

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

I DIFFERENCES BETWEEN IFRS AND CAS CONSOLIDATED FINANCIAL STATEMENTS

There were no differences in the Group's operating results for the six month period ended 30 June 2019 and 2018 or total equity as at 30 June 2019 and as at 31 December 2018 presented in the Group's condensed consolidated financial statements prepared under IFRS and those prepared under CAS.

II UNAUDITED SUPPLEMENTARY INFORMATION

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio

	As at 30 June 2019	As at 31 December 2018
RMB current assets to RMB current liabilities	52.35%	58.71%
Foreign currency current assets to foreign currency current liabilities	60.04%	54.78%

The liquidity ratios are calculated in accordance with the relevant provisions of the CBIRC.

Liquidity coverage ratio

According to the *Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, the Group disclosed the information of liquidity coverage ratio ("LCR")⁽¹⁾ as follows.

Regulatory requirements of liquidity coverage ratio

As stipulated by the *Rules on Liquidity Risk Management of Commercial Banks* issued by CBIRC, the minimum supervision standard for liquidity coverage ratio shall not be less than 100%.

The Group's liquidity coverage ratio

Since 2017, the Group measured the LCR on a day-to-day consolidated basis⁽²⁾. In the second quarter of 2019, the Group measured 91-day LCR on this basis, with average ratio⁽³⁾ standing at 137.95%, representing a decrease of 11.29 percentage points over the previous quarter, which was primarily due to the increase in the net cash outflow.

The Group's high-quality liquid assets ("HQLA") are comprised of cash, central bank reserves which are able to be drawn down under stress scenarios, and debt securities that meet the qualifying criteria for Level 1 and Level 2 assets pursuant to the *Rules on Liquidity Risk Management of Commercial Banks* by the CBIRC.

	2019		2018	
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 31 December	Quarter ended 30 September
Average value of LCR	137.95%	149.24%	139.66%	133.73%

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's liquidity coverage ratio (Continued)

The Group's average values⁽³⁾ of consolidated LCR individual line items in the second quarter of 2019 are as follows:

No.	Total unweighted value	Total weighted value
High-quality liquid assets		
1		3,889,476
Cash outflows		
2	7,080,698	521,501
3	3,604,020	173,833
4	3,476,678	347,668
5	8,413,366	3,184,370
6	4,576,070	1,129,192
7	3,801,131	2,019,013
8	36,165	36,165
9		287
10	3,120,343	1,975,885
11	1,872,698	1,872,698
12	493	493
13	1,247,152	102,694
14	47,348	47,348
15	2,229,525	49,745
16		5,779,136
Cash inflows		
17	141,040	131,544
18	1,307,255	829,047
19	2,103,622	1,995,878
20	3,551,917	2,956,469
		Total adjusted value
21		3,889,476
22		2,822,667
23		137.95%

- (1) The LCR aims to ensure that commercial banks have sufficient HQLA that can be converted into cash to meet the liquidity requirements for at least thirty days under stress scenarios determined by the CBIRC.
- (2) When calculating the consolidated LCR, BOCG Investment, BOC Insurance, BOCG Insurance and BOCG Life were excluded from the scope of consolidation in accordance with the requirements of the CBIRC.
- (3) The average of LCR and the averages of all related individual items are the day-end simple arithmetic averages of figures.

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

Net stable funding ratio

According to the *Measures for the Disclosure of Information on Net Stable Funding Ratio by Commercial Banks*, the Group disclosed the information of net stable funding ratio ("NSFR")⁽¹⁾ as follows.

Regulatory requirements of net stable funding ratio

As stipulated by the Rules on *Liquidity Risk Management of Commercial Banks* issued by CBIRC, the NSFR should be no less than 100% since 1 July 2018.

The Group's net stable funding ratio

As stipulated by the *Measures for the Disclosure of Information on Net Stable Funding Ratio by Commercial Banks* issued by CBIRC, where a commercial bank makes the disclosure for the first time, it shall disclose the information of net stable funding ratio for the preceding three quarters.

As at 30 June 2019, the Group's NSFR was 126.81% on a consolidated basis⁽²⁾, representing an increase of 0.06 percentage point over the previous quarter. As at 31 March 2019, the Group's NSFR was 126.75%, representing an increase of 1.15 percentage points over the previous quarter. The Group's NSFR remained stable, and met the regulatory requirement.

	2019		2018
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 31 December
Ending value of NSFR ⁽³⁾	126.81%	126.75%	125.60%

- (1) NSFR is introduced to ensure commercial banks have sufficient stable funding to meet the requirements of assets and off-balance sheet exposures.
- (2) When calculating the consolidated NSFR, BOCG Investment, BOC Insurance, BOCG Insurance and BOCG Life were excluded from the scope of consolidation in accordance with the requirements of the CBIRC.
- (3) NSFR are the ending values of each quarter.

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the second quarter of 2019 are as follows:

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6-12 months	≥1 year	
Available Stable Funding (ASF) Item						
1	Capital	–	–	–	2,070,558	2,070,558
2	Regulatory capital	–	–	–	1,971,628	1,971,628
3	Other capital instruments	–	–	–	98,930	98,930
4	Retail deposits and deposits from small business customers	3,942,818	3,723,929	164,023	3,927	7,243,201
5	Stable deposits	1,609,502	2,152,008	70,125	1,715	3,641,768
6	Less stable deposits	2,333,316	1,571,921	93,898	2,212	3,601,433
7	Wholesale funding	4,840,069	5,490,242	750,967	484,459	4,933,489
8	Operational deposits	4,496,357	362,028	23	–	2,429,204
9	Other wholesale funding	343,712	5,128,214	750,944	484,459	2,504,285
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities	71,399	138,548	3,683	378,490	290,445
12	NSFR derivatives liabilities				89,886	
13	All other liabilities and equity not included in the above categories	71,399	138,548	3,683	288,604	290,445
14	Total ASF					14,537,693

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the second quarter of 2019 are as follows (Continued):

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6–12 months	≥1 year	
Required Stable Funding (RSF) Item						
15	Total NSFR high-quality liquid assets					640,998
16	Deposits held at other financial institutions for operational purposes	83,124	14,382	–	–	48,753
17	Loans and securities	75,999	4,367,447	2,282,178	7,983,943	9,523,092
18	Loans to financial institutions secured by Level 1 assets	–	9,951	–	–	995
19	Loans to financial institutions secured by non-Level 1 assets and unsecured loans to financial institutions	75,999	1,465,812	322,368	62,182	454,638
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs) of which:	–	2,450,025	1,495,922	4,022,181	5,336,359
21	With a risk weight of less than or equal to 35%	–	112,542	11,600	5,270	11,564
22	Residential mortgages of which:	–	127,659	116,179	3,538,509	3,093,335
23	With a risk weight of less than or equal to 35%	–	44,215	30,982	181,586	155,630
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	314,000	347,709	361,071	637,765
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets	605,165	106,727	487	446,292	1,031,252
27	Physical traded commodities, including gold	209,203				177,822
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				267	227
29	NSFR derivatives assets				98,269	8,383
30	NSFR derivatives liabilities with additional requirements				17,977*	17,977
31	All other assets not included in the above categories	395,962	106,727	487	347,756	826,843
32	Off-balance sheet items				5,626,130	220,279
33	Total RSF					11,464,374
34	NSFR					126.81%

* Report derivative liabilities before deducting variation margin posted. There is no need to differentiate by maturities. The unweighted value should be excluded from the total value of item No. 26 "Other assets".

