



中国农业银行

AGRICULTURAL BANK OF CHINA

AGRICULTURAL BANK OF

CHINA LIMITED

中國農業銀行股份有限公司

Pillar 3 Report

for the First Quarter of 2024

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1. Introduction

In accordance with the *Rules on Capital Management of Commercial Banks* (NFRA [2023] No. 4) and relevant regulations, the Pillar 3 Report for the First Quarter of 2024 of Agricultural Bank of China Limited was prepared and disclosed. The report includes the overview of risk management, key prudential regulatory metrics and risk-weighted assets, macro prudential regulatory measures, leverage ratio and liquidity risk.

The Bank sets up a sound disclosure governance structure, in which an effective internal control procedure is approved by the Board of Directors and implemented by the Senior Management to reasonably review the disclosure content, in order to ensure the accuracy and reliability of the Pillar 3 disclosures. On 29 April 2024, the Board of Directors of the Bank reviewed and approved this report in the third meeting of 2024.

2. Overview of risk management, key prudential regulatory metrics and risk-weighted assets

2.1 KM1: Key prudential regulatory metrics at consolidated level

In millions of RMB, except for percentages

		a
		31 March 2024
Available capital (amounts)		
1	CET 1 capital, net	2,461,497
2	Tier 1 capital, net	2,981,070
3	Total capital, net	3,983,317
Risk-weighted assets (amounts)		
4	Total risk-weighted assets	21,651,943
4a	Total risk-weighted assets (before the capital floor)	21,651,943
Capital adequacy ratio		
5	CET 1 capital adequacy ratio (%)	11.37%
5a	CET 1 capital adequacy ratio (%) (before the capital floor)	11.37%
6	Tier 1 capital adequacy ratio (%)	13.77%
6a	Tier 1 capital adequacy ratio (%) (before the capital floor)	13.77%
7	Capital adequacy ratio (%)	18.40%
7a	Capital adequacy ratio (%) (before the capital floor)	18.40%
Additional CET1 buffer requirements		
8	Capital conservation buffer requirement (%)	2.50%
9	Countercyclical buffer requirement (%)	0.00%
10	Bank G-SIB and/or D-SIB additional requirements (%) ¹	1.00%
11	Total of bank CET1 specific buffer requirements (%) (8 +9 +10)	3.50%

12	CET1 capital available after meeting the bank's minimum capital requirements (%)	6.37%
Leverage ratio		
13	Adjusted on- and off-balance sheet assets	43,916,427
14	Leverage ratio (%) ²	6.79%
14a	Leverage ratio a (%) ³	6.79%
14b	Leverage ratio b (%) ⁴	6.77%
14c	Leverage ratio c (%) ⁵	6.77%
Liquidity coverage ratio		
15	Total high-quality liquid assets (HQLA)	6,315,951
16	Total net cash outflows	4,815,009
17	LCR ratio (%)	131.17%
Net stable funding ratio		
18	Total available stable funding	29,356,122
19	Total required stable funding	22,285,419
20	NSFR ratio (%)	131.73%

Notes: 1. The Group was listed among the Bucket 2 of the global systemically important banks in November 2023 and is required to meet the additional capital of 1.5% by 1 January 2025 according to the regulatory requirements, and currently implements the additional capital of 1% for Bucket 1 banks.

2.Leverage ratio includes the impact of any applicable temporary exemption of central bank reserves.

3.Leverage ratio a refers to the leverage ratio excluding the impact of any applicable of any temporary exemption of central bank reserves.

4.Leverage ratio b refers to the leverage ratio(including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for securities financing transaction(SFT) assets within the most recent quarter.

5.Leverage ratio c refers to the leverage ratio(excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean value for SFT assets within the most recent quarter.

2.2 OV1: Overview of risk-weighted assets

In millions of RMB

		a	c
		RWA	Minimum capital requirements
		31 March 2024	31 March 2024
1	Credit risk	20,009,183	1,600,735
2	Credit risk (excluding counterparty credit risk, credit valuation adjustment risk, asset management products in banking book, and securitisation exposures in banking book)	19,860,474	1,588,838
3	Of which: weight approach	6,630,595	530,448
4	Of which: risk exposures that arise during the clearing of securities, commodities, and foreign exchange transactions	-	-
5	Of which: amounts below the thresholds for deduction	199,311	15,945
6	Of which: foundation internal ratings-based approach	11,273,624	901,890
7	Of which: supervisory slotting approach	-	-
8	Of which: advanced internal ratings-based approach	1,956,255	156,500
9	Counterparty credit risk	86,732	6,939
10	Of which: standardised approach	86,732	6,939
11	Of which: current exposure method	-	-
12	Of which: other approaches	-	-
13	Credit valuation adjustments risk	16,386	1,311
14	Asset management products in banking book	40,554	3,244
15	Of which: look-through approach	4,926	394
16	Of which: mandate-based approach	37,017	2,961
17	Of which: 1250% risk weight applied	-	-
	Of which: leverage adjustment	(1,389)	(111)

