



Bank of China Limited

Pillar 3 Disclosure Report for the First Half of 2024

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1 Introduction

1.1 Basis of Disclosure

The Report is prepared and disclosed in accordance with the *Capital Rules for Commercial Banks (J.J.Z.J.L [2023] No. 4)* issued by the National Financial Regulatory Administration (“NFRA”), and other relevant provisions.

The Group has been approved to implement the advanced capital measurement approaches in April 2014. For the Bank’s Head Office, domestic branches and BOCHK, Foundation Internal Rating-Based (FIRB) approach is adopted for general corporates and small or medium-sized entities (SMEs) credit risk exposures, while Advanced Internal Rating-Based (AIRB) approach is adopted for retail residential mortgages, qualifying revolving retail exposures (QRRE) as well as other retail risk exposures. Standardised approach is adopted for other types of credit risk exposures and all credit risk exposures of other consolidated institutions.

1.2 Disclosure Statement

The Report is prepared in accordance with the *Capital Rules for Commercial Banks*, rather than financial accounting standards. Therefore, some information in the Report may not be directly comparable to the financial information in the financial reports from the same period. The terms the “Group” as used in the Report refer to all branches of Bank of China, both domestically and internationally, as well as its directly or indirectly invested financial institutions as defined in the *Capital Rules for Commercial Banks*.

The Group has established a robust governance structure for pillar 3 regulatory capital disclosure, which is approved by the Board of Directors and implemented by the Senior Management through effective internal control processes. This ensures a thorough review of information disclosure content and the authenticity and reliability of disclosed information.

2 Overview of risk management, key prudential metrics and RWA

2.1 KM1: Key metrics (at consolidated group level)

Amounts in millions of Renminbi (except percentages)

	a	b	
	As at	As at	
	30 June 2024	31 March 2024	
Available capital (amounts)			
1	Common Equity Tier 1 (CET1)	2,229,811	2,236,969
2	Tier 1	2,598,358	2,605,342
3	Total capital	3,505,387	3,446,552
Risk-weighted assets (amounts)			
4	Total risk-weighted assets (RWA)	18,539,055	18,607,150
4a	Total risk-weighted assets (pre-floor ¹)	18,539,055	18,607,150
Risk-based capital ratios as a percentage of RWA			
5	CET1 ratio (%)	12.03%	12.02%
5a	CET1 ratio (%) (pre-floor)	12.03%	12.02%
6	Tier 1 ratio (%)	14.02%	14.00%
6a	Tier 1 ratio (%) (pre-floor)	14.02%	14.00%
7	Total capital ratio (%)	18.91%	18.52%
7a	Total capital ratio (%) (pre-floor)	18.91%	18.52%
Additional CET1 buffer requirements as a percentage of RWA			
8	Capital conservation buffer requirement (%)	2.50%	2.50%
9	Countercyclical buffer requirement (%)	0.00%	0.00%
10	G-SIB and/or D-SIB additional requirements ² (%)	1.50%	1.50%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10)	4.00%	4.00%
12	CET1 available after meeting the bank's minimum capital requirements ³ (%)	7.03%	7.02%
Leverage ratio			
13	Adjusted on- and off-balance sheet exposures	35,407,779	35,433,515
14	Leverage ratio (%)	7.34%	7.35%
14a	Leverage ratio a ⁴ (%)	7.34%	7.35%
14b	Leverage ratio b ⁵ (%)	7.37%	7.35%
14c	Leverage ratio c ⁶ (%)	7.37%	7.35%

	a	b	
	As at	As at	
	30 June 2024	31 March 2024	
Liquidity Coverage Ratio (LCR)			
15	Total high-quality liquid assets (HQLA)	5,383,200	5,376,050
16	Total net cash outflow	3,901,221	3,933,944
17	LCR (%)	<u>138.14%</u>	<u>136.90%</u>

Net Stable Funding Ratio (NSFR)

18	Total available stable funding	21,981,118	22,182,957
19	Total required stable funding	17,942,732	17,924,144
20	NSFR ⁷ (%)	<u>122.51%</u>	<u>123.76%</u>

Supplementary description:

- In Line 4a, "Total risk-weighted assets (pre-floor)" means that a commercial bank's partial or all risk-weighted assets calculated by the advanced approach for capital measurement shall be no less than 72.5% of the total risk-weighted assets calculated by other approaches. As at June 30, 2024, the Group's risk-weighted assets did not touch the capital floor;
- In Line 10, "G-SIB and/or D-SIB additional requirements" means that as at the end of the reporting period, the Group is classified as a D-SIB in bucket 4, subject to a 1% additional capital requirement; simultaneously, it is classified under bucket 2 among G-SIBs, subject to a 1.5% additional capital requirement. The additional capital requirement for the Group is determined to be 1.5% based on the higher of the two;
- In Line 12, "CET1 available after meeting the bank's minimum capital requirements (%)" refers to the difference between Line 5 and the minimum requirement of 5% for CET1 ratio;
- In Line 14a, "Leverage ratio a" refers to the leverage ratio without considering the temporary exemption from required reserves (if applicable);
- In Line 14b, "Leverage ratio b" refers to the leverage ratio calculated by considering the temporary exemption from required reserves (if applicable) and using the simple arithmetic average of the daily balance of securities financing transactions in last quarter;
- In Line 14c, "Leverage ratio c" refers to the leverage ratio calculated without considering the temporary exemption from required reserves (if applicable) but using the simple arithmetic average of the daily balance of securities financing transactions in last quarter;
- In Line 20, "NSFR" are the ending values of each quarter.