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the first quarter of 2019 are as follows:

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6-12 months	≥1 year	
Available Stable Funding (ASF) Item						
1	Capital	–	–	–	1,984,441	1,984,441
2	Regulatory capital	–	–	–	1,885,511	1,885,511
3	Other capital instruments	–	–	–	98,930	98,930
4	Retail deposits and deposits from small business customers	3,918,330	3,748,798	147,518	4,363	7,229,267
5	Stable deposits	1,601,850	2,170,283	62,317	1,880	3,644,608
6	Less stable deposits	2,316,480	1,578,515	85,201	2,483	3,584,659
7	Wholesale funding	4,579,009	5,317,190	646,354	479,489	4,786,028
8	Operational deposits	4,246,574	360,625	–	–	2,303,600
9	Other wholesale funding	332,435	4,956,565	646,354	479,489	2,482,428
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities	63,261	150,874	4,381	396,996	305,336
12	NSFR derivatives liabilities				93,850	
13	All other liabilities and equity not included in the above categories	63,261	150,874	4,381	303,146	305,336
14	Total ASF					14,305,072

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the first quarter of 2019 are as follows (Continued):

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6–12 months	≥1 year	
Required Stable Funding (RSF) Item						
15	Total NSFR high-quality liquid assets					661,226
16	Deposits held at other financial institutions for operational purposes	87,474	19,045	–	–	53,259
17	Loans and securities	54,126	4,008,949	2,164,369	7,991,329	9,352,294
18	Loans to financial institutions secured by Level 1 assets	–	11,979	–	–	1,198
19	Loans to financial institutions secured by non-Level 1 assets and unsecured loans to financial institutions	54,126	1,322,840	323,951	84,570	453,090
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs) of which:	–	2,250,533	1,518,502	3,996,715	5,229,930
21	With a risk weight of less than or equal to 35%	–	104,126	7,372	3,437	7,417
22	Residential mortgages of which:	–	128,991	116,367	3,405,650	2,989,263
23	With a risk weight of less than or equal to 35%	–	43,620	30,547	141,093	128,794
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	294,606	205,549	504,394	678,813
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets	597,937	113,305	1,463	423,078	1,006,510
27	Physical traded commodities, including gold	205,988				175,090
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				214	182
29	NSFR derivatives assets				98,402	4,552
30	NSFR derivatives liabilities with additional requirements				18,770*	18,770
31	All other assets not included in the above categories	391,949	113,305	1,463	324,462	807,916
32	Off-balance sheet items				5,462,125	212,445
33	Total RSF					11,285,734
34	NSFR					126.75%

* Report derivative liabilities before deducting variation margin posted. There is no need to differentiate by maturities. The unweighted value should be excluded from the total value of item No. 26 "Other assets".

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the fourth quarter of 2018 are as follows:

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6-12 months	≥1 year	
Available Stable Funding (ASF) Item						
1	Capital	–	–	–	1,895,958	1,895,958
2	Regulatory capital	–	–	–	1,797,028	1,797,028
3	Other capital instruments	–	–	–	98,930	98,930
4	Retail deposits and deposits from small business customers	3,612,516	3,622,039	117,130	6,639	6,807,928
5	Stable deposits	1,536,488	2,110,100	48,857	2,445	3,513,118
6	Less stable deposits	2,076,028	1,511,939	68,273	4,194	3,294,810
7	Wholesale funding	4,581,524	5,413,386	671,437	560,171	4,790,279
8	Operational deposits	4,321,067	273,583	–	–	2,297,325
9	Other wholesale funding	260,457	5,139,803	671,437	560,171	2,492,954
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities	72,094	146,966	5,954	378,908	277,336
12	NSFR derivatives liabilities				104,550	
13	All other liabilities and equity not included in the above categories	72,094	146,966	5,954	274,358	277,336
14	Total ASF					13,771,501

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

1 Liquidity ratios, liquidity coverage ratio and net stable funding ratio (Continued)

The Group's net stable funding ratio (Continued)

The Group's consolidated NSFR individual line items at the end of the fourth quarter of 2018 are as follows (Continued):

No.	Items	Unweighted value				Weighted value
		No maturity	<6 months	6-12 months	≥1 year	
Required Stable Funding (RSF) Item						
15	Total NSFR high-quality liquid assets					680,327
16	Deposits held at other financial institutions for operational purposes	68,587	238	–	–	34,412
17	Loans and securities	38,043	4,066,330	2,057,421	7,781,202	9,073,624
18	Loans to financial institutions secured by Level 1 assets	–	12,560	–	–	1,256
19	Loans to financial institutions secured by non-Level 1 assets and unsecured loans to financial institutions	38,043	1,217,864	324,926	75,708	426,557
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs) of which:	–	2,454,823	1,406,228	3,900,626	5,097,321
21	With a risk weight of less than or equal to 35%	–	100,956	1,594	3,704	4,968
22	Residential mortgages of which:	–	116,077	107,254	3,304,778	2,881,404
23	With a risk weight of less than or equal to 35%	–	40,208	28,498	196,613	162,151
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	–	265,006	219,013	500,090	667,086
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets	564,415	82,684	1,218	463,798	987,087
27	Physical traded commodities, including gold	203,743				173,181
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				213	181
29	NSFR derivatives assets				131,132	26,582
30	NSFR derivatives liabilities with additional requirements				20,910*	20,910
31	All other assets not included in the above categories	360,672	82,684	1,218	332,453	766,233
32	Off-balance sheet items				5,610,692	189,428
33	Total RSF					10,964,878
34	NSFR					125.60%

* Report derivative liabilities before deducting variation margin posted. There is no need to differentiate by maturities. The unweighted value should be excluded from the total value of item No. 26 "Other assets".

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

2 Currency concentrations

The following information is computed in accordance with the provisions of the CBIRC.

	Equivalent in millions of RMB			
	USD	HKD	Other	Total
As at 30 June 2019				
Spot assets	3,748,571	1,560,897	1,578,065	6,887,533
Spot liabilities	(4,125,153)	(1,934,057)	(1,418,694)	(7,477,904)
Forward purchases	6,091,619	808,722	1,375,951	8,276,292
Forward sales	(5,606,753)	(488,737)	(1,541,879)	(7,637,369)
Net options position*	(46,853)	736	(1,851)	(47,968)
Net long/(short) position	61,431	(52,439)	(8,408)	584
Structural position	53,373	230,016	71,755	355,144
As at 31 December 2018				
Spot assets	3,679,148	1,488,089	1,445,560	6,612,797
Spot liabilities	(4,207,568)	(1,863,120)	(1,406,375)	(7,477,063)
Forward purchases	6,113,388	750,992	1,195,354	8,059,734
Forward sales	(5,492,047)	(409,454)	(1,245,872)	(7,147,373)
Net options position*	(40,858)	(258)	(1,885)	(43,001)
Net long/(short) position	52,063	(33,751)	(13,218)	5,094
Structural position	52,685	219,887	70,141	342,713

* The net option position is calculated in accordance with the relevant provisions of the CBIRC.

3 International claims

The Group discloses international claims according to *Banking (Disclosure) Rules* (L.N. 160 of 2014). International claims are risk exposures generated from the countries or geographical areas where the counterparties take the ultimate risk while considering the transfer of the risk, exclude local claims on local residents in local currency. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a counterparty whose head office is located in another country.

International claims include "Balances with central banks", "Due from and placements with and loans to banks and other financial institutions", "Government certificates of indebtedness for bank notes issued", "Loans and advances to customers" and "Financial investments".

International claims have been disclosed by major countries or geographical areas. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of international claims, after taking into account any risk transfers.

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

3 International claims (Continued)

	Banks	Official sector	Non-bank private sector	Total
As at 30 June 2019				
Asia Pacific				
Chinese mainland	706,222	223,131	722,336	1,651,689
Hong Kong	32,137	59	488,595	520,791
Other Asia Pacific locations	94,178	125,607	390,366	610,151
Subtotal	832,537	348,797	1,601,297	2,782,631
North and South America	87,208	237,698	144,645	469,551
Other	94,950	74,279	241,715	410,944
Total	1,014,695	660,774	1,987,657	3,663,126
As at 31 December 2018				
Asia Pacific				
Chinese mainland	608,194	418,266	701,782	1,728,242
Hong Kong	18,193	1	469,543	487,737
Other Asia Pacific locations	80,097	33,887	371,850	485,834
Subtotal	706,484	452,154	1,543,175	2,701,813
North and South America	59,618	224,329	145,386	429,333
Other	54,341	77,159	234,936	366,436
Total	820,443	753,642	1,923,497	3,497,582

4 Overdue assets

For the purpose of the table below, the entire outstanding balance of "Loans and advances to customers" and "Placements with and loans to banks and other financial institutions" are considered overdue if either principal or interest payment is overdue.