18	Securitisation exposures in banking book	5,037	403
19	Of which: securitisation internal ratings-based approach	-	-
20	Of which: securitisation external ratings-based approach	2,822	226
21	Of which: securitisation standardised approach	2,422	194
	Of which: 1250% risk weight applied	3	0
	Of which: adjustments subject to regulatory cap	(210)	(17)
22	Market risk	153,943	12,315
23	Of which: standardised approach	153,943	12,315
24	Of which: internal models approach	-	-
25	Of which: simplified standardised approach	-	-
26	Capital requirement for switch between trading book and banking book	-	-
27	Operational risk	1,488,817	119,105
28	Additional adjustment due to application of capital floor	-	
29	Total	21,651,943	1,732,155

3. Macro prudential regulatory measures

GSIB1: Global systemically important banks assessment indicators

Since its first inclusion in the list of global systemically important banks in 2014, the Group has annually disclosed the global systemically important banks assessment indicators in its annual reports for listed companies. For the results of the assessment indicators for each period, please refer to:<http://www.abchina.com/en/investor-relations/performance-reports/>.

4. Leverage ratio

4.1 LR1: Difference between leverage ratio regulatory exposure measure and accounting assets

In millions of RMB

		a
		31 March 2024
1	Total consolidated assets as per published financial statements	42,157,279
2	Adjustment for consolidation	(165,789)
3	Adjustment for clients' assets	-
4	Adjustment for derivative financial instruments	38,274
5	Adjustment for securities financing transactions	7,670
6	Adjustment for off-balance sheet items	1,888,885
7	Adjustment for securitisation transactions	-
8	Adjustment for unsettled financial assets	-
9	Adjustment for cash pooling	-
10	Adjustment for deposit reserve (if any)	-
11	Adjustment for prudent valuation and impairment provisions	-
12	Other adjustments	(9,892)
13	Adjusted on- and off-balance sheet assets	43,916,427

4.2 LR2: Leverage ratio

In millions of RMB, except for percentages

		a
		31 March 2024
On-balance sheet exposures		
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	41,337,139
2	Less: impairment provisions	(968,022)
3	Less: deductions from Tier 1 capital	(9,892)
4	Adjusted on- and off-balance sheet assets (excluding derivatives and securities financing transactions)	40,359,225
Derivative exposures		
5	Replacement cost associated with all derivatives (net of eligible margin and in consideration of the impact of bilateral netting agreement)	15,540
6	Potential risk exposure of all derivatives	50,677
7	Gross-up of collateral deducted from the balance sheet	-
8	Less: receivable assets resulting from providing eligible margin	(2)
9	Less: derivative assets resulting from transactions with the central counterparty when providing clearance services to clients	-
10	Notional principal amount of written credit derivatives	-
11	Less: deductible amounts of written credit derivative assets	-
12	Balance of derivative assets	66,215
Securities financing transaction exposures		
13	Securities financing transaction assets for accounting purpose	1,594,432
14	Less: deductible amounts of securities financing transaction assets	-
15	Counterparty credit risk exposure for securities financing transaction	7,670
16	Securities financing transaction assets resulting from agent transaction	-

17	Balance of securities financing transaction assets	1,602,102
Other off-balance sheet exposures		
18	Off-balance sheet items	6,473,513
19	Less: adjusted for conversion to credit equivalent amounts	(4,564,952)
20	Less: impairment provisions	(19,676)
21	Balance of adjusted off-balance sheet items	1,888,885
Capital and total exposure		
22	Tier 1 capital, net	2,981,070
23	Adjusted on- and off-balance sheet assets	43,916,427
Leverage ratio		
24	Leverage ratio	6.79%
24a	Leverage ratio a ¹	6.79%
25	Minimum regulatory requirements for leverage ratio ⁶	4.00%
26	Additional requirements for leverage ratio	0.50%
Disclosure of mean values		
27	Quarterly average daily balance of securities financing transaction	1,739,848
27a	Quarter-end value of gross SFT assets	1,594,432
28	Adjusted on- and off-balance sheet assets a ⁴	44,061,843
28a	Adjusted on- and off-balance sheet assets b ⁵	44,061,843
29	Leverage ratio b ²	6.77%
29a	Leverage ratio c ³	6.77%