	a	b	c	
	RWA		Minimum capital requirements	
	As at 30 June 2024	As at 31 March 2024	As at 30 June 2024	
22	Market risk, of which:	223,786	259,194	17,903
23	Standardised approach (SA)	223,786	259,194	17,903
24	Internal model approach (IMA)	-	-	-
25	Simplified standard approach	-	-	-
26	Capital charge for switch between trading book and banking book	-	-	-
27	Operational risk	1,244,701	1,244,701	99,576
28	Floor adjustment	-	-	-
29	Total	18,539,055	18,607,150	1,483,124

Supplementary description:

1. In Line 20, securitisation exposures applied 1250% risk weight are included.

3 Composition of capital and TLAC

3.1 CCA: Main features of regulatory capital instruments and of external total loss-absorbing capacity (TLAC) – eligible non-capital bonds

For information on our main features of regulatory capital instruments and of external TLAC-eligible non-capital bonds, please visit Bank of China’s official website (www.boc.cn) and navigate to Investor Relations > Regulatory capital.

3.2 CC1: Composition of regulatory capital

Amounts in millions of Renminbi (except percentages)

	a	b	
	As at 30 June 2024		
	Amounts	References ¹	
Common equity Tier 1 capital			
1	Paid-in capital and capital reserve	428,720	A+B
2	Retained earnings	1,728,149	C+D+E
2a	Surplus reserve	255,758	C
2b	General reserve	378,935	D
2c	Undistributed profits	1,093,456	E
3	Accumulated other comprehensive income	58,457	F
4	Eligible portion of minority interests	36,001	G
5	Common equity Tier 1 capital before regulatory adjustment	<u>2,251,327</u>	
Common equity Tier 1 capital: regulatory adjustment			
6	Prudential valuation adjustment	–	
7	Goodwill (net of deferred tax liabilities deduction)	236	H
8	Other intangible assets (excluding land use rights) (net of deferred tax liabilities deduction)	21,269	I–J
9	Net deferred tax assets incurred due to operating losses, relying on the bank’s future profitability to be realized	–	
10	Reserve relating to cash-flow hedge items not measured at fair value	–	
11	Shortfall of loss provisions	–	
12	Gains on sale of securitisation	–	
13	Unrealized gains and losses that have resulted from changes in the fair value of liabilities due to changes in own credit risk	–	
14	Defined benefit pension fund net assets (net of deferred tax liabilities deduction)	–	
15	Direct or indirect investments in own shares	–	
16	Reciprocal cross-holdings in common equity of banks or other financial institutions based on agreement	–	
17	Non-significant minority investments in common equity Tier 1 capital of unconsolidated financial institutions – (deductible part)	–	

	a	b
	As at 30 June 2024	
	Amounts	References ¹
18	Significant minority investments in common equity Tier 1 capital of unconsolidated financial institutions – (deductible part)	–
19	Deductible amount of other net deferred tax assets relying on the bank’s future profitability	–
20	Deductible amount of non-deducted part of common equity Tier 1 capital of significant minority investments in unconsolidated financial institutions and other net deferred tax assets relying on the bank’s future profitability in excess of 15% of common equity Tier 1 capital	–
21	Of which: Amount deductible out of significant minority investments in financial institutions	–
22	Of which: Amount deductible out of other net deferred tax assets relying on the bank’s future profitability	–
23	Total of other items deductible out of common equity Tier 1 capital	11
24	Non-deducted gap deductible out of additional Tier 1 capital and Tier 2 capital	–
25	Total regulatory adjustment of common equity Tier 1 capital	21,516
26	Net common equity Tier 1 capital	2,229,811
Additional Tier 1 capital		
27	Directly issued additional Tier 1 capital instruments and related premium	359,513
28	Of which: Equity part	359,513
29	Of which: Liability part	–
30	Eligible portion of minority interests	9,034
31	Additional Tier 1 capital before regulatory adjustment	368,547
Additional Tier 1 capital: regulatory adjustment		
32	Direct or indirect investments in additional Tier 1 capital of the bank	–
33	Reciprocal cross-holdings in additional Tier 1 capital based on agreement	–
34	Non-significant minority investments in additional Tier 1 capital of unconsolidated financial institutions (deductible part)	–
35	Significant minority investments in additional Tier 1 capital of unconsolidated financial institutions	–
36	Total of other items deductible out of additional Tier 1 capital	–
37	Non-deducted gap deductible out of Tier 2 capital	–
38	Total regulatory adjustment of additional Tier 1 capital	–
39	Net additional Tier 1 capital	368,547
40	Net Tier 1 capital (net common equity Tier 1 capital + net additional Tier 1 capital)	2,598,358

a	b
As at 30 June 2024	
Amounts	References ¹

Tier 2 capital

41	Directly issued qualifying Tier 2 capital instruments and related premium	654,127
42	Eligible portion of minority interests	9,257
43	Excess loss provisions included in Tier 2 capital	243,645
44	Tier 2 capital before regulatory adjustment	907,029