4.1 Total amount of overdue loans and advances to customers

	As at 30 June 2019	As at 31 December 2018
Total loans and advances to customers which have been overdue		
within 3 months	49,125	84,754
between 3 and 6 months	21,987	24,673
between 6 and 12 months	34,225	45,816
over 12 months	73,245	64,708
Total	178,582	219,951
Percentage		
within 3 months	0.39%	0.72%
between 3 and 6 months	0.18%	0.21%
between 6 and 12 months	0.27%	0.39%
over 12 months	0.58%	0.55%
Total	1.42%	1.87%

4.2 Total amount of overdue placements with and loans to banks and other financial institutions

The total amount of overdue "Placements with and loans to banks and other financial institutions" as at 30 June 2019 and 31 December 2018 was not considered material.

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information

5.1 Scope of consolidation

When calculating the Group's consolidated (the "Group") capital adequacy ratios, BOCG Investment, BOC Insurance, BOCG Insurance and BOCG Life were excluded from the scope of consolidation in accordance with requirements of the CBIRC. For the Bank's unconsolidated (the "Bank") capital adequacy ratio calculations, only the branches were included, while the subsidiaries and other affiliates were excluded.

5.2 Capital adequacy ratio

The Group and the Bank calculate the capital adequacy ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)* as follows:

	Group		Bank	
	As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018
Net common equity tier 1 capital	1,526,628	1,465,769	1,302,655	1,251,056
Net tier 1 capital	1,749,305	1,575,293	1,515,341	1,350,770
Net capital	2,087,358	1,922,350	1,837,530	1,683,893
Common equity tier 1 capital adequacy ratio	11.21%	11.41%	10.97%	11.08%
Tier 1 capital adequacy ratio	12.85%	12.27%	12.77%	11.96%
Capital adequacy ratio	15.33%	14.97%	15.48%	14.92%

5.3 Risk-weighted assets

The Group's risk-weighted assets are as follows:

	As at 30 June 2019	As at 31 December 2018
Credit risk-weighted assets	12,632,013	11,860,829
Market risk-weighted assets	150,907	145,325
Operational risk-weighted assets	835,372	835,372
Risk-weighted assets increment required to reach capital floor	–	–
Total risk-weighted assets	13,618,292	12,841,526

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

5.4 Credit risk exposures

The Group's credit risk exposures analysed by the calculation methods are as follows:

	As at 30 June 2019			
	On- balance sheet credit risk	Off- balance sheet credit risk	Counterparty credit risk	Total
Exposures covered by Internal Ratings-based Approach	10,019,633	1,183,914	29,972	11,233,519
Of which: Corporate exposures	6,010,065	971,603	29,972	7,011,640
Retail exposures	4,009,568	212,311	–	4,221,879
Exposures not covered by Internal Ratings-based Approach	11,802,711	490,338	308,132	12,601,181
Of which: Asset securitisation	44,286	3,812	–	48,098
Total	21,822,344	1,674,252	338,104	23,834,700

	As at 31 December 2018			
	On- balance sheet credit risk	Off- balance sheet credit risk	Counterparty credit risk	Total
Exposures covered by Internal Ratings-based Approach	9,330,516	1,189,441	19,252	10,539,209
Of which: Corporate exposures	5,684,673	975,629	19,252	6,679,554
Retail exposures	3,645,843	213,812	–	3,859,655
Exposures not covered by Internal Ratings-based Approach	11,512,512	445,669	390,117	12,348,298
Of which: Asset securitisation	36,680	–	–	36,680
Total	20,843,028	1,635,110	409,369	22,887,507

5.5 Capital requirements on market risk

The Group's capital requirements on market risk are as follows:

	Capital requirements	
	As at 30 June 2019	As at 31 December 2018
Covered by Internal Model Approach	6,772	6,430
Not covered by Internal Model Approach	5,301	5,196
Interest rate risk	4,367	4,695
Equity risk	192	146
Foreign exchange risk	–	–
Commodity risk	742	355
Total	12,073	11,626

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

5.6 VaR

The VaR and stressed VaR of the Group covered by the Internal Model Approach are as follows:

	For the six month period ended 30 June 2019			
	Average	Maximum	Minimum	End
VaR	598	872	478	777
Stressed VaR	1,574	1,847	1,174	1,184

	For the year ended 31 December 2018			
	Average	Maximum	Minimum	End
VaR	672	1,215	327	631
Stressed VaR	1,504	2,557	923	1,472

5.7 Operational risk management

During the reporting period, the Group used the Standardised Approach to measure the consolidated operational risk capital requirement, which amounted to RMB66,830 million. Please refer to the section "Management Discussion and Analysis-Risk Management".

5.8 Interest rate risk in the banking book

The Group measures interest rate risk mainly by making gap analysis of interest rate repricing, on which the sensitivity analysis is based. See below for the results from sensitivity analysis.

Interest rate sensitivity analysis

	(Decrease)/increase in net interest income	
	As at	As at
	30 June 2019	31 December 2018
Interest rate basis points move		
+25 basis points	(5,071)	(4,136)
-25 basis points	5,071	4,136

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 1: Composition of capital

	As at 30 June 2019	As at 31 December 2018	Code
Common equity tier 1 capital			
1 Paid-in capital	294,388	294,388	j
2 Retained earnings	1,080,100	1,025,736	
2a Surplus reserve	156,969	156,711	r
2b General reserve	231,565	231,416	s
2c Undistributed profits	691,566	637,609	t
3 Accumulated other comprehensive income (and other reserves)	145,219	139,657	
3a Capital reserve	140,497	140,422	m
3b Currency translation differences	(13,116)	(13,502)	q
3c Others	17,838	12,737	o-q
4 Amount attributable to common equity tier 1 capital in the transitional period	-	-	
5 Eligible portion of minority interests	29,479	28,229	u
6 Common equity tier 1 capital before regulatory adjustment	1,549,186	1,488,010	
Common equity tier 1 capital: regulatory adjustment			
7 Prudential valuation adjustment	-	-	
8 Goodwill (net of deferred tax liabilities deduction)	(182)	(182)	-h
9 Other intangible assets (excluding land use rights) (net of deferred tax liabilities deduction)	(11,825)	(12,078)	g-f
10 Net deferred tax assets incurred due to operating losses, relying on the bank's future profitability to be realised	-	-	
11 Reserve relating to cash-flow hedge items not measured at fair value	-	-	-p
12 Shortfall of provisions to loan losses	-	-	
13 Gains on sale of securitisation	-	-	
14 Unrealised gains and losses that have resulted from changes in the fair value of liabilities due to changes in own credit risk	-	-	
15 Net pension assets with fixed yield (net of deferred tax liabilities deduction)	-	-	
16 Direct or indirect investments in own shares	(57)	(68)	n
17 Reciprocal cross holdings in common equity of banks or other financial institutions based on agreement	-	-	
18 Non-significant minority investments in common equity tier 1 capital of financial institutions that are outside the scope of regulatory consolidation (deductible part)	-	-	
19 Significant minority investments in common equity tier 1 capital of financial institutions that are outside the scope of regulatory consolidation (deductible part)	-	-	
20 Collateralised loan service rights	N/A	N/A	
21 Deductible amount of other net deferred tax assets relying on the bank's future profitability	-	-	
22 Deductible amount of the non-deducted part of common equity tier 1 capital of significant minority investments in financial institutions that are outside the scope of regulatory consolidation and other net deferred tax assets relying on the bank's future profitability in excess of 15% of common equity tier 1 capital	-	-	

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 1: Composition of capital (Continued)

