



## **BANK OF BARODA (UAE)**

### **Pillar 3 : Disclosure Report - Q3 2024**



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## 1. Background:

Bank of Baroda-a premier Indian State-Owned bank, operates in the UAE as a foreign Bank with a full-fledged banking license offering a diversified range of products and services, including Deposits and Loan Products for individuals and businesses, Remittance, Trade Finance and Treasury Operations. After its inception in India in 1908, the Bank has grown multi-fold with a global presence since 1953 when the Bank started its journey beyond the Indian border. Using innovation, technology, financial prudence, and smart enterprise, the bank has made substantial growth over the years.

The Bank is registered in UAE as a Foreign Branch and is regulated by the Central Bank of the U.A.E (CBUAE). The Bank currently operates from five main branches in the UAE - Dubai, Deira, Abu Dhabi, Sharjah and Ras-Al-Khaimah - as well as nine Electronic Banking Service Units (EBSUs).

Entity Name	Registered Office Address
Bank of Baroda (UAE) Foreign Branch	UAE Territory Office: Umm Hurair Building, Al Doha Street, Al Karama, Dubai, U.A.E., P.O. Box 3162
Bank of Baroda	Head Office: Baroda Bhavan, R.C. Dutt Road, Vadodara, Gujarat, India, Pin- 390 007
	Corporate Office: Baroda Corporate Centre, C-26, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai, India, Pin- 400 051

This Pillar-3 disclosure document is prepared in line with the CBUAE Regulations on Capital Adequacy Standards and Guidance along with Notice 4980/2020. This included revised Standards and Guidance with respect to Pillar 3 – Market Disclosures. Further to this, the Central Bank of UAE provided explanatory notes and disclosure templates for Pillar 3 on 30th November 2021 as part of Notice 5508/2021 and 9<sup>th</sup> May 2022 Notice 2022/1887.

The Bank has put in place a disclosure policy containing the details around requirements as per CBUAE regulations in respect of Pillar 3 disclosures. Since the UAE operations is a branch, no other entity is considered for the consolidation purpose and details around Bank of Baroda UAE Branch only are included.

Bank of Baroda is an Indian Public Sector Bank, with majority shareholding of Government of India (63.97% as on 30<sup>th</sup> Sep 2024). Being a branch, capital requirements of the Bank's UAE operations are provided by the Head Office (Bank of Baroda- India) by way of capital funds. The UAE capital includes Head Office allocated capital funds, Reserves and surplus, retained profits etc.

The internal controls around Pillar 3 reporting are listed below:

- Maker-checker concept: the pillar 3 disclosure process undergoes four- eye principle (maker- checker concept);
- Data reconciliation – data compiled from various sources are compared and reconciled with the financial statements, before using the same for compiling Pillar 3 disclosures;
- Validation and Reviews – Pillar 3 report undergoes several rounds of reviews by Risk, Finance and other relevant functions;
- Internal audit – Internal audit provides independent and objective assurance of disclosures on Pillar 3 reports

## 2. Pillar 3 Disclosures Reports

### 2.1. Overview of risk management and RWA:

#### 2.1.1 Key Risk Metrics (KM1)

The objective of below table is to provide an overview of bank's prudential regulatory metrics which covers the key prudential metrics related to regulatory capital, leverage ratio and liquidity standards. Accordingly, the Bank has disclosed all applicable metric values using the standards specified for the reporting period.