Tier 2 capital: regulatory adjustment

45	Direct or indirect investments in Tier 2 capital of the bank	–
46	Reciprocal cross-holdings in Tier 2 instruments and other TLAC-eligible non-capital bonds based on agreement	–
47	Non-significant minority investments in Tier 2 capital of unconsolidated financial institutions (deductible part)	–
47a	Non-significant investments in TLAC-eligible non-capital bonds of unconsolidated financial institutions (deductible part) (for G-SIBs only)	Not applicable
48	Significant minority investments in Tier 2 capital of unconsolidated financial institutions	–
48a	Significant investments in TLAC-eligible non-capital bonds of unconsolidated financial institutions (deductible part) (for G-SIBs only)	Not applicable
49	Other deductions from Tier 2 capital	–
50	Total regulatory adjustment of Tier 2 capital	–
51	Net Tier 2 capital	907,029
52	Total net capital (net Tier 1 capital + net Tier 2 capital)	3,505,387
53	Total risk-weighted assets	18,539,055

Capital adequacy ratio and reserve capital requirement

54	Common equity Tier 1 capital adequacy ratio	12.03%
55	Tier 1 capital adequacy ratio	14.02%
56	Capital adequacy ratio	18.91%
57	Institution-specific capital requirement	4.00%
58	Of which: Capital conservation buffer requirement	2.50%
59	Of which: Countercyclical buffer requirement	0.00%
60	Of which: G-SIB and/or D-SIB additional requirements	1.50%
61	Common Equity Tier 1 capital (as a percentage of risk-weighted assets) available after meeting the bank's minimum capital requirements	7.03%

a	b
As at 30 June 2024	
Amounts	References ¹

Domestic minimum regulatory capital requirement

62	Common equity Tier 1 capital adequacy ratio	5.00%
63	Tier 1 capital adequacy ratio	6.00%
64	Capital adequacy ratio	<u>8.00%</u>

Non-deducted part of threshold deductibles

65	Non-significant minority investments of unconsolidated financial institutions (nondeductible part)	57,926
65a	Non-significant investments in TLAC-eligible non-capital bonds of unconsolidated financial institutions (nondeductible part) (for G-SIBs only)	Not applicable
66	Significant minority investments of unconsolidated financial institutions (nondeductible part)	17,322
67	Other net deferred tax assets relying on the bank's future profitability (net of deferred tax liabilities deduction)	<u>67,453</u>

Limit of excess loss provisions attributable to Tier 2 capital

68	Actual accrued loss provisions amount under the Regulatory Weighting Approach	287,642
69	Amount of excess loss provisions attributable to Tier 2 capital under the Regulatory Weighting Approach	245,911
70	Actual accrued excess loss provisions amount under the Internal Ratings-based Approach	245,002
71	Amount of excess loss provisions attributable to Tier 2 capital under the Internal Ratings-based Approach	<u>243,645</u>

Supplementary description:

- The column b reference indicates the correspondence between “CC1: Composition of regulatory capital” and “CC2: Reconciliation of regulatory capital to balance sheet”.

3.3 CC2: Reconciliation of regulatory capital to balance sheet

Amounts in millions of Renminbi

	a	b	c
	As at 30 June 2024		
	Financial Consolidated	Regulatory Consolidated	Reference
ASSETS			
Cash and balances with central banks	2,539,712	2,539,712	
Due from banks and other financial institutions	753,560	747,536	
Precious metals	138,619	138,619	
Placements with and loans to banks and other financial institutions	916,838	916,838	
Derivative financial assets	148,582	148,277	
Reverse repurchase transactions	560,585	560,579	
Loans and advances to customers	20,616,140	20,596,520	
Financial Investments	7,406,906	7,086,661	
– financial assets at fair value through profit or loss	585,400	377,166	
– financial assets at fair value through other comprehensive income	3,566,038	3,479,172	
– financial assets at amortised cost	3,255,468	3,230,323	
Long term equity investment	39,804	69,749	
Investment properties	22,774	12,628	
Property and equipment	221,008	81,328	
Construction in progress	19,289	4,610	
Right-of-use assets	18,248	20,775	
Intangible assets	27,320	26,825	I
Of which: Land use rights	6,380	5,556	J
Goodwill	2,756	236	H
Deferred income tax assets	70,038	67,453	
Other assets	405,088	349,933	
	<u>33,907,267</u>	<u>33,368,279</u>	
Total assets	<u>33,907,267</u>	<u>33,368,279</u>	