	As at 30 June 2019	As at 31 December 2018	Code
23 Of which: Amount deductible out of significant minority investments in financial institutions	–	–	
24 Of which: Amount deductible out of collateralised loan service rights	N/A	N/A	
25 Of which: Amount deductible out of other net deferred tax assets relying on the bank's future profitability	–	–	
26a Investment in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	(9,920)	(9,913)	-e
26b Gap of common equity tier 1 capital of controlled but unconsolidated financial institutions	–	–	
26c Total of other items deductible out of common equity tier 1 capital	(574)	–	
27 Non-deducted gap deductible out of additional tier 1 capital and tier 2 capital	–	–	
28 Total regulatory adjustment of common equity tier 1 capital	(22,558)	(22,241)	
29 Net common equity tier 1 capital	1,526,628	1,465,769	
Additional tier 1 capital			
30 Additional tier 1 capital instruments and related premiums	212,685	99,714	
31 Of which: Equity part	212,685	99,714	k+l
32 Of which: Liability part	–	–	
33 Instruments non-attributable to additional tier 1 capital after the transitional period	–	–	
34 Eligible portion of minority interests	9,992	9,810	v
35 Of which: Part of instruments non-attributable to additional tier 1 capital after the transitional period	–	–	
36 Additional tier 1 capital before regulatory adjustment	222,677	109,524	
Additional tier 1 capital: Regulatory adjustment			
37 Direct or indirect investments in additional tier 1 capital of own banks	–	–	
38 Additional tier 1 capital cross-held between banks or between the bank and other financial institutions based on agreement	–	–	
39 Non-significant minority investments in additional tier 1 capital of unconsolidated financial institutions (deductible part)	–	–	
40 Significant minority investments in additional tier 1 capital of financial institutions that are outside the scope of regulatory consolidation	–	–	
41a Investment in additional tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	–	–	
41b Gap of additional tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	–	–	
41c Other deductions from additional tier 1 capital	–	–	
42 Non-deducted gaps deductible from tier 2 capital	–	–	
43 Total regulatory adjustment of additional tier 1 capital	–	–	
44 Net additional tier 1 capital	222,677	109,524	
45 Net tier 1 capital (net common equity tier 1 capital + net additional tier 1 capital)	1,749,305	1,575,293	

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 1: Composition of capital (Continued)

	As at 30 June 2019	As at 31 December 2018	Code
Tier 2 capital			
46 Tier 2 capital instruments issued and related premiums	239,778	256,189	
47 Of which: Part of instruments non-attributable to tier 2 capital after the transitional period	49,367	65,823	i
48 Eligible portion of minority interests	9,354	9,191	
49 Of which: Part of minority interests non-attributable to tier 2 capital after the transitional period	-	-	
50 Excess provision included in tier 2 capital	88,921	82,093	-b-d
51 Tier 2 capital before regulatory adjustment	338,053	347,473	
Tier 2 capital: Regulatory adjustment			
52 Tier 2 capital of the bank held directly or indirectly	-	-	
53 Tier 2 capital cross-held between banks or between the bank and other financial institutions based on agreement	-	-	
54 Non-significant minority investments in tier 2 capital of financial institutions that are outside the scope of regulatory consolidation (deductible part)	-	-	
55 Significant minority investments in tier 2 capital of financial institutions that are outside the scope of regulatory consolidation	-	(416)	
56a Investment in tier 2 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	-	-	
56b Gap of tier 2 capital of controlled but unconsolidated financial institutions	-	-	
56c Other deductions from tier 2 capital	-	-	
57 Total regulatory adjustment of tier 2 capital	-	(416)	
58 Net tier 2 capital	338,053	347,057	
59 Total net capital (net tier 1 capital + net tier 2 capital)	2,087,358	1,922,350	
60 Total risk-weighted assets	13,618,292	12,841,526	

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 1: Composition of capital (Continued)

	As at 30 June 2019	As at 31 December 2018	Code
Capital adequacy ratio and reserve capital requirement			
61 Common equity tier 1 capital adequacy ratio	11.21%	11.41%	
62 Tier 1 capital adequacy ratio	12.85%	12.27%	
63 Capital adequacy ratio	15.33%	14.97%	
64 Institution-specific capital requirement	4.00%	3.50%	
65 Of which: Capital reserve requirement	2.50%	2.50%	
66 Of which: Countercyclical reserve requirement	–	–	
67 Of which: Additional capital requirement of G-SIBs	1.50%	1.00%	
68 Ratio of common equity tier 1 capital meeting buffer area to risk-weighted assets	6.21%	6.41%	
Domestic minimum regulatory capital requirement			
69 Common equity tier 1 capital adequacy ratio	5.00%	5.00%	
70 Tier 1 capital adequacy ratio	6.00%	6.00%	
71 Capital adequacy ratio	8.00%	8.00%	
Non-deducted part of threshold deductibles			
72 Non-significant minority investments of financial institutions that are outside the scope of regulatory consolidation (non-deductible part)	117,369	89,253	
73 Significant minority investments of financial institutions that are outside the scope of regulatory consolidation (non-deductible part)	6,629	5,436	
74 Collateralised loan service rights (net of deferred tax liabilities deduction)	N/A	N/A	
75 Other net deferred tax assets relying on the bank's future profitability (net of deferred tax liabilities deduction)	35,962	36,974	
Limit of excess loan loss reserve attributable to tier 2 capital			
76 Actual accrued loan loss reserve amount under the Regulatory Weighting Approach	35,414	41,465	-a
77 Amount of excess loan loss reserve attributable to tier 2 capital under the Regulatory Weighting Approach	22,328	26,345	-b
78 Actual accrued excess loan loss reserve amount under the Internal Ratings-based Approach	66,593	55,748	-c
79 Amount of excess loan loss reserve attributable to tier 2 capital under the Internal Ratings-based Approach	66,593	55,748	-d
Capital instruments meeting exit arrangement			
80 Amount attributable to common equity tier 1 capital of the current period derived from the transitional period arrangement	–	–	
81 Amount non-attributable to common equity tier 1 capital derived from the transitional period arrangement	–	–	
82 Amount attributable to additional tier 1 capital of the current period derived from the transitional period arrangement	–	–	
83 Amount non-attributable to additional tier 1 capital derived from the transitional period arrangement	–	–	
84 Amount attributable to tier 2 capital of the current period derived from the transitional period arrangement	49,367	65,823	i
85 Amount non-attributable to tier 2 capital of the current period derived from the transitional period arrangement	49,563	33,107	

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 2: Financial and regulatory consolidated balance sheet

	As at 30 June 2019		As at 31 December 2018	
	Financial consolidated	Regulatory consolidated	Financial consolidated	Regulatory consolidated
ASSETS				
Cash and balances with central banks	2,134,760	2,134,760	2,407,808	2,407,807
Due from banks and other financial institutions	407,392	401,364	363,176	357,897
Precious metals	202,358	202,358	181,203	181,203
Placements with and loans to banks and other financial institutions	767,486	766,213	781,761	780,151
Derivative financial assets	86,982	86,917	124,126	123,986
Reverse repurchase transactions	402,614	402,591	260,597	260,207
Loans and advances to customers	12,257,784	12,255,568	11,515,764	11,514,470
Financial investments	5,361,318	5,190,098	5,054,551	4,897,328
— financial assets at fair value through profit or loss	443,792	335,884	370,491	275,470
— financial assets at fair value through other comprehensive income	2,084,968	2,061,544	1,879,759	1,858,107
— financial assets at amortised cost	2,832,558	2,792,670	2,804,301	2,763,751
Long term equity investment	23,384	53,636	23,369	52,048
Investment properties	22,788	16,173	22,086	15,373
Property and equipment	232,579	94,846	227,394	97,623
Right-of-use assets	22,637	23,573	N/A	N/A
Intangible assets	19,325	17,919	19,452	18,366
Goodwill	2,631	182	2,620	182
Deferred income tax assets	37,115	35,962	38,204	36,974
Other assets	284,871	232,025	245,164	196,762
Total assets	22,266,024	21,914,185	21,267,275	20,940,377

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 2: Financial and regulatory consolidated balance sheet (Continued)