Notes: 1. Leverage ratio a refers to the leverage ratio excluding the impact of any applicable temporary exemption of central bank reserves, being row 22/ (row 23+temporarily exempted central bank reserves).

2. Leverage ratio b refers to the leverage ratio(including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets within the most recent quarter, being row 22/row 28.

3. Leverage ratio c refers to the leverage ratio(excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean value for SFT assets within the most recent quarter , being row 22/row 28a.

4. Adjusted on- and off-balance sheet assets a is calculated by applying the temporary exemption of central bank reserves and using the simple arithmetic average of the daily balances of securities financing transactions.

5. Adjusted on- and off-balance sheet assets b is calculated without application of any temporary exemption of central bank reserves and using the simple arithmetic average of the daily balances of securities financing transactions.

6. The Group was listed among the Bucket 2 of the global systemically important banks in November 2023 and is required to meet the additional leverage ratio of 0.75% by 1 January 2025 according to the regulatory requirements, and currently implements the additional leverage ratio of 0.5% for Bucket 1 banks.

5. Liquidity risk

LIQ1: Liquidity coverage ratio

The *Rules on Liquidity Risk Management of Commercial Banks* requires that the liquidity coverage ratio of commercial banks should be no less than 100%. In addition, in accordance with the *Rules on Information Disclosure for Liquidity Coverage Ratio of Commercial Banks*, commercial banks are required to disclose the liquidity coverage ratio information at the same frequency as that for financial reports, and starting from 2017, to disclose the simple arithmetic average of the liquidity coverage ratios based on daily data of every quarter and the number of daily data adopted in calculation of such average.

The Group calculates the liquidity coverage ratio in accordance with the *Rules on Liquidity Risk Management of Commercial Banks* and applicable statistical requirements. The daily average of liquidity coverage ratios of the Group for the first quarter of 2024 was 131.17%, and the number of daily data adopted in calculation of such average was 91. The high-quality liquid assets of the Group mainly include cash, excess reserve with the central bank able to be withdrawn under stress conditions, and bonds falling within the Level 1 and Level 2 assets as defined in the *Rules on Liquidity Risk Management of Commercial Banks*.

The averages of the liquidity coverage ratio and individual line items over the first quarter of 2024 are as follows:

In millions of RMB, except for percentages

		a	b
		Total unweighted value	Total weighted value
High-quality liquid assets			
1	Total high-quality liquid assets		8,209,213
Cash outflows			
2	Retail deposits and deposits from small business customers	18,791,409	1,773,785

3	Of which: stable deposits	2,107,030	105,347
4	Of which: less stable deposits	16,684,379	1,668,438
5	Unsecured wholesale funding	14,226,279	5,674,566
6	Of which: operational deposits (excluding deposits in networks of cooperative banks)	4,867,571	1,201,354
7	Of which: non-operational deposits (all counterparties)	9,298,478	4,412,982
8	Of which: unsecured debt	60,230	60,230
9	Secured wholesale funding		21,567
10	Additional requirements	2,568,741	1,141,282
11	Of which: outflows related to derivative exposures and other collateral requirements	1,027,214	1,027,214
12	Of which: outflows related to loss of funding on debt products	108	108
13	Of which: credit and liquidity facilities	1,541,419	113,960
14	Other contractual funding obligations	196,664	196,664
15	Other contingent funding obligations	3,787,870	18,210
16	Total cash outflows		8,826,074
Cash inflows			
17	Secured lending (including reverse repos and securities borrowing)	1,890,252	1,890,252
18	Inflows from fully performing exposures	1,695,199	900,958
19	Other cash inflows	1,219,855	1,219,855
20	Total cash inflows	4,805,306	4,011,065
			Total Adjusted Value
21	Total high-quality liquid assets (HQLA)		6,315,951
22	Total net cash outflows		4,815,009
23	Liquidity Coverage Ratio (%)		131.17%