#	KM1 - Key Risk Metrics	Sep 24	Jun 24	Mar 24	Dec 23	Sept 23
	<b>Available capital</b>	<b>(Amounts are in AED 000 or in %)</b>				
<b>1</b>	Common Equity Tier 1 (CET1)	2,826,037	2,826,037	2,826,037	2,826,037	2,399,982
<b>1a</b>	Fully loaded ECL accounting model	2,826,037	2,826,037	2,826,037	2,826,037	2,399,982
<b>2</b>	Tier 1	2,826,037	2,826,037	2,826,037	2,826,037	2,399,982
<b>2a</b>	Fully loaded ECL accounting model Tier 1	2,826,037	2,826,037	2,826,037	2,826,037	2,399,982
<b>3</b>	Total capital	3,007,454	2,996,533	3,001,755	2,987,052	2,547,316
<b>3a</b>	Fully loaded ECL accounting model total capital	3,007,454	2,996,533	3,001,755	2,987,052	2,547,316
	<b>Risk-weighted assets (amounts)</b>					
<b>4</b>	Total risk-weighted assets (RWA)	15,720,433	14,848,232	15,274,758	14,088,423	12,757,095
	<b>Risk-based capital ratios as a percentage of RWA</b>					
<b>5</b>	Common Equity Tier 1 ratio (%)	17.98%	19.03%	18.50%	20.06%	18.81%
<b>5a</b>	Fully loaded ECL accounting model CET1 (%)	17.98%	19.03%	18.50%	20.06%	18.81%
<b>6</b>	Tier 1 ratio (%)	17.98%	19.03%	18.50%	20.06%	18.81%
<b>6a</b>	Fully loaded ECL accounting model Tier 1 ratio (%)	17.98%	19.03%	18.50%	20.06%	18.81%
<b>7</b>	<b>Total capital ratio (%)</b>	<b>19.13%</b>	<b>20.18%</b>	<b>19.65%</b>	<b>21.20%</b>	<b>19.97%</b>
<b>7a</b>	Fully loaded ECL accounting model total capital ratio (%)	19.13%	20.18%	19.65%	21.20%	19.97%
	<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
<b>8</b>	Capital conservation buffer requirement (2.5% from 2019) (%)	2.50%	2.50%	2.50%	2.50%	2.50%
<b>9</b>	Countercyclical buffer requirement (%)	0.01%	0.01%	0.01%	0.01%	0.00%
<b>10</b>	Bank D-SIB additional requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
<b>11</b>	Total of bank CET1 specific buffer requirements (%) (row: 8 + 9+ 10)	2.51%	2.51%	2.51%	2.51%	2.50%

#	KM1 - Key Risk Metrics	Sep 24	Jun 24	Mar 24	Dec 23	Sept 23
12	CET1 available after meeting the bank's minimum capital requirements (%)	8.63%	9.68%	9.15%	9.56%	8.83%
	<b>Leverage Ratio</b>					
13	Total leverage ratio measure	31,846,943	29,336,354	31,960,846	27,717,417	27,076,494
14	Leverage ratio (%) (row 2/row 13)	8.87%	9.63%	8.90%	10.20%	8.86%
14a	Fully loaded ECL accounting model leverage ratio (%) (row 2A/row 13)	8.87%	9.63%	8.90%	10.20%	8.86%
14b	Leverage ratio (%) (excluding the impact of any applicable temporary exemption of central bank reserves)	8.87%	9.63%	8.90%	10.20%	8.86%
	<b>Liquidity Coverage Ratio</b>					
15	Total HQLA	NA	NA	NA	NA	NA
16	Total net cash outflow	NA	NA	NA	NA	NA
17	LCR ratio (%)	NA	NA	NA	NA	NA
	<b>Net Stable Funding Ratio</b>					
18	Total available stable funding	NA	NA	NA	NA	NA
19	Total required stable funding	NA	NA	NA	NA	NA
20	NSFR ratio (%)	NA	NA	NA	NA	NA
	<b>ELAR</b>					
21	Total HQLA	6,659,244	6,388,027	7,438,269	3,706,320	4,241,963
22	Total liabilities	25,034,509	22,880,854	23,816,345	19,850,131	8,687,299
23	<b>Eligible Liquid Assets Ratio (ELAR) (%)</b>	<b>26.60%</b>	<b>27.92%</b>	<b>31.23%</b>	<b>18.67%</b>	<b>22.70%</b>
	<b>ASRR</b>					
24	Total available stable funding	22,623,913	20,767,031	21,489,337	19,289,548	18,873,971
25	Total Advances	18,257,883	17,167,658	15,317,784	15,656,797	15,185,533
26	<b>Advances to Stable Resources Ratio (%)</b>	<b>80.70%</b>	<b>82.67%</b>	<b>71.28%</b>	<b>81.17%</b>	<b>80.46%</b>

### 2.1.2 Overview of RWA (OV1):

The purpose of this metrics is to provide an overview of total risk weighted assets.