	As at 30 June 2019		As at 31 December 2018	
	Financial consolidated	Regulatory consolidated	Financial consolidated	Regulatory consolidated
LIABILITIES				
Due to central banks	913,185	913,185	907,521	907,521
Due to banks and other financial institutions	1,784,482	1,784,482	1,731,209	1,731,209
Placements from banks and other financial institutions	340,732	328,764	327,249	316,968
Financial liabilities held for trading	18,273	18,273	14,327	14,327
Derivative financial liabilities	82,861	81,160	99,254	98,284
Repurchase transactions	188,669	188,270	285,018	284,861
Due to customers	15,644,634	15,648,115	14,883,596	14,884,503
Employee benefits payable	27,937	26,560	33,822	32,366
Current tax liabilities	36,737	36,271	27,894	27,451
Contingent liabilities	19,271	19,271	22,010	22,010
Bonds issued	827,575	765,319	782,127	727,493
Deferred income tax liabilities	4,959	764	4,548	367
Other liabilities	469,257	263,929	423,303	230,432
Total liabilities	20,358,572	20,074,363	19,541,878	19,277,792
EQUITY				
Share capital	294,388	294,388	294,388	294,388
Other equity instruments	212,685	212,685	99,714	99,714
Of which: Preference shares	172,693	172,693	99,714	99,714
Of which: Undated capital bonds	39,992	39,992	–	–
Capital reserve	142,219	140,497	142,135	140,422
Less: Treasury shares	(57)	(57)	(68)	(68)
Other comprehensive income	7,423	4,722	1,417	(765)
Surplus reserve	157,887	156,969	157,464	156,711
General reserve	231,674	231,565	231,525	231,416
Undistributed profits	744,199	691,566	686,405	637,609
Capital and reserves attributable to equity holders of the Bank	1,790,418	1,732,335	1,612,980	1,559,427
Non-controlling interests	117,034	107,487	112,417	103,158
Total equity	1,907,452	1,839,822	1,725,397	1,662,585
Total equity and liabilities	22,266,024	21,914,185	21,267,275	20,940,377

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 3: Reconciliation and illustration of balance sheet items

	As at 30 June 2019	As at 31 December 2018	Code
ASSETS			
Cash and balances with central banks	2,134,760	2,407,807	
Due from banks and other financial institutions	401,364	357,897	
Precious metals	202,358	181,203	
Placements with and loans to banks and other financial institutions	766,213	780,151	
Derivative financial assets	86,917	123,986	
Reverse repurchase transactions	402,591	260,207	
Loans and advances to customers	12,255,568	11,514,470	
Of which: Actual accrued loan loss reserve amount under the Regulatory Weighting Approach	(35,414)	(41,465)	a
Of which: Amount of excess loan loss reserve attributable to tier 2 capital under the Regulatory Weighting Approach	(22,328)	(26,345)	b
Of which: Actual accrued excess loan loss reserve amount under the Internal Ratings-based Approach	(66,593)	(55,748)	c
Of which: Amount of excess loan loss reserve attributable to tier 2 capital under the Internal Ratings-based Approach	(66,593)	(55,748)	d
Financial investments	5,190,098	4,897,328	
— financial assets at fair value through profit or loss	335,884	275,470	
— financial assets at fair value through other comprehensive income	2,061,544	1,858,107	
— financial assets at amortised cost	2,792,670	2,763,751	
Long term equity investment	53,636	52,048	
Of which: Investment in common equity tier 1 capital of financial institutions with controlling interests but outside the scope of regulatory consolidation	9,920	9,913	e
Investment properties	16,173	15,373	
Property and equipment	94,846	97,623	
Right-of-use assets	23,573	N/A	
Intangible assets	17,919	18,366	f
Of which: Land use rights	6,094	6,288	g
Goodwill	182	182	h
Deferred income tax assets	35,962	36,974	
Other assets	232,025	196,762	
Total assets	21,914,185	20,940,377	

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 3: Reconciliation and illustration of balance sheet items (Continued)

	As at 30 June 2019	As at 31 December 2018	Code
LIABILITIES			
Due to central banks	913,185	907,521	
Due to banks and other financial institutions	1,784,482	1,731,209	
Placements from banks and other financial institutions	328,764	316,968	
Financial liabilities held for trading	18,273	14,327	
Derivative financial liabilities	81,160	98,284	
Repurchase transactions	188,270	284,861	
Due to customers	15,648,115	14,884,503	
Employee benefits payable	26,560	32,366	
Current tax liabilities	36,271	27,451	
Contingent liabilities	19,271	22,010	
Bonds issued	765,319	727,493	
Of which: Amount attributable to tier 2 capital of the current period derived from the transitional period arrangement	49,367	65,823	i
Deferred income tax liabilities	764	367	
Other liabilities	263,929	230,432	
Total liabilities	20,074,363	19,277,792	
EQUITY			
Share capital	294,388	294,388	j
Other equity instruments	212,685	99,714	
Of which: Preference shares	172,693	99,714	k
Of which: Undated capital bonds	39,992	–	l
Capital reserve	140,497	140,422	m
Less: Treasury shares	(57)	(68)	n
Other comprehensive income	4,722	(765)	o
Of which: Reserve relating to cash-flow hedge items not measured at fair value	–	–	p
Of which: Currency translation differences	(13,116)	(13,502)	q
Surplus reserve	156,969	156,711	r
General reserve	231,565	231,416	s
Undistributed profits	691,566	637,609	t
Capital and reserves attributable to equity holders of the Bank	1,732,335	1,559,427	
Non-controlling interests	107,487	103,158	
Of which: Amount attributable to common equity tier 1 capital	29,479	28,229	u
Of which: Amount attributable to additional tier 1 capital	9,992	9,810	v
Total equity	1,839,822	1,662,585	
Total equity and liabilities	21,914,185	20,940,377	

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments

No.	Item	Common shares (A share)	Common shares (H share)	Preference shares (Domestic)	Preference shares (Offshore)
1	Issuer	Bank of China Limited	Bank of China Limited	Bank of China Limited	Bank of China Limited
2	Identification code	601988.SH	3988.HK	360002.SH	4601.HK
3	Applicable law	PRC law	Hong Kong SAR law	PRC law	Hong Kong SAR law
Regulatory processing					
4	Of which: Applicable to transitional period rules specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Common equity tier 1 capital	Common equity tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
5	Of which: Applicable to the rules after expiration of the transitional period specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Common equity tier 1 capital	Common equity tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
6	Of which: Applicable to bank/group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level
7	Instrument type	Common shares	Common shares	Preference shares	Preference shares
8	Amount attributable to regulatory capital (the last reporting day)	282,501	151,808	31,963	39,782
9	Par value of instrument	210,766	83,622	32,000	39,940
10	Accounting treatment	Share capital and capital reserve	Share capital and capital reserve	Other equity instrument	Other equity instrument
11	Initial issuing date	2006/6/29	2006/6/1 2006/6/9	2014/11/21	2014/10/23
12	Term (term or perpetual)	Perpetual	Perpetual	Perpetual	Perpetual
13	Of which: Original maturity date	No maturity date	No maturity date	No maturity date	No maturity date
14	Issuer's redemption (subject to regulatory approval)	No	No	Yes	Yes
15	Of which: Redemption date (or have redemption date) and amount	N/A	N/A	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter
16	Of which: Subsequent redemption date (if any)	N/A	N/A	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Common shares (A share)	Common shares (H share)	Preference shares (Domestic)	Preference shares (Offshore)
Dividend or interest payment					
17	Of which: Fixed or floating dividend or interest payment	Floating	Floating	Fixed	Fixed
18	Of which: Coupon rate and relevant indicators	N/A	N/A	6.00% (dividend yield, before tax)	The dividend yield fixed at 6.75% (after tax) for the first 5 years, is reset based on the 5-year U.S. treasury rate plus a fixed interest spread at the dividend reset date every 5 years, and the dividend yield during each reset period remains unchanged
19	Of which: Existence of dividend brake mechanism	N/A	N/A	Yes	Yes
20	Of which: Discretion to cancel dividend or interest payment	Full discretion	Full discretion	Full discretion	Full discretion
21	Of which: Existence of redemption incentive mechanism	No	No	No	No
22	Of which: Cumulative or noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Conversion into shares	N/A	N/A	Yes	Yes
24	Of which: Please specify the trigger condition for share conversion, if allowed	N/A	N/A	(1) Upon the occurrence of any Additional Tier 1 Capital Instrument Trigger Event, that is, the CET 1 CAR drops to 5.125% or below, the Domestic Preference Shares shall be wholly or partly converted into A Shares so as to restore the CET1 CAR above the trigger point; (2) upon the occurrence of any Tier 2 Capital Instrument Trigger Event, all of the Domestic Preference Shares shall be converted into A Shares. "Tier 2 Capital Instrument Trigger Event" means either of the following circumstances (whichever is earlier): (i) the CBIRC having concluded that a conversion or write-off is necessary without which the Bank would become non-viable; or (ii) the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the Bank would become non-viable	(1) Upon the occurrence of any Additional Tier 1 Capital Instrument Trigger Event, that is, the CET 1 CAR drops to 5.125% or below, the Offshore Preference Shares shall be wholly or partly converted into H Shares so as to restore the CET1 CAR above the trigger point; (2) upon the occurrence of any Tier 2 Capital Instrument Trigger Event, all of the Offshore Preference Shares shall be converted into H Shares. "Tier 2 Capital Instrument Trigger Event" means either of the following circumstances (whichever is earlier): (i) the CBIRC having concluded that a conversion or write-off is necessary without which the Bank would become non-viable; or (ii) the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the Bank would become non-viable

