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**中國銀行股份有限公司**  
**BANK OF CHINA LIMITED**

*(a joint stock company incorporated in the People's Republic of China with limited liability)*

**(the "Bank")**

**(Stock Code: 3988 and 4619 (Preference Shares))**

**Report for the First Quarter ended 31 March 2020**

The Board of Directors (the "Board") of the Bank is pleased to announce the unaudited results of the Bank and its subsidiaries (the "Group") for the first quarter ended 31 March 2020. This announcement is made by the Bank pursuant to Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

## **I. BASIC INFORMATION**

### **1.1 Corporate information**

#### **A Share**

<b>Stock name</b>	中國銀行
<b>Stock code</b>	601988
<b>Listing venue</b>	The Shanghai Stock Exchange

#### **H Share**

<b>Stock name</b>	Bank of China
<b>Stock code</b>	3988
<b>Listing venue</b>	The Stock Exchange of Hong Kong Limited

#### **Domestic Preference Share**

##### **First Tranche**

<b>Stock name</b>	中行優1
<b>Stock code</b>	360002

##### **Second Tranche**

<b>Stock name</b>	中行優2
<b>Stock code</b>	360010

##### **Third Tranche**

<b>Stock name</b>	中行優3
<b>Stock code</b>	360033

##### **Fourth Tranche**

<b>Stock name</b>	中行優4
<b>Stock code</b>	360035
<b>Trading venue</b>	The Shanghai Stock Exchange

#### **Offshore Preference Share**

##### **(Second Tranche)**

<b>Stock name</b>	BOC 20USDPREF
<b>Stock code</b>	4619
<b>Listing venue</b>	The Stock Exchange of Hong Kong Limited

#### **Secretary to the Board of Directors and Company Secretary**

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## 1.2 Key financial data and performance indicators

### 1.2.1 Key financial data and performance indicators for the Group prepared in accordance with International Financial Reporting Standards (“IFRS”)

Unit: RMB million (unless otherwise stated)

Items	As at 31 March 2020	As at 31 December 2019	Change (%)
Total assets	<b>24,024,645</b>	22,769,744	5.51
Capital and reserves attributable to equity holders of the Bank	<b>1,929,661</b>	1,851,701	4.21
Net assets per share (RMB)	<b>5.81</b>	5.61	3.53
Items	Three-month period ended 31 March 2020		Change (%)
Operating income	<b>148,543</b>		5.35
Profit for the period	<b>56,322</b>		2.80
Profit attributable to equity holders of the Bank	<b>52,583</b>		3.17
Basic earnings per share (RMB)*	<b>0.17</b>		-0.37
Diluted earnings per share (RMB)*	<b>0.17</b>		-0.37
Return on average equity (%)*	<b>12.11</b>		Down by 0.92 percentage point
Net cash inflow from operating activities	<b>434,346</b>		N/A
Net cash inflow from operating activities per share (RMB)	<b>1.48</b>		N/A

\* The impact of annualised preference shares dividends and perpetual bonds interests declared in the current reporting period has been considered in the calculation of the above data and/or indicators.

### 1.2.2 Differences between IFRS and Chinese Accounting Standards (“CAS”) consolidated financial statements

There are no differences in the Group’s operating results for the three-month period ended 31 March 2020 and 2019 or the total equity as at 31 March 2020 and as at 31 December 2019 presented in the Group’s consolidated financial statements prepared under IFRS and those prepared under CAS.

### 1.3 Number of ordinary shareholders and top ten ordinary shareholders

#### 1.3.1 Number of ordinary shareholders as at 31 March 2020: 689,268 (including 505,114 A-Share Holders and 184,154 H-Share Holders)