#	OV1 - Overview of RWA (Amt in AED 000's)	RWA		Min. capital requirements
		Sep 24	June 24	Sep 24
1	Credit risk (excluding counterparty credit risk)	14,307,527	13,371,086	1,502,290
2	Of which: standardized approach (SA)	14,307,527	13,371,086	1,502,290
3	Of which: foundation internal ratings-based (F-IRB) approach	--	--	--
4	Of which: supervisory slotting approach	--	--	--
5	Of which: advanced internal ratings-based (A-IRB) approach	--	--	--
6	Counterparty credit risk (CCR)	205,802	134,292	21,609
7	Of which: standardized approach for counterparty credit risk	205,802	134,292	21,609
8	Of which: Internal Model Method (IMM)	--	--	--
9	Of which: other CCR	--	--	--
10	Credit valuation adjustment (CVA)	205,802	134,292	14,101
11	Equity positions under the simple risk weight approach	0	0	0
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 - fallback approach	0	0	0
15	Settlement risk	0	0	0
16	Securitization exposures in the banking book	0	0	0
17	Of which: securitization internal ratings-based approach (SEC-IRBA)	0	0	0
18	Of which: securitization external ratings-based approach (SEC-ERBA)	0	0	0
19	Of which: securitization standardized approach (SEC-SA)	0	0	0
20	<b>Market risk</b>	<b>5,377</b>	<b>6,836</b>	<b>565</b>
21	Of which: standardized approach (SA)	5,377	6,836	565
22	Of which: internal approach (IMA)			
23	<b>Operational risk</b>	<b>1,201,726</b>	<b>1,201,726</b>	<b>126,181</b>
24	Amounts below thresholds for deduction (subject to 250% risk weight)	0	0	0
25	Floor adjustment	0	0	0
26	<b>Total (1+6+10+11+12+13+14+15+16+20+23)</b>	<b>15,720,433</b>	<b>14,848,232</b>	<b>1,650,645</b>

## 2.2. Leverage Ratio

This section describes the leverage ratio of the bank that indicates the financial position of the bank in terms of its debt and its capital or assets and it is calculated by Tier 1 capital divided by consolidated assets where Tier 1 capital includes common equity, reserves, retained earnings and other securities after subtracting goodwill. The summarized position of leverage ratio is described in below sections (i.e., LR-1 & 2).

### 2.2.1 Summary comparison of accounting assets vs leverage ratio exposure measure (LR1):

This section details the source of material differences between the total balance sheet assets, as reported in the financial statements, and the leverage ratio exposure measure.

LR1 - Comparison of accounting assets vs leverage ratio exposure measure		Sep 24 (Amount in AED "000")
<b>1</b>	<b>Total consolidated assets as per published financial statements</b>	<b>30,020,433</b>
<b>2</b>	Adjustments for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation	0
<b>3</b>	Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference	0
<b>4</b>	Adjustments for temporary exemption of central bank reserves (if applicable)	0
<b>5</b>	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure	0
<b>6</b>	Adjustments for regular-way purchases and sales of financial assets subject to trade date accounting	0
<b>7</b>	Adjustments for eligible cash pooling transactions	0
<b>8</b>	Adjustments for derivative financial instruments	619,356
<b>9</b>	Adjustment for securities financing transactions (i.e., repos and similar secured lending)	0
<b>10</b>	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	1,275,420
<b>11</b>	Adjustments for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	-
<b>12</b>	Other adjustments	(68,265)
<b>13</b>	<b>Leverage ratio exposure measure</b>	<b>31,846,943</b>



### 2.2.2 Leverage ratio common disclosure template (LR2)

This section describes the key factors that have had a material impact on the leverage ratio for this reporting period.

(Amount in AED “000”)

#	LR2 - Leverage ratio common disclosure template (LR2)	Sep 24	June 24
<b>On-balance sheet exposures</b>			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	29,952,168	27,649,833
2	Gross-up for derivatives collateral provided where deducted from balance sheet assets pursuant to the operative accounting framework	-	-
3	(Deductions of receivable assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-
5	(Specific and general provisions associated with on-balance sheet exposures that are deducted from Tier 1 capital)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	-	-
7	<b>Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)</b>	<b>29,952,168</b>	<b>27,649,833</b>
<b>Derivative exposures</b>			
8	Replacement cost associated with <i>all</i> derivatives transactions (where applicable net of eligible cash variation margin and/or with bilateral netting)	4,523	2,499
9	Add-on amounts for PFE associated with <i>all</i> derivatives transactions	437,873	252,980
10	(Exempted CCP leg of client-cleared trade exposures)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	<b>Total derivative exposures (sum of rows 8 to 12) * 1.4</b>	<b>619,356</b>	<b>357,671</b>
<b>Securities financing transactions</b>			
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	<b>Total securities financing transaction exposures (sum of rows 14 to 17)</b>	<b>0</b>	<b>0</b>