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Common shares (A share)	Common shares (H share)	Preference shares (Domestic)	Preference shares (Offshore)
Dividend or interest payment (Continued)					
25	Of which: Please specify share conversion in whole or in part, if allowed	N/A	N/A	Whole/part	Whole/part
26	Of which: Please specify the method to determine the conversion price, if share conversion is allowed	N/A	N/A	The initial compulsory conversion price of the Domestic Preference Shares is the average trading price of A Shares of the Bank in the 20 trading days prior to the announcement date of the Board resolution on the Preference Shares issuance, equivalent to RMB2.62 per A Share. After the issuance of the Preference Shares, in the event of any distribution of bonus shares, recapitalisation, issuance of new shares at a price lower than the market price (excluding any increase of share capital due to conversion of financing instruments convertible to ordinary shares issued by the Bank (e.g., preference shares, convertible bonds, etc.)), or rights issue for A Shares, the Bank will make an adjustment to the compulsory conversion price to reflect each of such events on a cumulative basis in the order of the occurrence of the events	The initial conversion price of the Offshore Preference Shares is the average trading price of H Shares of the Bank in the 20 trading days prior to the announcement date (i.e. 2014/5/13) of the Board resolution on the Offshore Preference Shares issuance, equivalent to HKD3.44 per H Share, which has been approved by General Meeting. The conversion price will be subject to adjustment in the following events: (a) if the Bank shall issue any H Shares credited as fully paid to holders of H Shares by way of a distribution of bonus shares or a capitalisation issue; (b) if the Bank shall issue any H Shares by way of a rights issue; (c) if the Bank shall issue (otherwise than rights issue) any H Shares (other than H Shares issued on the compulsory conversion of the Offshore Preference Shares or on the exercise of any other rights of conversion into,

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Common shares (A share)	Common shares (H share)	Preference shares (Domestic)	Preference shares (Offshore)
	Dividend or interest payment (Continued)				
26	Of which: Please specify the method to determine the conversion price, if share conversion is allowed (Continued)			above, but the Bank will not make an adjustment to the compulsory conversion price to reflect distribution of cash dividends for ordinary shares	or exchange or subscription for H Shares), at a price per H Share which is less than the Current Market Price per H Share on the date of the announcement of the terms of such issue or grant; (d) if the Bank repurchases any of its Ordinary Shares, or is subject to a merger, division or any other circumstances that may lead to any change in the Bank's share classes, number and/or shareholders' equity and thereby affect the rights and interests of the Offshore Preference Shareholders, the Bank is entitled to adjust the compulsory conversion price in a fair, just and equitable manner in order to protect the rights and interests of the Offshore Preference Shareholders

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Common shares (A share)	Common shares (H share)	Preference shares (Domestic)	Preference shares (Offshore)
Dividend or interest payment (Continued)					
27	Of which: Please specify share conversion is mandatory or not, if it is allowed	N/A	N/A	Yes	Yes
28	Of which: Please specify the instrument type after conversion, if allowed	N/A	N/A	A common share	H common share
29	Of which: Please specify the issuer of the instrument type after conversion, if allowed	N/A	N/A	Bank of China Limited	Bank of China Limited
30	Write-down feature	N/A	N/A	No	No
31	Of which: Please specify the trigger point of write-down, if allowed	N/A	N/A	N/A	N/A
32	Of which: Please specify write-down in whole or in part, if write-down is allowed	N/A	N/A	N/A	N/A
33	Of which: Please specify the write-down is perpetual or temporary, if write-down is allowed	N/A	N/A	N/A	N/A
34	Of which: Please specify the book-entry value recovery mechanism, if temporary write-down	N/A	N/A	N/A	N/A
35	Hierarchy of claims (please specify instrument types enjoying higher priorities)	The lowest priority of all claims	The lowest priority of all claims	The lower priority behind the deposit, general debt, and subordinated debt (including tier 2 capital bond)	The lower priority behind the deposit, general debt, and subordinated debt (including tier 2 capital bond)
36	Does the instrument contain temporary illegible attribute?	No	No	No	No
37	Of which: If yes, please specify such attribute	N/A	N/A	N/A	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
1	Issuer	Bank of China Limited	Bank of China Limited	Bank of China Limited
2	Identification code	360010.SH	360033.SH	1928001.IB
3	Applicable law	PRC law	PRC law	PRC law
Regulatory processing				
4	Of which: Applicable to transitional period rules specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
5	Of which: Applicable to the rules after expiration of the transitional period specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
6	Of which: Applicable to bank/group level	Bank and group level	Bank and group level	Bank and group level
7	Instrument type	Preference shares	Preference shares	Undated capital bonds
8	Amount attributable to regulatory capital (the last reporting day)	27,969	72,979	39,992
9	Par value of instrument	28,000	73,000	40,000
10	Accounting treatment	Other equity instrument	Other equity instrument	Other equity instrument
11	Initial issuing date	2015/3/13	2019/6/24	2019/1/25
12	Term (term or perpetual)	Perpetual	Perpetual	Perpetual
13	Of which: Original maturity date	No maturity date	No maturity date	No maturity date
14	Issuer's redemption (subject to regulatory approval)	Yes	Yes	Yes
15	Of which: Redemption date (or have redemption date) and amount	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Domestic Preference Shares after 5 years from the date of issuance thereafter	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Bonds after 5 years from the date of issuance and at every Distribution Payment Date thereafter

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
Regulatory processing (Continued)				
16	Of which: Subsequent redemption date (if any)	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Preference Shares after 5 years from the date of issuance and at every Dividend Payment Date thereafter	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the Domestic Preference Shares after 5 years from the date of issuance thereafter	Subject to approval by the CBIRC, the Bank may redeem the Bonds in whole or in part on each Distribution Payment Date from and including 5 years after the issuance of the Bonds. The Bank has the right to redeem all, but not some, of the Bonds in the following circumstances: After the Issuance, the Bonds will no longer qualify as Additional Tier 1 Capital of the Issuer as a result of an unforeseeable change or amendment in the relevant provisions of supervisory regulations
Dividend or interest payment				
17	Of which: Fixed or floating dividend or interest payment	Fixed	Adjustable dividend rate	Adjustable distribution rate
18	Of which: Coupon rate and relevant indicators	5.50%(dividend yield, before tax)	4.50% (dividend yield, before tax), for the first 5 years, is reset based on the benchmark rate plus a fixed interest spread at the dividend reset date every 5 years, and the dividend yield during each reset period remains unchanged	4.50% in the first 5 years. The distribution rate will be adjusted by the yield to maturity of the applicable 5 years Chinese government notes plus a fixed spread, with a distribution rate adjustment period every 5 years after the payment date. The distribution rate is fixed during each adjustment period
19	Of which: Existence of dividend brake mechanism	Yes	Yes	Yes
20	Of which: Discretion to cancel dividend or interest payment	Full discretion	Full discretion	Full discretion
21	Of which: Existence of redemption incentive mechanism	No	No	No
22	Of which: Cumulative or noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Conversion into shares	Yes	Yes	No