	a	b	c
	As at 30 June 2024		
	Financial Consolidated	Regulatory Consolidated	Reference
LIABILITIES			
Due to central banks	1,022,307	1,022,307	
Due to banks and other financial institutions	2,783,117	2,783,117	
Placements from banks and other financial institutions	421,310	401,937	
Financial liabilities held for trading	35,728	35,728	
Derivative financial liabilities	132,314	132,232	
Repurchase transactions	109,396	108,536	
Due to customers	23,630,706	23,634,317	
Employee benefits payable	44,605	43,406	
Current tax liabilities	30,316	30,510	
Provisions	21,944	21,944	
Lease Liabilities	18,392	21,382	
Bonds issued	2,064,450	1,977,923	
Deferred income tax liabilities	7,922	433	
Other liabilities	805,784	462,315	
	<u>31,128,291</u>	<u>30,676,087</u>	
Total liabilities	<u>31,128,291</u>	<u>30,676,087</u>	
EQUITY			
Share capital	294,388	294,388	A
Other equity instruments	359,513	359,513	
– Preference shares	119,550	119,550	K
– Perpetual bonds	239,963	239,963	L
Capital reserve	135,759	134,332	B
Other comprehensive income	58,389	58,457	F
Surplus reserve	257,381	255,758	C
General reserve	379,164	378,935	D
Undistributed profits	1,164,227	1,093,456	E
Capital and reserves attributable to equity holders of the Bank	2,648,821	2,574,839	
Non-controlling interests	130,155	117,353	
Of which: Amount attributable to common equity Tier 1 capital	–	36,001	G
Of which: Amount attributable to additional Tier 1 capital	–	9,034	M
	<u>2,778,976</u>	<u>2,692,192</u>	
Total equity	<u>2,778,976</u>	<u>2,692,192</u>	

Supplementary description:

1. The main difference in scope of consolidation for financial and regulatory capital purposes is that Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited are included in the scope of financial consolidation, but are excluded from the scope of capital adequacy ratio.

The equity investments in Bank of China Group Investment Limited are calculated as risk – weighted assets. The equity investments in Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited are treated in capital in accordance with relevant deduction rules.

For information on the total assets, owners' equity and main business activities of the above-mentioned financial institutions, please visit Bank of China's official website (www.boc.cn) and navigate to Investor Relations > Financial Reports.

4 Credit Risk

4.1 CR5-2: Standardised approach – Exposure amounts and CCFs applied to off-balance sheet exposures, categorised based on risk bucket of converted exposures

Amounts in millions of Renminbi (except percentage)

		a	b	c	d
		As at 30 June 2024			
Risk weight		On-balance sheet exposure	Off-balance sheet exposure (pre-CCF)	Weighted average CCF*	Exposure (post CCF and post CRM)
1	Less than 40%	10,236,480	101,831	23.55%	10,700,128
2	40–70%	1,281,600	181,697	45.59%	1,859,040
3	75%	1,765,786	1,354,601	19.67%	1,898,754
4	85%	40,272	12,586	18.72%	15,990
5	90–100%	2,570,080	986,560	28.10%	2,072,732
6	105–130%	92,828	27,696	29.30%	94,940
7	150%	81,588	17,812	31.13%	82,330
8	250%	172,687	–	0.00%	172,687
9	400%	3,913	–	0.00%	3,913
10	1250%	32,850	–	0.00%	32,850
11	Total exposures	16,278,084	2,682,783	24.84%	16,933,364

* Weighting is based on off-balance sheet exposure (pre-CCF).

4.2 CR6: IRB – Credit risk exposures by portfolio and PD range

F-IRB – Credit risk exposures by portfolio and PD range

Amounts in millions of Renminbi (except percentage)

As at 30 June 2024

	a	b	c	d	e	f	g	h	i	j	k	l
	Original on-balance sheet gross exposure	Off-balance sheet exposures pre CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors ¹ (hundreds)	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
Corporates												
	0.00 to <0.15	1,416,389	476,500	26.14%	1,651,436	0.07%	15	39.17%	2.50	359,483	21.77%	427
	0.15 to <0.25	52,765	42,016	18.97%	82,082	0.22%	4	39.84%	2.50	36,175	44.07%	72
	0.25 to <0.50	1,988,216	964,302	34.95%	2,563,242	0.31%	49	38.68%	2.50	1,288,995	50.29%	2,790
	0.50 to <0.75	293,539	96,554	21.28%	277,413	0.59%	9	39.79%	2.50	197,619	71.24%	654
	0.75 to <2.50	5,859,938	2,406,846	24.40%	6,445,090	1.40%	852	38.02%	2.50	5,397,387	83.74%	33,205
	2.50 to <10.00	1,673,884	459,979	22.85%	1,456,133	4.11%	1,188	36.48%	2.50	1,501,697	103.13%	23,485
	10.00 to <100.00	29,024	4,562	42.61%	23,439	39.84%	10	38.01%	2.50	39,072	166.70%	3,460
	100.00 (Default)	180,868	3,540	49.19%	181,987	100.00%	56	39.88%	2.50	16,286	8.95%	134,767
	Subtotal	11,494,623	4,454,299	26.63%	12,680,822	2.78%	2,183	38.20%	2.50	8,836,714	69.69%	198,860
Total (all portfolios)		11,494,623	4,454,299	26.63%	12,680,822	2.78%	2,183	38.20%	2.50	8,836,714	69.69%	198,860
												383,130