#### 1.3.2 Top ten ordinary shareholders as at 31 March 2020

Unit: Share

No.	Name of ordinary shareholder	Number of shares held as at the end of the reporting period	Percentage of total ordinary shares	Number of shares subject to selling restrictions	Number of shares pledged or frozen	Type of shareholder	Type of ordinary shares
1	Central Huijin Investment Ltd.	188,461,533,607	64.02%	–	None	State	A
2	HKSCC Nominees Limited	81,918,783,912	27.83%	–	Unknown	Foreign legal person	H
3	China Securities Finance Co., Ltd.	8,596,044,925	2.92%	–	None	State-owned legal person	A
4	Central Huijin Asset Management Ltd.	1,810,024,500	0.61%	–	None	State-owned legal person	A
5	Buttonwood Investment Platform Ltd.	1,060,059,360	0.36%	–	None	State-owned legal person	A
6	China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH	954,454,929	0.32%	–	None	Other	A
7	HKSCC Limited	787,549,753	0.27%	–	None	Foreign legal person	A
8	China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH	704,541,351	0.24%	–	None	Other	A
9	MUFG Bank, Ltd.	520,357,200	0.18%	–	Unknown	Foreign legal person	H
10	China Pacific Life Insurance Co., Ltd. — China Pacific Life Insurance Dividend Equity Portfolio (Traditional) with management of Changjiang Pension Insurance Co., Ltd.	382,238,605	0.13%	–	None	Other	A

#### Notes:

1. The number of shares held by H-Share Holders was recorded in the register of members kept at the H-Share Registrar of the Bank.
2. HKSCC Nominees Limited acted as the nominee for all the institutional and individual investors that maintain an account with it as at 31 March 2020. The aggregate number of the Bank's H Shares held by HKSCC Nominees Limited included the number of shares held by National Council for Social Security Fund.
3. Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.
4. HKSCC Limited is the nominee holder who holds securities on behalf of others. The securities included the SSE securities acquired by Hong Kong and overseas investors through Shanghai-Hong Kong Stock Connect.
5. "China Life Insurance Company Limited — dividend — personal dividend — 005L — FH002SH" and "China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH" are both under management of China Life Insurance Company Limited.
6. Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

## 1.4 Number of preference shareholders and top ten preference shareholders

### 1.4.1 Number of preference shareholders as at 31 March 2020: 87 (including 86 domestic preference shareholders and 1 offshore preference shareholder)

### 1.4.2 Top ten preference shareholders as at 31 March 2020

Unit: Share

No.	Name of preference shareholder	Number of shares held as at the end of the reporting period	Percentage of total preference shares	Number of shares pledged or frozen	Type of shareholder	Type of preference shares
1	Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-customer Assets Management Plan	220,000,000	12.24%	None	Other	Domestic Preference Shares
2	Bank of New York Mellon Corporation	197,865,300	11.01%	Unknown	Foreign legal person	Offshore Preference Shares
3	China Mobile Communications Group Co., Ltd.	180,000,000	10.01%	None	State-owned legal person	Domestic Preference Shares
4	CCB Trust Co., Ltd. — “Qian Yuan — Ri Xin Yue Yi” Open-ended Wealth Management Single Fund Trust	133,000,000	7.40%	None	Other	Domestic Preference Shares
5	China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH	86,000,000	4.78%	None	Other	Domestic Preference Shares
6	Bosera Fund — ABC — Agricultural Bank of China Limited	69,000,000	3.84%	None	Other	Domestic Preference Shares
7	China Resources SZITIC Trust Co., Ltd. — Investment No.1 Single Fund Trust	66,500,000	3.70%	None	Other	Domestic Preference Shares
8	BOCOM Schroder Asset Management — BOCOM — Bank of Communications Co., Ltd.	65,000,000	3.62%	None	Other	Domestic Preference Shares
9	China National Tobacco Corporation	50,000,000	2.78%	None	State-owned legal person	Domestic Preference Shares
10	Ping An Life Insurance Company of China — universal — individual universal insurance	40,600,000	2.26%	None	Other	Domestic Preference Shares

#### Notes:

1. The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintain an account with Euroclear and Clearstream as at 31 March 2020, held 197,865,300 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.
2. As at 31 March 2020, “China Life Insurance Company Limited —traditional — general insurance product — 005L — CT001SH” is one of both the Bank’s top ten ordinary shareholders and top ten preference shareholders.
3. “Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-customer Assets Management Plan” and “Bosera Fund — ABC — Agricultural Bank of China Limited” are both under management of Bosera Asset Management Co., Limited.
4. Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank’s top ten ordinary shareholders.