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
Dividend or interest payment (Continued)				
24	Of which: Please specify the trigger condition for share conversion, if allowed	(1) Upon the occurrence of any Additional Tier 1 Capital Instrument Trigger Event, that is, the CET 1 CAR drops to 5.125% or below, the Domestic Preference Shares shall be wholly or partly converted into A Shares so as to restore the CET1 CAR above the trigger point; (2) upon the occurrence of any Tier 2 Capital Instrument Trigger Event, all of the Domestic Preference Shares shall be converted into A Shares. "Tier 2 Capital Instrument Trigger Event" means either of the following circumstances (whichever is earlier): (i) the CBIRC having concluded that a conversion or write-off is necessary without which the Bank would become non-viable; or (ii) the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the Bank would become non-viable	(1) Upon the occurrence of any Additional Tier 1 Capital Instrument Trigger Event, that is, the CET 1 CAR drops to 5.125% or below, the Domestic Preference Shares shall be wholly or partly converted into A Shares so as to restore the CET1 CAR above the trigger point; (2) upon the occurrence of any Tier 2 Capital Instrument Trigger Event, all of the Domestic Preference Shares shall be converted into A Shares. "Tier 2 Capital Instrument Trigger Event" means either of the following circumstances (whichever is earlier): (i) the CBIRC having concluded that a conversion or write-off is necessary without which the Bank would become non-viable; or (ii) the relevant authorities having concluded that a public sector injection of capital or equivalent support is necessary without which the Bank would become non-viable	N/A
25	Of which: Please specify share conversion in whole or in part, if allowed	Whole/part	Whole/part	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
Dividend or interest payment (Continued)				
26	Of which: Please specify the method to determine the conversion price, if share conversion is allowed	The initial compulsory conversion price of the Domestic Preference Shares is the average trading price of A Shares of the Bank in the 20 trading days prior to the announcement date of the Board resolution on the Preference Shares issuance, equivalent to RMB2.62 per A Share. After the issuance of the Preference Shares, in the event of any distribution of bonus shares, recapitalisation, issuance of new shares at a price lower than the market price (excluding any increase of share capital due to conversion of financing instruments convertible to ordinary shares issued by the Bank (e.g., preference shares, convertible bonds, etc.)), or rights issue for A Shares, the Bank will make an adjustment to the compulsory conversion price to reflect each of such events on a cumulative basis in the order of the occurrence of the events above, but the Bank will not make an adjustment to the compulsory conversion price to reflect distribution of cash dividends for ordinary shares	The initial compulsory conversion price of the Domestic Preference Shares shall be the average trading price of A Shares of the Bank in the 20 trading days prior to the announcement date of the Board resolution on the Domestic Preference Shares issuance, i.e. RMB3.62 per share. After the issuance of Domestic Preference Shares, in the event of any distribution of bonus shares, recapitalisation, issuance of new shares at a price lower than the market price (excluding any increase of share capital due to conversion of financing instruments convertible to ordinary shares issued by the Bank (e.g., preference share, convertible corporate bond etc.)), or rights issue for A Shares, the compulsory conversion price shall be subject to cumulative adjustments in the same order of the occurrence of such events. The distribution of cash dividends to the Ordinary Shareholders will not result in any adjustment to the compulsory conversion price	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
Dividend or interest payment (Continued)				
27	Of which: Please specify share conversion is mandatory or not, if it is allowed	Yes	Yes	N/A
28	Of which: Please specify the instrument type after conversion, if allowed	A common share	A common share	N/A
29	Of which: Please specify the issuer of the instrument type after conversion, if allowed	Bank of China Limited	Bank of China Limited	N/A
30	Write-down feature	No	No	Yes
31	Of which: Please specify the trigger point of write-down, if allowed	N/A	N/A	1. An Additional Tier 1 capital trigger event refers to the Issuer's Core Tier 1 capital adequacy ratio falls to 5.125% (or below) 2. A Tier 2 capital trigger event refers to the earlier of the following events: (a) the CBIRC having decided that the Issuer would become non-viable without a write-off; (b) the relevant authorities having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
32	Of which: Please specify write-down in whole or in part, if write-down is allowed	N/A	N/A	Upon the occurrence of an Additional Tier 1 capital trigger event, write-down in part or in whole. Upon the occurrence of a Tier 2 capital trigger event, write-down in whole

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Preference shares (Domestic)	Preference shares (Domestic)	Undated capital bonds
Dividend or interest payment (Continued)				
33	Of which: Please specify the write-down is perpetual or temporary, if write-down is allowed	N/A	N/A	Upon the occurrence of an Additional Tier 1 capital trigger event, write-down. Upon the occurrence of a Tier 2 capital trigger event, perpetual write-down
34	Of which: Please specify the book-entry value recovery mechanism, if temporary write-down	N/A	N/A	N/A
35	Hierarchy of claims (please specify instrument types enjoying higher priorities)	The lower priority behind the deposit, general debt, and subordinated debt (including tier 2 capital bond)	The lower priority behind the deposit, general debt, and subordinated debt (including tier 2 capital bond)	The lower priority behind the deposit, general debt, subordinated bond and tier 2 capital bond
36	Does the instrument contain temporary illegible attribute?	No	No	No
37	Of which: If yes, please specify such attribute	N/A	N/A	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
1	Issuer	Bank of China Limited	Bank of China Limited	Bank of China Limited	Bank of China Limited
2	Identification code	1428010.IB	5828.HK	1728017.IB	1728020.IB
3	Applicable law	PRC law	English law (Provisions relating to subordination shall be governed by PRC law)	PRC law	PRC law
Regulatory processing					
4	Of which: Applicable to transitional period rules specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
5	Of which: Applicable to the rules after expiration of the transitional period specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
6	Of which: Applicable to bank/group level	Bank and group level	Bank and group level	Bank and group level	Bank and group level
7	Instrument type	Eligible tier 2 capital bond	Eligible tier 2 capital bond	Eligible tier 2 capital bond	Eligible tier 2 capital bond
8	Amount attributable to regulatory capital (the last reporting day)	29,979	20,538	29,963	29,962
9	Par value of instrument	30,000	USD3.0 billion	30,000	30,000
10	Accounting treatment	Bonds Issued	Bonds Issued	Bonds Issued	Bonds Issued
11	Initial issuing date	2014/8/8	2014/11/13	2017/9/26	2017/10/31
12	Term (term or perpetual)	Term	Term	Term	Term
13	Of which: Original maturity date	2024/8/11	2024/11/13	2027/9/28	2027/11/2
14	Issuer's redemption (subject to regulatory approval)	Yes	Yes	Yes	Yes
15	Of which: Redemption date (or have redemption date) and amount	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the bond after 5 years from the date of issuance (i.e. 2019/8/11)	N/A	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the bond after 5 years from the date of issuance (i.e. 2022/9/28)	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the bond after 5 years from the date of issuance (i.e. 2022/11/2)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Regulatory processing (Continued)					
16	Of which: Subsequent redemption date (if any)	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions
Dividend or interest payment					
17	Of which: Fixed or floating dividend or interest payment	Fixed	Fixed	Fixed	Fixed
18	Of which: Coupon rate and relevant indicators	5.80%	5.00%	4.45%	4.45%
19	Of which: Existence of dividend brake mechanism	No	No	No	No
20	Of which: Discretion to cancel dividend or interest payment	N/A	N/A	N/A	N/A
21	Of which: Existence of redemption incentive mechanism	No	No	No	No
22	Of which: Cumulative or noncumulative	Noncumulative	Noncumulative	Noncumulative	Noncumulative
23	Conversion into shares	No	No	No	No