A-IRB – Credit risk exposures by portfolio and PD range

Amounts in millions of Renminbi (except percentage)

	a	b	c	d	e	f	g	h	i	j	k	l
	As at 30 June 2024											
	Original on balance sheet exposure	Off balance sheet exposures pre CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors ¹ (hundreds)	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
PD scale												
individual residential mortgage loans												
0.00 to <0.15	3,576,812	-	0.00%	3,576,812	0.10%	73,138	25.33%		562,135	15.72%	904	
0.15 to <0.25	161,357	2	40.00%	161,358	0.20%	4,280	23.00%		47,560	29.47%	73	
0.25 to <0.50	170,992	-	0.00%	170,992	0.38%	2,227	23.02%		73,896	43.22%	149	
0.50 to <0.75	195,716	-	0.00%	195,716	0.60%	1,390	20.44%		102,280	52.26%	243	
0.75 to <2.50	243,804	-	0.00%	243,804	1.39%	2,630	15.94%		157,368	64.55%	560	
2.50 to <10.00	70,573	-	0.00%	70,573	5.80%	993	23.86%		145,988	206.86%	956	
10.00 to <100.00	38,324	-	0.00%	38,324	29.71%	892	20.69%		99,562	259.79%	2,353	
100.00 (Default)	21,802	-	0.00%	21,802	100.00%	520	43.71%		365	1.67%	9,509	
Subtotal	4,479,380	2	40.00%	4,479,381	1.03%	86,070	24.46%		1,189,154	26.55%	14,747	54,769
qualified revolving retail loans												
0.00 to <0.15	5,054	50,830	52.46%	31,723	0.11%	9,502	89.48%		2,308	7.28%	31	
0.15 to <0.25	4,798	66,045	40.75%	31,711	0.21%	64,233	78.67%		3,700	11.67%	55	
0.25 to <0.50	692	33,549	39.88%	14,073	0.33%	17,076	80.48%		2,347	16.67%	37	
0.50 to <0.75	1,008	3,170	77.34%	3,460	0.58%	1,300	90.68%		1,011	29.23%	18	
0.75 to <2.50	26,404	97,844	58.82%	83,953	1.04%	43,554	71.81%		30,833	36.73%	631	
2.50 to <10.00	1,458	1,465	60.49%	2,344	5.09%	755	88.51%		3,272	139.57%	107	
10.00 to <100.00	658	561	39.72%	880	21.39%	827	80.31%		2,176	247.11%	144	
100.00 (Default)	1,099	121	79.05%	1,194	100.00%	365	85.23%		1,108	92.78%	932	
Subtotal	41,171	253,585	50.54%	169,338	1.50%	137,612	77.88%		46,755	27.61%	1,955	195

	a	b	c	d	e	f	g	h	i	j	k	l
	Original on balance sheet exposure	Off balance sheet exposures pre CCF	Average CCF	EAD post-CRM and post-CCF	Average PD	Number of obligors' (hundreds)	Average LGD	Average maturity	RWA	RWA density	EL	Provisions
PD scale												
other retail loans	67,051	15,337	91.65%	81,108	0.10%	2,557	25.99%		7,664	9.45%	24	
	6,821	143	87.60%	6,946	0.19%	302	21.19%		760	10.94%	3	
	26,786	33	74.95%	26,810	0.35%	318	15.08%		3,167	11.81%	14	
	20,550	37	67.17%	20,574	0.59%	113	18.05%		3,899	18.95%	21	
	217,909	29,634	7.92%	220,257	1.15%	2,216	28.87%		92,927	42.19%	752	
	108,551	4	48.95%	108,554	4.72%	721	29.95%		64,670	59.57%	1,536	
	333,771	-	0.00%	333,771	23.55%	5,350	30.00%		306,092	91.71%	23,587	
	8,994	-	0.00%	8,994	100.00%	242	37.63%		3,079	34.23%	3,141	
Subtotal	790,433	45,188	36.69%	807,014	11.84%	11,819	28.49%		482,258	59.76%	29,078	22,004
Total (all portfolios)	5,310,984	298,775	48.45%	5,455,733	2.65%	235,501	26.71%		1,718,167	31.49%	45,780	76,968

Supplementary description:

- In column f, the corporates risk exposure is disclosed by the number of customers, and the risk exposure of individual residential mortgage loan, qualified revolving retail loans and other retail loans are disclosed by the number of debts.

5 Counterparty Credit Risk

5.1 CCR1: Analysis of CCR exposures by approach

Amounts in millions of Renminbi (except column d)

	a	b	c	d	e	f
			As at 30 June 2024			
			Add-on			
	Replacement	Potential	amounts for	Alpha used	EAD post-	RWA
	cost	future	potential	for computing	CRM	
		exposure	future	regulatory		
			exposure	EAD		
1	SA-CCR (for derivatives)	49,314	112,211	1.4	226,136	103,136
2	Current Exposure Method (for derivatives)	-	-	1.0	-	-
3	Value-at-risk (VaR) for SFTs				83,551	5,401
4	Total				309,687	108,537

6 Securitisation

6.1 SEC1: Securitisation exposures in the banking book

Amounts in millions of Renminbi

	a	b	c	d	e	f	g	h	i	j	k	l
		Bank acts as originator				As at 30 June 2024				Banks acts as investor		
		Of which	Synthetic	Subtotal	Traditional	Of which	Synthetic	Subtotal	Traditional	Of which	Synthetic	Subtotal
		simple, transparent and comparable (STC)				STC				STC		
1	Retail (total) – of which	22,772	-	22,772	-	-	-	-	6,292	-	-	6,292
2	Residential mortgage	22,433	-	22,433	-	-	-	-	3,261	-	-	3,261
3	Credit card	18	-	18	-	-	-	-	-	-	-	-
4	Other retail exposures	321	-	321	-	-	-	-	3,031	-	-	3,031
5	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-
6	Wholesale (total) – of which	-	-	-	-	-	-	-	-	-	-	-
7	Loans to corporates	-	-	-	-	-	-	-	-	-	-	-
8	Commercial mortgage	-	-	-	-	-	-	-	-	-	-	-
9	Lease and receivables	-	-	-	-	-	-	-	-	-	-	-
10	Other wholesale	-	-	-	-	-	-	-	-	-	-	-
11	Resecuritisation	-	-	-	-	-	-	-	-	-	-	-