## II. SUMMARY OF ANALYSIS ON OVERALL OPERATING ACTIVITIES

During the first quarter of 2020, the Group achieved a profit for the period of RMB56.322 billion and a profit attributable to equity holders of the Bank of RMB52.583 billion, an increase of 2.80% and 3.17% respectively compared with the same period of 2019. Return on average total assets (ROA) was 0.96%, a decrease of 0.06 percentage point compared with the same period of 2019, and return on average equity (ROE) was 12.11%, a decrease of 0.92 percentage point compared with the same period of 2019. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 11.24%, 12.80% and 15.34% respectively.

### 2.1 The principal components of the Group's consolidated income statement for the three-month period ended 31 March 2020 were as follows:

1. The Group's net interest income amounted to RMB96.166 billion, representing an increase of RMB6.785 billion or 7.59% compared with the same period of 2019. The net interest margin was 1.80%, a decrease of 0.02 percentage point compared with the same period of 2019.
2. The Group's non-interest income amounted to RMB52.377 billion, representing an increase of RMB0.752 billion or 1.46% compared with the same period of 2019. Particularly, net fee and commission income amounted to RMB27.917 billion, an increase of RMB0.562 billion or 2.05% compared with the same period of 2019.
3. The Group's operating expenses amounted to RMB47.266 billion, a decrease of RMB0.392 billion or 0.82% compared with the same period of 2019. The cost to income ratio (calculated under domestic regulations) was 23.91%, a decrease of 1.13 percentage points compared with the same period of 2019.
4. The Group's impairment losses on assets amounted to RMB32.551 billion, an increase of RMB5.216 billion or 19.08% compared with the same period of 2019. The Group reported non-performing loans totalling RMB190.657 billion, and the ratio of non-performing loans to total loans was 1.39%, an increase of 0.02 percentage point compared with the prior year-end. The ratio of allowance for loan impairment losses to non-performing loans was 184.72%, an increase of 1.86 percentage points compared with the prior year-end.

## **2.2 The principal components of the Group's financial position as at 31 March 2020 were as follows:**

The Group's total assets amounted to RMB24,024.645 billion, an increase of RMB1,254.901 billion or 5.51% compared with the prior year-end. Total liabilities amounted to RMB21,966.131 billion, an increase of RMB1,173.083 billion or 5.64% compared with the prior year-end.

1. The Group's due to customers amounted to RMB16,783.492 billion, an increase of RMB965.944 billion or 6.11% compared with the prior year-end. Particularly, domestic RMB-denominated deposits amounted to RMB12,619.931 billion, an increase of RMB868.250 billion or 7.39% compared with the prior year-end.
2. The Group's loans and advances to customers amounted to RMB13,804.106 billion, an increase of RMB735.321 billion or 5.63% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB10,543.733 billion, an increase of RMB478.502 billion or 4.75% compared with the prior year-end.
3. The Group's investments amounted to RMB5,478.908 billion, a decrease of RMB35.154 billion or 0.64% compared with the prior year-end. The RMB-denominated investments amounted to RMB4,224.808 billion, a decrease of RMB1.576 billion or 0.04% compared with the prior year-end. Foreign currency-denominated investments amounted to USD177.005 billion, a decrease of USD7.577 billion or 4.10% compared with the prior year-end.

### III. SIGNIFICANT EVENTS

#### 3.1 Significant changes in major financial data and indicators and the reasons thereof

√ Applicable

☐ Not Applicable

The Group's key financial data and indicators which fluctuated over 30% compared with those as at the end of 2019, or compared with those for the three-month period ended 31 March 2019 are as follows:

Unit: RMB million, except percentages

Items	As at 31 March 2020	As at 31 December 2019	Change	Main reasons
Cash and due from banks and other financial institutions	879,132	565,467	55.47%	Due to increase in due from banks.
Placements with and loans to banks and other financial institutions	1,288,228	898,959	43.30%	Due to increase in securities purchased under agreements to re-sell with domestic banks and other financial institutions.
Derivative financial assets	144,988	93,335	55.34%	Market interest rate fluctuations resulted in increase in interest rate derivative financial assets.
Derivative financial liabilities	156,223	90,060	73.47%	Market interest rate fluctuations resulted in increase in interest rate derivative financial liabilities.
Other borrowings	40,907	28,011	46.04%	Due to increase in other borrowings.
Treasury shares	(15)	(7)	114.29%	Due to increase in holdings by the Bank's subsidiary of the Bank's shares.
Other comprehensive income	28,816	19,613	46.92%	Due to change in fair value of financial assets at fair value through other comprehensive income.