#	LR2 - Leverage ratio common disclosure template (LR2)	Sep 24	June 24
<b>Other off-balance sheet exposures</b>			
19	Off-balance sheet exposure at gross notional amount	4,586,567	4,741,935
20	(Adjustments for conversion to credit equivalent amounts)	(3,311,147)	(3,413,084)
21	(Specific and general provisions associated with off-balance sheet exposures deducted in determining Tier 1 capital)	-	-
22	<b>Off-balance sheet items (sum of rows 19 to 21)</b>	<b>1,275,420</b>	<b>1,328,851</b>
<b>Capital and total exposures</b>			
23	<b>Tier 1 capital</b>	<b>2,826,037</b>	<b>2,826,037</b>
24	<b>Total exposures (sum of rows 7, 13, 18 and 22)</b>	<b>31,846,943</b>	<b>29,336,354</b>
<b>Leverage ratio</b>			
25	<b>Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)</b>	8.87%	9.63%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.87%	9.63%
26	CBUAE minimum leverage ratio requirement	3.00%	3.00%
27	<b>Applicable leverage buffers</b>	3.00%	3.00%

## 2.3. Liquidity:

### 2.3.1 Liquidity Coverage Ratio (LIQ1):

Bank is using the alternative approach for Liquidity Coverage Ratio (LCR) as per the provisions in Liquidity Risk Regulation of CBUAE (2015), i.e., ELAR (Eligible Liquid Assets Ratio). ELAR details are provided in “Table ELAR”.

### 2.3.2 Net Stable Funding Ratio (LIQ2):

Bank is using the alternative approach for Net Stable Funding Ratio (NSFR) as per the provisions in Liquidity Risk Regulation of CBUAE (2015), i.e., ASRR (Advances to Stable Resources Ratio). ASRR details are provided in “Table ASRR”. Though NSFR is not applicable for the Bank at UAE, for consolidation at Corporate Office as per regulatory requirement of Reserve Bank of India (RBI), UAE branch reports NSFR to Corporate Office on a monthly basis.

### 2.3.3 Eligible Liquid Assets Ratio (ELAR):

This section describes as simple averages of daily observations for computations of ELAR over the previous quarter (i.e., the average calculated over a period of, typically, 90 days) in the AED.

(Amount in AED 000 or %)

1	High Quality Liquid Assets	Nominal amount	Eligible Liquid Asset
1.1	Physical cash in hand at the bank + balances with the CBUAE	3,915,032	
1.2	UAE Federal Government Bonds and Sukuks	1,960,675	
	Sub Total (1.1 to 1.2)	5,875,707	5,875,707
1.3	UAE local governments publicly traded debt securities	23,962	
1.4	UAE Public sector publicly traded debt securities	-	
	Subtotal (1.3 to 1.4)	23,962	23,962
1.5	Foreign Sovereign debt instruments or instruments issued by their respective central banks	-	0
1.6	<b>Total</b>	<b>5,899,669</b>	<b>5,899,669</b>
2	Total liabilities		22,165,308
3	<b>Eligible Liquid Assets Ratio (ELAR)</b>		<b>26.62%</b>

#### 2.3.4 Advances to stable resources ratio (ASRR);

This section presents the breakdown of bank's advances to Stables Resource ratio as per the Liquidity regulations.

(Amount in AED 000 or %)

#	#	Items	Amount
1		<b>Computation of Advances</b>	
	1.1	Net Lending (gross loans - specific and collective provisions + interest in suspense)	10,636,056
	1.2	Lending to non-banking financial institutions	791,920
	1.3	Net Financial Guarantees & Stand-by LC (issued - received)	(954,612)
	1.4	Interbank Placements	7,784,519
	1.5	<b>Total Advances</b>	<b>18,257,883</b>
2		<b>Calculation of Net Stable Resources</b>	
	2.1	Total Capital + General Provisions	3,422,857
		<b>Deduct:</b>	
	2.1.1	Goodwill and other intangible assets	-
	2.1.2	Fixed Assets	7,886
	2.1.3	Funds allocated to branches abroad	-
	2.1.5	Unquoted Investments	-
	2.1.6	Investment in subsidiaries, associates and affiliates	-
	2.1.7	<b>Total deduction</b>	<b>7,886</b>
	2.2	<b>Net Free Capital Funds</b>	<b>3,414,971</b>
	2.3	<b>Other stable resources:</b>	
	2.3.1	Funds from the head office	-
	2.3.2	Interbank deposits with remaining life of more than 6 months	1,836,500
	2.3.3	Refinancing of Housing Loans	-
	2.3.4	Borrowing from non-Banking Financial Institutions	498,618
	2.3.5	Customer Deposits	16,873,824
	2.3.6	Capital market funding/ term borrowings maturing after 6 months from reporting date	-
	2.3.7	<b>Total other stable resources</b>	<b>19,208,942</b>
	2.4	<b>Total Stable Resources (2.2+2.3.7)</b>	<b>22,623,913</b>
3		<b>Advances To Stable Resources Ratio (1.5/ 2.4*100)</b>	<b>80.70%</b>