7 Market Risk

7.1 MR1: Market risk under the standardised approach

Amounts in millions of Renminbi

		a
		As at
		30 June
		2024
		Capital
		requirement in
		standardised
		approach
1	General interest rate risk	2,884
2	Equity risk	5,589
3	Commodity risk	2,932
4	Foreign exchange risk	2,154
5	Credit spread risk – non-securitisations	1,738
6	Credit spread risk – securitisations (non-correlation trading portfolio)	13
7	Credit spread risk – securitisation (correlation trading portfolio)	–
8	Default risk – non-securitisations	2,570
9	Default risk – securitisations (non-correlation trading portfolio)	6
10	Default risk – securitisations (correlation trading portfolio)	–
11	Residual risk add-on	17
		<hr/>
12	Total	17,903
		<hr/> <hr/>

7.2 MR3: Market risk under the simplified standardised approach

As at 30 June 2024, The Group does not use the simplified standard approach to calculate market risk capital requirements.

8 Macro-Prudential Supervision Measures

For information on our global systemically important banks (G-SIBs) indicators, please visit Bank of China's official website (www.boc.cn) and navigate to Investor Relations > Financial Reports.

9 Leverage ratio

9.1 LR1: Summary comparison of accounting assets vs leverage ratio exposure measure

Amounts in millions of Renminbi

	a
	As at 30 June 2024
1 Total consolidated assets	33,907,267
2 Adjustments that are consolidated for accounting purposes but outside the scope of regulatory consolidation	(538,987)
3 Adjustment for fiduciary assets	–
4 Adjustments for derivative financial instruments	170,877
5 Adjustment for securities financing transactions	1,085
6 Adjustment for off-balance sheet exposures	1,889,054
7 Adjustment for securitised exposures	–
8 Adjustments for regular-way purchases and sales of financial assets	–
9 Adjustments for eligible cash pooling transactions	–
10 Adjustments for temporary exemption of central bank reserves (if applicable)	–
11 Adjustments for prudent valuation adjustments and provisions	–
12 Other adjustments	(21,517)
13 Adjusted on- and off-balance sheet exposures	<u><u>35,407,779</u></u>

9.2 LR2: Leverage ratio common disclosure template

Amounts in millions of Renminbi (except percentages)

	a	b	
	As at	As at	
	30 June	31 March	
	2024	2024	
On-balance sheet exposures			
1	On-balance sheet assets (excluding derivatives and securities financing transactions (SFTs))	33,206,994	33,159,480
2	Less: Provisions associated with on-balance sheet exposures	(547,570)	(539,463)
3	Less: Tier 1 capital deductions	(21,517)	(20,942)
4	Total on-balance sheet exposures (excluding derivatives and SFTs)	32,637,907	32,599,075
Derivative exposures			
5	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin and/or with bilateral netting)	96,376	66,222
6	Add-on amounts for potential future exposure associated with all derivatives transactions	223,150	215,783
7	Gross-up for derivatives collateral provided where deducted from the balance sheet assets	–	–
8	Less: Deductions of receivable assets for cash variation margin provided in derivatives transactions	(372)	(282)
9	Less: Exempted CCP leg of client-cleared trade exposures	–	–
10	Adjusted effective notional amount of written credit derivatives	–	–
11	Less: Deductible amounts for written credit derivatives	–	–
12	Total derivative exposures	319,154	281,723
Securities financing transaction exposures			
13	Accounting balance for SFT assets	560,579	372,517
14	Less: Deducted amounts for SFT assets	–	–
15	Counterparty credit risk exposure for SFT assets	1,085	480
16	Agent transaction exposures	–	–
17	Total securities financing transaction exposures	561,664	372,997
Other off-balance sheet exposures			
18	Off-balance sheet exposure at gross notional amount	7,436,954	7,566,445
19	Less: Adjustments for conversion to credit equivalent amounts	(5,527,245)	(5,366,608)
20	Less: Provisions associated with off-balance sheet exposures	(20,655)	(20,117)
21	Adjusted off-balance sheet exposures	1,889,054	2,179,720

	a	b	
	As at	As at	
	30 June	31 March	
	2024	2024	
Capital and total exposures			
22	Tier 1 capital	2,598,358	2,605,342
23	Adjusted on- and off-balance sheet exposures	<u>35,407,779</u>	<u>35,433,515</u>
Leverage ratio			
24	Leverage ratio	7.34%	7.35%
24a	Leverage ratio a	7.34%	7.35%
25	National minimum leverage ratio requirement	4.00%	4.00%
26	Applicable leverage buffers	<u>0.75%</u>	<u>0.75%</u>
Disclosure of mean values			
27	Mean value of gross SFT assets	386,069	392,024
27a	Quarter-end value of gross SFT assets	560,579	372,517
28	Adjusted on- and off-balance sheet exposures a ¹	35,233,269	35,453,022
28a	Adjusted on- and off-balance sheet exposures b ²	35,233,269	35,453,022
29	Leverage ratio b	7.37%	7.35%
29a	Leverage ratio c	<u>7.37%</u>	<u>7.35%</u>