Unit: RMB million, except percentages

Items	Three-month period ended 31 March 2020	Three-month period ended 31 March 2019	Change	Main reasons
Net trading gains	3,976	8,154	-51.24%	Market interest rate fluctuations resulted in decrease in net gains from interest rate products.
Net gains on transfers of financial asset	4,759	2,620	81.64%	Due to increase in net gains from the disposal of debt securities at fair value through other comprehensive income.
Share of results of associates and joint ventures	(130)	338	N/A	Due to decrease in share of results of associates.

### 3.2 Development of significant events, related impact and resolution

Applicable                       Not Applicable

The Bank has issued Non-cumulative Perpetual Offshore Preference Shares with a total aggregate amount of USD2,820,000,000 and a dividend rate of 3.60% on 26 February 2020. The total number of the Offshore Preference Shares that have been issued is 197,865,300 and the issuance has been completed on 4 March 2020. Capital raised from the issuance of Offshore Preference Shares, after deduction of commissions and expenses relating to the issuances, has been wholly used to replenish the Bank's additional tier 1 capital and to increase its capital adequacy ratio.

### 3.3 Undertakings failed to be fulfilled during the reporting period

Applicable                       Not Applicable

### 3.4 Warnings and explanations of any forecasted losses or significant changes to accumulated net profit from the beginning of the year to the end of the next reporting period

Applicable                       Not Applicable

### 3.5 Implementation of cash dividend policy during the reporting period

Applicable                       Not Applicable

At the Board meeting held on 13 January 2020, the dividend distribution plan for the Bank's Domestic Preference Shares (Second Tranche) was considered and approved. The Bank distributed a total of RMB1.540 billion (before tax) of dividends on the Domestic Preference Shares (Second Tranche) on 13 March 2020, with an annual dividend rate of 5.50% (before tax). The dividend distribution plan has been accomplished.

#### IV. QUARTERLY REPORT

This announcement is simultaneously available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and that of the Bank at [www.boc.cn](http://www.boc.cn). The 2020 first quarter report prepared in accordance with CAS is also available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and that of the Bank at [www.boc.cn](http://www.boc.cn).

**The Board of Directors of  
Bank of China Limited**

Beijing, PRC  
29 April 2020

*As at the date of this announcement, the directors of the Bank are: Liu Liange, Wang Jiang, Lin Jingzhen, Zhao Jie\*, Xiao Lihong\*, Wang Xiaoya\*, Zhang Jiangang\*, Wang Changyun#, Angela Chao#, Jiang Guohua# and Martin Cheung Kong Liao#.*

\* *Non-executive Directors*

# *Independent Non-executive Directors*

APPENDIX I — FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH IFRS)

Consolidated Income Statement

	Unit: RMB million	
	<b>For the three-month period ended 31 March</b>	
	<b>2020</b> (unaudited)	<b>2019</b> (unaudited)
Interest income	190,086	181,222
Interest expense	(93,920)	(91,841)
<b>Net interest income</b>	<b>96,166</b>	<b>89,381</b>
Fee and commission income	31,257	30,698
Fee and commission expense	(3,340)	(3,343)
<b>Net fee and commission income</b>	<b>27,917</b>	<b>27,355</b>
Net trading gains	3,976	8,154
Net gains on transfers of financial asset	4,759	2,620
Other operating income	15,725	13,496
<b>Operating income</b>	<b>148,543</b>	<b>141,006</b>
Operating expenses	(47,266)	(47,658)
Impairment losses on assets	(32,551)	(27,335)
<b>Operating profit</b>	<b>68,726</b>	<b>66,013</b>
Share of results of associates and joint ventures	(130)	338
<b>Profit before income tax</b>	<b>68,596</b>	<b>66,351</b>
Income tax expense	(12,274)	(11,563)
<b>Profit for the period</b>	<b>56,322</b>	<b>54,788</b>
<b>Attributable to:</b>		
Equity holders of the Bank	52,583	50,965
Non-controlling interests	3,739	3,823
	<b>56,322</b>	<b>54,788</b>
Earnings per share (in RMB)		
— Basic	0.17	0.17
— Diluted	0.17	0.17