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Dividend or interest payment (Continued)					
24	Of which: Please specify the trigger condition for share conversion, if allowed	N/A	N/A	N/A	N/A
25	Of which: Please specify share conversion in whole or in part, if allowed	N/A	N/A	N/A	N/A
26	Of which: Please specify the method to determine the conversion price, if share conversion is allowed	N/A	N/A	N/A	N/A
27	Of which: Please specify share conversion is mandatory or not, if it is allowed	N/A	N/A	N/A	N/A
28	Of which: Please specify the instrument type after conversion, if allowed	N/A	N/A	N/A	N/A
29	Of which: Please specify the issuer of the instrument type after conversion, if allowed	N/A	N/A	N/A	N/A
30	Write-down feature	Yes	Yes	Yes	Yes
31	Of which: Please specify the trigger point of write-down, if allowed	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
32	Of which: Please specify write-down in whole or in part, if write-down is allowed	Write-down in whole	Write-down in whole	Write-down in whole	Write-down in whole

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Dividend or interest payment (Continued)					
33	Of which: Please specify the write-down is perpetual or temporary, if write-down is allowed	Perpetual write-down	Perpetual write-down	Perpetual write-down	Perpetual write-down
34	Of which: Please specify the book-entry value recovery mechanism, if temporary write-down	N/A	N/A	N/A	N/A
35	Hierarchy of claims (please specify instrument types enjoying higher priorities)	The lower priority behind the depositor and general creditor	The lower priority behind the depositor and general creditor	The lower priority behind the depositor and general creditor	The lower priority behind the depositor and general creditor
36	Does the instrument contain temporary illegible attribute?	No	No	No	No
37	Of which: If yes, please specify such attribute	N/A	N/A	N/A	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument
1	Issuer	Bank of China Limited	Bank of China Limited
2	Identification code	1828006.IB	1828011.IB
3	Applicable law	PRC law	PRC law
Regulatory processing			
4	Of which: Applicable to transitional period rules specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Tier 2 capital	Tier 2 capital
5	Of which: Applicable to the rules after expiration of the transitional period specified by <i>Capital Rules for Commercial Banks (Provisional)</i>	Tier 2 capital	Tier 2 capital
6	Of which: Applicable to bank/group level	Bank and group level	Bank and group level
7	Instrument type	Eligible tier 2 capital bond	Eligible tier 2 capital bond
8	Amount attributable to regulatory capital (the last reporting day)	39,985	39,983
9	Par value of instrument	40,000	40,000
10	Accounting treatment	Bonds Issued	Bonds Issued
11	Initial issuing date	2018/9/3	2018/10/9
12	Term (term or perpetual)	Term	Term
13	Of which: Original maturity date	2028/9/5	2028/10/11
14	Issuer's redemption (subject to regulatory approval)	Yes	Yes
15	Of which: Redemption date (or have redemption date) and amount	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the bond after 5 years from the date of issuance (i.e. 2023/9/5)	Subject to approval by the CBIRC, the Bank has the right to redeem all or part of the bond after 5 years from the date of issuance (i.e. 2023/10/11)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument
Regulatory processing (Continued)			
16	Of which: Subsequent redemption date (if any)	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions	Subject to the Redemption Conditions, the bonds are redeemable at the option of the Issuer at their outstanding principal amount, together with accrued but unpaid interest, if a change in the related regulations occurs at any time so long as the bonds are outstanding which has the effect that the bonds, after having qualified as such, will fully be disqualified from the Tier 2 Capital of the Issuer under the related regulations provided that the Issuer shall obtain the prior written consent and satisfy certain other conditions
Dividend or interest payment			
17	Of which: Fixed or floating dividend or interest payment	Fixed	Fixed
18	Of which: Coupon rate and relevant indicators	4.86%	4.84%
19	Of which: Existence of dividend brake mechanism	No	No
20	Of which: Discretion to cancel dividend or interest payment	N/A	N/A
21	Of which: Existence of redemption incentive mechanism	No	No
22	Of which: Cumulative or noncumulative	Noncumulative	Noncumulative
23	Conversion into shares	No	No

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument
Dividend or interest payment (Continued)			
24	Of which: Please specify the trigger condition for share conversion, if allowed	N/A	N/A
25	Of which: Please specify share conversion in whole or in part, if allowed	N/A	N/A
26	Of which: Please specify the method to determine the conversion price, if share conversion is allowed	N/A	N/A
27	Of which: Please specify share conversion is mandatory or not, if it is allowed	N/A	N/A
28	Of which: Please specify the instrument type after conversion, if allowed	N/A	N/A
29	Of which: Please specify the issuer of the instrument type after conversion, if allowed	N/A	N/A
30	Write-down feature	Yes	Yes
31	Of which: Please specify the trigger point of write-down, if allowed	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	“Non-Viability Event” means the occurrence of the earlier of either: (i) the CBIRC having decided that a write-off is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
32	Of which: Please specify write-down in whole or in part, if write-down is allowed	Write-down in whole	Write-down in whole

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

5 Capital adequacy ratio supplementary information (Continued)

Annex 4: Main attributes of capital instruments (Continued)

No.	Item	Tier 2 capital instrument	Tier 2 capital instrument
Dividend or interest payment (Continued)			
33	Of which: Please specify the write-down is perpetual or temporary, if write-down is allowed	Perpetual write-down	Perpetual write-down
34	Of which: Please specify the book-entry value recovery mechanism, if temporary write-down	N/A	N/A
35	Hierarchy of claims (please specify instrument types enjoying higher priorities)	The lower priority behind the depositor and general creditor	The lower priority behind the depositor and general creditor
36	Does the instrument contain temporary illegible attribute?	No	No
37	Of which: If yes, please specify such attribute	N/A	N/A

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

6 Leverage ratio

The leverage ratios of the Group calculated in accordance with the *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* and the *Capital Rules for Commercial Banks (Provisional)* are as follows⁽¹⁾:

	2019		2018	
	As at 30 June	As at 31 March	As at 31 December	As at 30 September
Net tier 1 capital	1,749,305	1,662,406	1,575,293	1,542,039
Adjusted on- and off-balance sheet assets	23,813,940	23,032,078	22,700,133	22,556,634
Leverage ratio	7.35%	7.22%	6.94%	6.84%

No.	Items	As at 30 June 2019
1	Total consolidated assets	22,266,024
2	Adjustments that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(9,920)
3	Adjustments for fiduciary assets	–
4	Adjustments for derivative financial instruments	203,065
5	Adjustments for securities financing transactions	93,439
6	Adjustments for off-balance sheet exposures	1,625,721
7	Other adjustments	(364,389)
8	Adjusted on- and off-balance sheet assets	23,813,940

Supplementary Information

(Amounts in millions of Renminbi, unless otherwise stated)

II UNAUDITED SUPPLEMENTARY INFORMATION (Continued)

6 Leverage ratio (Continued)

No.	Items	As at 30 June 2019
1	On-balance sheet assets (excluding derivatives and securities financing transactions)	21,424,677
2	Less: Tier 1 capital deductions	(22,558)
3	Total on-balance sheet exposures (excluding derivatives and SFTs)	21,402,119
4	Replacement cost associated with all derivative transactions (i.e. net of eligible cash variation margin)	86,917
5	Add-on amounts for potential future exposure associated with all derivative transactions	203,130
6	Gross-up for derivative collateral provided where deducted from the balance sheet assets	–
7	Less: Deductions of receivable assets for cash variation margin provided in derivative transactions	–
8	Less: Exempted CCP leg of client-cleared trade exposures	–
9	Adjusted effective notional amount of written credit derivatives	–
10	Less: Deductible amounts for written credit derivatives	–
11	Total derivative exposures	290,047
12	Accounting balance for securities financing transaction assets	402,591
13	Less: Deducted amounts for securities financing transaction assets	–
14	Counterparty credit risk exposure for securities financing transaction assets	93,462
15	Agent transaction exposures	–
16	Balance of assets in securities financing transactions	496,053
17	Off-balance sheet items	4,505,915
18	Less: Adjustments for conversion to credit equivalent amounts	(2,880,194)
19	Adjusted off-balance sheet exposures	1,625,721
20	Net tier 1 capital	1,749,305
21	Adjusted on- and off-balance sheet exposures	23,813,940
22	Leverage ratio	7.35%

- (1) When calculating the consolidated leverage ratio, BOCG Investment, BOC Insurance, BOCG Insurance and BOCG Life were excluded from the scope of consolidation in accordance with the *Capital Rules for Commercial Banks (Provisional)*.