Supplementary description:

1. In Line 28, “Adjusted on- and off-balance sheet exposures a” refers to the balance of adjusted on- and off-balance-sheet assets calculated by considering the temporary exemption from required reserves and using the simple arithmetic average of the daily balance of securities financing transactions;
2. In Line 28a, “Adjusted on- and off-balance sheet exposures b” refers to the balance of adjusted on- and off-balance-sheet assets calculated without considering the temporary exemption from required reserves but using the simple arithmetic average of the daily balance of securities financing transactions.

10 Liquidity

10.1 LIQ1: Liquidity Coverage Ratio (LCR)

According to the *Disclosure Rules on 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 NFRA, the minimum regulatory requirement of LCR is 100%.

The Group’s liquidity coverage ratio

Since 2017, the Group measured the LCR on a day-to-day consolidated basis. In the second quarter of 2024, the Group measured a total of 91-day of LCR on this basis, with average ratio² standing at 138.14%, representing an increase of 1.24 percentage points over the previous quarter, which was primarily due to the decrease in the net cash outflows.

	2024		2023	
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 31 December	Quarter ended 30 September
Average value of LCR	<u>138.14%</u>	<u>136.90%</u>	<u>135.30%</u>	<u>127.93%</u>

The Group's average values of consolidated LCR individual line items in the second quarter of 2024 are as follows:

Amounts in millions of Renminbi (except percentages)

	a	b
	The second quarter of 2024	
	Total unweighted value	Total weighted value
High-quality liquid assets		
1	Total high-quality liquid assets (HQLA)	5,383,200
Cash outflows		
2	Retail deposits and deposits from small business customers, of which:	
		11,457,662
3	Stable deposits	821,309
4	Less stable deposits	6,343,364
5	Unsecured wholesale funding, of which:	5,114,298
6	Operational deposits (excluding those generated from correspondent banking activities)	11,954,393
7	Non-operational deposits (all counterparties)	4,729,926
8	Unsecured debts	5,237,208
9	Secured funding	1,285,086
10	Additional requirements, of which:	6,700,764
11	Outflows related to derivative exposures and other collateral requirements	16,421
12	Outflows related to loss of funding on debt products	2,868
13	Credit and liquidity facilities	4,360,032
14	Other contractual funding obligations	2,869,735
15	Other contingent funding obligations	2,869,735
16	Total cash outflows	8,741,221
Cash inflows		
17	Secured lending (Includes reverse repos and securities borrowing)	420,739
18	Inflows from fully performing exposures	415,621
19	Other cash inflows	2,084,468
20	Total cash inflows	4,840,000
		Adjusted value
21	Total HQLA	5,383,200
22	Total net cash outflows	3,901,221
23	Liquidity Coverage Ratio (%)	138.14%

Supplementary description:

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 NFRA;
2. The average of LCR and the averages of all related individual items are the day-end simple arithmetic averages of figures over each quarter.

10.2 LIQ2: Net Stable Funding Ratio (NSFR)

Net stable funding ratio

In accordance with the Disclosure Rules on Net Stable Funding Ratio of 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 the NFRA, the minimum regulatory requirement of NSFR is 100%.

The Group’s net stable funding ratio

As stipulated by the Disclosure Rules on Net Stable Funding Ratio of Commercial Banks issued by the NFRA, banks approved to implement the advanced approaches of capital measurement by the NFRA in accordance with Capital Rules for Commercial Banks shall disclose the information of net stable funding ratio for the preceding two consecutive quarters at least semi-annually.

As at 30 June 2024, the Group’s NSFR was 122.51% on a consolidated basis, representing a decrease of 1.25 percentage point over the previous quarter. As at 31 March 2024, the Group’s NSFR was 123.76%, representing an decrease of 0.95 percentage point over the previous quarter. The Group’s NSFR remained stable, and met the regulatory requirement.

	2024		2023	
	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 31 December	Quarter ended 30 September
Ending value of NSFR ²	122.51%	123.76%	124.71%	125.13%

The Group's consolidated NSFR individual line items at the end of the second quarter of 2024 are as follows:

Amounts in millions of Renminbi (except percentage)

	a	b	c	d	e	
	The second quarter of 2024					
	Unweighted value by residual maturity					
	6 months to					
	No maturity	< 6 months	< 1 year	≥1 year	Weighted value	
Available stable funding (ASF) item						
1	Capital:	2,624,849	–	–	654,127	3,278,976
2	Regulatory capital	2,624,849	–	–	654,127	3,278,976
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	5,052,134	7,435,494	98,921	2,177	11,659,188
5	Stable deposits	2,464,649	4,097,795	19,880	566	6,253,775
6	Less stable deposits	2,587,485	3,337,699	79,041	1,611	5,405,413
7	Wholesale funding:	5,633,873	9,264,683	1,412,330	453,948	6,812,297
8	Operational deposits	5,039,428	227,870	–	–	2,633,649
9	Other wholesale funding	594,445	9,036,813	1,412,330	453,948	4,178,648
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	114,976	239,113	4,661	377,254	230,657
12	NSFR derivative liabilities	–	–	–	148,928	–
13	All other liabilities and equity not included in the above categories	114,976	239,113	4,661	228,326	230,657
14	Total ASF					<u>21,981,118</u>
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets					840,923
16	Deposits held at other financial institutions for operational purposes	33,059	1,777	–	–	17,418
17	Loans and securities:	227,112	6,228,377	3,821,003	13,379,580	15,591,263
18	Loans to financial institutions secured by Level 1 assets	–	2,022	–	–	202
19	Loans to financial institutions secured by non-Level 1 assets and unsecured performing loans to financial institutions	189,234	1,915,929	495,505	130,096	693,623
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs) of which:	–	3,536,802	2,916,762	8,411,049	10,251,018
21	With a risk weight of less than or equal to 35%	–	273,416	47,201	60,698	87,334

	a	b	c	d	e	
	The second quarter of 2024					
	Unweighted value by residual maturity				Weighted value	
	No maturity	6 months to < 6 months	< 1 year	≥1 year		
22	Residential mortgages of which:	–	105,166	105,318	4,471,446	3,829,019
23	With a risk weight of less than or equal to 35%	–	7,451	7,589	384,764	257,616
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	37,878	668,458	303,418	366,989	817,401
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	682,751	87,687	18,243	650,346	1,262,199
27	Physical traded commodities, including gold	129,542				110,111
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				785	667
29	NSFR derivative assets				164,301	15,373
30	NSFR derivative liabilities with additional requirements				29,785	29,785
31	All other assets not included in the above categories	553,209	87,687	18,243	485,260	1,106,263
32	Off-balance sheet items				9,030,747	230,929
33	Total RSF					<u>17,942,732</u>
34	Net Stable Funding Ratio (%)					122.51%

The Group's consolidated NSFR individual line items at the end of the first quarter of 2024 are as follows:

Amounts in millions of Renminbi (except percentage)

	a	b	c	d	e	
	The first quarter of 2024					
	Unweighted value by residual maturity					
	6 months to					
	No maturity	< 6 months	< 1 year	≥1 year	Weighted value	
Available stable funding (ASF) item						
1	Capital:	2,630,699	–	–	594,114	3,224,813
2	Regulatory capital	2,630,699	–	–	594,114	3,224,813
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	5,094,300	7,400,612	100,718	2,213	11,663,929
5	Stable deposits	2,478,127	4,014,874	19,994	453	6,187,798
6	Less stable deposits	2,616,173	3,385,738	80,724	1,760	5,476,131
7	Wholesale funding:	5,972,405	8,661,107	1,485,192	502,618	7,034,151
8	Operational deposits	5,403,372	239,528	–	–	2,821,450
9	Other wholesale funding	569,033	8,421,579	1,485,192	502,618	4,212,701
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	106,718	155,368	3,724	411,330	260,064
12	NSFR derivative liabilities	–	–	–	153,128	–
13	All other liabilities and equity not included in the above categories	106,718	155,368	3,724	258,202	260,064
14	Total ASF					<u>22,182,957</u>
Required stable funding (RSF) item						
15	Total NSFR high-quality liquid assets					991,941
16	Deposits held at other financial institutions for operational purposes	28,553	1,041	–	–	14,797
17	Loans and securities:	227,226	6,038,742	3,536,441	13,476,908	15,478,797
18	Loans to financial institutions secured by Level 1 assets	–	7,088	–	–	709
19	Loans to financial institutions secured by non-Level 1 assets and unsecured performing loans to financial institutions	188,599	1,806,190	419,411	133,662	642,586
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and public sector entities (PSEs) of which:	–	3,588,828	2,888,563	8,346,623	10,211,327
21	With a risk weight of less than or equal to 35%	–	252,296	27,028	59,686	68,795

	a	b	c	d	e	
	The first quarter of 2024					
	Unweighted value by residual maturity				Weighted	
	No maturity	< 6 months	6 months to < 1 year	≥1 year	value	
22	Residential mortgages of which:	–	104,946	105,219	4,513,267	3,865,968
23	With a risk weight of less than or equal to 35%	–	7,258	7,443	376,959	252,374
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	38,627	531,690	123,248	483,356	758,207
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	642,271	91,993	12,389	630,824	1,201,917
27	Physical traded commodities, including gold	96,988				82,440
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				650	552
29	NSFR derivative assets				160,635	7,507
30	NSFR derivative liabilities with additional requirements				30,626	30,626
31	All other assets not included in the above categories	545,283	91,993	12,389	469,539	1,080,792
32	Off-balance sheet items				8,893,826	<u>236,692</u>
33	Total RSF					<u><u>17,924,144</u></u>
34	Net Stable Funding Ratio (%)					123.76%

Supplementary description:

1. NSFR is introduced to ensure commercial banks have sufficient stable funding, in order to meet the demand for stable funding of all various types of assets and off-balance sheet exposures.
2. NSFR are the ending values of each quarter.