## Consolidated Statement of Comprehensive Income

	Unit: RMB million	
	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	(unaudited)	(unaudited)
<b>Profit for the period</b>	<b>56,322</b>	<b>54,788</b>
<b>Other comprehensive income</b>		
<b>Items that will not be reclassified to profit or loss</b>		
— Actuarial losses on defined benefit plans	(110)	(52)
— Changes in fair value on investments in equity instruments designated at fair value through other comprehensive income	(2,081)	1,547
— Other	50	(53)
Subtotal	(2,141)	1,442
<b>Items that may be reclassified subsequently to profit or loss</b>		
— Changes in fair value on investments in debt instruments measured at fair value through other comprehensive income	11,020	3,018
— Allowance for credit losses on investments in debt instruments measured at fair value through other comprehensive income	225	74
— Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(24)	(66)
— Exchange differences from the translation of foreign operations	2,736	(6,781)
— Other	(1,833)	1,952
Subtotal	12,124	(1,803)
<b>Other comprehensive income for the period, net of tax</b>	<b>9,983</b>	<b>(361)</b>
<b>Total comprehensive income for the period</b>	<b>66,305</b>	<b>54,427</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	61,720	52,032
Non-controlling interests	4,585	2,395
	<b>66,305</b>	<b>54,427</b>

## Consolidated Statement of Financial Position

Unit: RMB million

	<b>As at 31 March 2020</b> (unaudited)	<b>As at 31 December 2019</b> (audited)
<b>ASSETS</b>		
Cash and due from banks and other financial institutions	879,132	565,467
Balances with central banks	1,881,088	2,078,809
Placements with and loans to banks and other financial institutions	1,288,228	898,959
Government certificates of indebtedness for bank notes issued	167,809	155,466
Precious metals	183,206	206,210
Derivative financial assets	144,988	93,335
Loans and advances to customers, net	13,452,380	12,743,425
Financial investments	5,478,908	5,514,062
— financial assets at fair value through profit or loss	532,744	518,250
— financial assets at fair value through other comprehensive income	2,102,499	2,218,129
— financial assets at amortised cost	2,843,665	2,777,683
Investment in associates and joint ventures	22,652	23,210
Property and equipment	249,168	244,540
Investment properties	23,009	23,108
Deferred income tax assets	43,740	44,029
Other assets	210,337	179,124
<b>Total assets</b>	<b><u>24,024,645</u></b>	<b><u>22,769,744</u></b>

**Consolidated Statement of Financial Position (continued)**

Unit: RMB million

	<b>As at 31 March 2020</b> (unaudited)	<b>As at 31 December 2019</b> (audited)
<b>LIABILITIES</b>		
Due to banks and other financial institutions	1,906,187	1,668,046
Due to central banks	968,836	846,277
Bank notes in circulation	167,286	155,609
Placements from banks and other financial institutions	476,617	639,675
Financial liabilities held for trading	16,441	19,475
Derivative financial liabilities	156,223	90,060
Due to customers	16,783,492	15,817,548
Bonds issued	1,003,914	1,096,087
Other borrowings	40,907	28,011
Current tax liabilities	68,034	59,102
Retirement benefit obligations	2,587	2,533
Deferred income tax liabilities	5,714	5,452
Other liabilities	369,893	365,173
<b>Total liabilities</b>	<b>21,966,131</b>	<b>20,793,048</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the Bank</b>		
Share capital	294,388	294,388
Other equity instruments	219,473	199,893
Capital reserve	136,020	136,012
Treasury shares	(15)	(7)
Other comprehensive income	28,816	19,613
Statutory reserves	174,800	174,762
General and regulatory reserves	250,397	250,100
Undistributed profits	825,782	776,940
	<b>1,929,661</b>	<b>1,851,701</b>
<b>Non-controlling interests</b>	<b>128,853</b>	<b>124,995</b>
<b>Total equity</b>	<b>2,058,514</b>	<b>1,976,696</b>
<b>Total equity and liabilities</b>	<b>24,024,645</b>	<b>22,769,744</b>

