%)	28.02%	30.57%	37.43%	38.50%	34.66%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	28.02%	30.57%	37.43%	38.50%	34.66%
7	Total capital ratio (%)	33.01%	36.92%	45.02%	46.29%	41.75%
7a	Fully loaded ECL accounting model total capital ratio (%)	33.01%	36.92%	45.02%	46.29%	41.75%
	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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%

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10	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
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 (%)	21.02%	23.57%	30.43%	31.50%	27.66%
Leverage Ratio						
13	Total leverage ratio measure	4,563,559	3,342,956	3,178,674	2,476,649	2,767,963
14	Leverage ratio (%) (row 2/row 13)	11.92%	16.31%	16.87%	21.59%	19.48%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	11.92%	16.31%	16.87%	21.59%	19.48%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	11.92%	16.31%	16.87%	21.59%	19.48%
ELAR						
21	Total HQLA	1,289,765	346,084	731,257	406,391	290,123
22	Total liabilities	3,320,212	2,061,309	1,792,978	1,146,902	1,356,654
23	Eligible Liquid Assets Ratio (ELAR) (%)	38.85%	16.79%	40.78%	35.43%	21.39%
ASRR						
24	Total available stable funding	2,572,637	2,135,214	1,657,167	1,388,076	1,341,854
25	Total Advances	207,077	761,177	289,112	336,134	535,143
26	Advances to Stable Resources Ratio (%)	8.05%	35.65%	17.45%	24.22%	39.88%

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OV1: Overview of RWA

		AED 000		
		(a)	(b)	(c)
		RWA		Min Capital Requirement
		Q1 2023	Q4 2022	Q1 2023
1	Credit risk (excluding counterparty credit risk)	1,830,046	1,648,446	192,155
2	<i>Of which: standardised approach (SA)</i>	1,830,046	1,648,446	192,155
6	Counterparty credit risk (CCR)	39,240	58,542	4,120
7	<i>Of which: standardised approach for counterparty credit risk</i>	39,240	58,542	4,120
12	Equity investments in funds - look-through approach	0	0	0
13	Equity investments in funds - mandate-based approach	0	0	0
14	Equity investments in funds - fall-back approach	0	0	0
15	Settlement risk	0	0	0
16	Securitisation exposures in the banking book	0	0	0
18	<i>Of which: securitisation external ratings-based approach (SEC-ERBA)</i>	0	0	0
19	<i>Of which: securitisation standardised approach (SEC-SA)</i>	0	0	0
20	Market risk	3,957	5,779	415
21	<i>Of which: standardised approach (SA)</i>	3,957	5,779	415
23	Operational risk	67,121	70,226	7,048
26	Total (1+6+12+13+14+15+16+20+23)	1,940,364	1,782,993	203,738

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2. Leverage ratio

LR2: Leverage ratio common disclosure template

		AED 000	
		(a)	(b)
		Q1 2023	Q4 2022
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	4,080,415	2,804,735
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework (Deductions of receivable assets for cash variation margin provided in derivatives transactions)		
3	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
4	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)		
5			
6	(Asset amounts deducted in determining Tier 1 capital)		
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	4,080,415	2,804,735
Derivative exposures			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	28,097	37,044
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	69,948	113,106
10	(Exempted CCP leg of client-cleared trade exposures)		
11	Adjusted effective notional amount of written credit derivatives (Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
12			
13	Total derivative exposures (sum of rows 8 to 12)	98,045	150,150
Securities financing transactions			
14	Gross SFT <i>assets</i> (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	770,199	777,629
20	(Adjustments for conversion to credit equivalent amounts) (Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-385,100	-389,558
21			
22	Off-balance sheet items (sum of rows 19 to 21)	385,100	388,071
Capital and total exposures			
23	Tier 1 capital	543,752	545,115
24	Total exposures (sum of rows 7, 13, 18 and 22)	4,563,559	3,342,956
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	11.92%	16.31%
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	Applicable leverage buffers	0.00%	0.00%

3. Liquidity

ELAR: Eligible Liquid Assets Ratio

1	High Quality Liquid Assets	AED 000	
		Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	1,172,353	
1.2	UAE Federal Government Bonds and Sukuks	0	
	Sub Total (1.1 to 1.2)	1,172,353	1,172,353
1.3	UAE local governments publicly traded debt securities	117,412	
1.4	UAE Public sector publicly traded debt securities	0	
	Sub Total (1.3 to 1.4)	117,412	117,412
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	0	0
1.6	Total	1,289,765	1,289,765
2	Total liabilities		3,320,212
3	Eligible Liquid Assets Ratio (ELAR)		38.85%

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ASRR: Advances to Stables Resource Ratio

		Items	AED 000
			Amount
1		Computation of Advances	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	627,920
	1.2	Lending to non-banking financial institutions	0
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	-468,585
	1.4	Interbank Placements	47,742
	1.5	Total Advances	207,077
2		Calculation of Net Stable Resources	
	2.1	Total capital + general provisions	780,272
		Deduct:	
	2.1.1	Goodwill and other intangible assets	0
	2.1.2	Fixed Assets	8,360
	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	8,360
	2.2	Net Free Capital Funds	771,912
	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	8,176
	2.3.3	Refinancing of Housing Loans	0
	2.3.4	Borrowing from non-Banking Financial Institutions	10
	2.3.5	Customer Deposits	1,792,539
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	0
	2.3.7	Total other stable resources	1,800,725
	2.4	Total Stable Resources (2.2+2.3.7)	2,572,637
3		Advances TO STABLE RESOURCES RATIO (1.5/ 2.4*100)	8.05%



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