**LIU Liange**  
*Director*

**WANG Jiang**  
*Director*

## Consolidated Statement of Cash Flows

Unit: RMB million

	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	(unaudited)	(unaudited)
<b>Cash flows from operating activities</b>		
Profit before income tax	68,596	66,351
Adjustments:		
Impairment losses on assets	32,551	27,335
Depreciation of property and equipment and right-of-use assets	5,518	4,835
Amortisation of intangible assets and other assets	1,174	955
Net gains on disposal of property and equipment, intangible assets and other long-term assets	(127)	(89)
Net gains on disposal of investments in subsidiaries, associates and joint ventures	(80)	–
Share of results of associates and joint ventures	130	(338)
Interest income arising from financial investments	(38,966)	(37,611)
Dividends arising from investment securities	(42)	(59)
Net gains on financial investments	(4,320)	(2,620)
Interest expense arising from bonds issued	8,947	6,945
Accreted interest on impaired loans	(327)	(396)
Net changes in operating assets and liabilities:		
Net decrease/(increase) in balances with central banks	95,591	(19,895)
Net increase in due from and placements with and loans to banks and other financial institutions	(124,483)	(26,911)
Net decrease/(increase) in precious metals	23,017	(8,795)
Net increase in loans and advances to customers	(735,044)	(448,209)
Net increase in other assets	(160,818)	(65,586)
Net increase/(decrease) in due to banks and other financial institutions	238,902	(104,869)
Net increase/(decrease) in due to central banks	120,010	(115,276)
Net decrease in placements from banks and other financial institutions	(162,785)	(260,836)
Net increase in due to customers	968,684	763,257
Net increase/(decrease) in other borrowings	12,896	(1,578)
Net increase/(decrease) in other liabilities	92,057	(2,257)
Cash inflow/(outflow) from operating activities	441,081	(225,647)
Income tax paid	(6,735)	(9,509)
Net cash inflow/(outflow) from operating activities	<b>434,346</b>	<b>(235,156)</b>

**Consolidated Statement of Cash Flows (continued)**

	Unit: RMB million	
	<b>For the three-month period ended 31 March</b>	
	<b>2020</b>	<b>2019</b>
	(unaudited)	(unaudited)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property and equipment, intangible assets and other long-term assets	957	265
Proceeds from disposal of investments in subsidiaries, associates and joint ventures	145	–
Dividends received	325	73
Interest income received from financial investments	33,244	29,452
Proceeds from disposal/maturity of financial investments	916,157	454,271
Increase in investments in subsidiaries, associates and joint ventures	–	(221)
Purchase of property and equipment, intangible assets and other long-term assets	(6,964)	(6,794)
Purchase of financial investments	(816,554)	(640,771)
Net cash inflow/(outflow) from investing activities	<b>127,310</b>	<b>(163,725)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds	23,679	84,022
Proceeds from issuance of other equity instruments	19,580	40,000
Repayments of debts issued	(128,171)	(114,039)
Cash payments for interest on bonds issued	(2,654)	(3,045)
Dividend and interest payments to equity and other equity instrument holders of the Bank	(3,340)	(1,540)
Dividend and coupon payments to non-controlling shareholders	(745)	(670)
Net cash (outflow)/inflow from financing activities	<b>(91,651)</b>	<b>4,728</b>
Effect of exchange rate changes on cash and cash equivalents	5,380	(10,942)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>475,385</b>	<b>(405,095)</b>
Cash and cash equivalents at beginning of the period	1,345,892	1,688,600
Cash and cash equivalents at end of the period	<b>1,821,277</b>	<b>1,283,505</b>



## APPENDIX II — CAPITAL ADEQUACY RATIO, LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO

### I. Capital Adequacy Ratio

Unit: RMB million, except percentages

	As at 31 March 2020	As at 31 December 2019
<b>Calculated in accordance with the <i>Capital Rules for Commercial Banks (Provisional)</i><sup>Note</sup></b>		
Net common equity tier 1 capital	1,656,609	1,596,378
Net tier 1 capital	1,886,811	1,806,435
Net capital	2,260,847	2,201,278
Common equity tier 1 capital adequacy ratio	11.24%	11.30%
Tier 1 capital adequacy ratio	12.80%	12.79%
Capital adequacy ratio	<u>15.34%</u>	<u>15.59%</u>

Note: The capital adequacy ratios are calculated under the advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)* by using the following to measure risk-weighted assets: Internal Ratings-based Approach for credit risk, Internal Models Approach for market risk and Standardised Approach for operational risk.

### II. 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:

	Unit: RMB million, except percentages			
	As at 31 March 2020	As at 31 December 2019	As at 30 September 2019	As at 30 June 2019
Net tier 1 capital	1,886,811	1,806,435	1,823,977	1,749,305
Adjusted on- and off- balance sheet assets	<u>25,579,088</u>	<u>24,303,201</u>	<u>24,085,613</u>	<u>23,813,940</u>
Leverage ratio	<u>7.38%</u>	<u>7.43%</u>	<u>7.57%</u>	<u>7.35%</u>

### III. Liquidity Coverage Ratio

In accordance with the *Measures for the Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, the Group disclosed the information of liquidity coverage ratio (“LCR”)<sup>(1)</sup> as follows.

#### Regulatory requirements of liquidity coverage ratio

As stipulated by the *Rules on Liquidity Risk Management of Commercial Banks* issued by the China Banking and Insurance Regulatory Commission (the “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<sup>(2)</sup>. In the first quarter of 2020, the Group measured 91-day LCR on this basis, with average ratio<sup>(3)</sup> standing at 141.32%, representing an increase of 4.96 percentage points over the previous quarter, which was primarily due to the increase in the high-quality liquid assets (“HQLA”).

	<b>2020</b>	<b>2019</b>		
	<b>Quarter ended 31 March</b>	<b>Quarter ended 31 December</b>	<b>Quarter ended 30 September</b>	<b>Quarter ended 30 June</b>
Average value of LCR	<u>141.32%</u>	<u>136.36%</u>	<u>134.76%</u>	<u>137.95%</u>

### III. Liquidity Coverage Ratio (continued)

The Group's average values<sup>(3)</sup> of consolidated LCR individual line items in the first quarter of 2020 are as follows:

		Unit: RMB million, except percentages	
No.		Total unweighted value	Total weighted value
<b>High-quality liquid assets</b>			
1	Total high-quality liquid assets (HQLA)		4,137,695
<b>Cash outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	7,370,806	540,721
3	Stable deposits	3,795,004	183,141
4	Less stable deposits	3,575,802	357,580
5	Unsecured wholesale funding, of which:	8,915,837	3,339,280
6	Operational deposits (excluding those generated from correspondent banking activities)	4,910,539	1,211,899
7	Non-operational deposits (all counterparties)	3,952,123	2,074,206
8	Unsecured debts	53,175	53,175
9	Secured funding		522
10	Additional requirements, of which:	2,926,133	1,696,628
11	Outflows related to derivative exposures and other collateral requirements	1,589,466	1,589,466
12	Outflows related to loss of funding on debt products	–	–
13	Credit and liquidity facilities	1,336,667	107,162
14	Other contractual funding obligations	63,215	63,215
15	Other contingent funding obligations	2,812,645	77,395
<b>16</b>	<b>Total cash outflows</b>		<b>5,717,761</b>
<b>Cash inflows</b>			
17	Secured lending (including reverse repos and securities borrowing)	208,220	180,140
18	Inflows from fully performing exposures	1,395,350	897,595
19	Other cash inflows	1,803,271	1,709,438
<b>20</b>	<b>Total cash inflows</b>	<b>3,406,841</b>	<b>2,787,173</b>
			<b>Total adjusted value</b>
<b>21</b>	<b>Total HQLA</b>		<b>4,137,695</b>
<b>22</b>	<b>Total net cash outflows</b>		<b>2,930,588</b>
<b>23</b>	<b>Liquidity coverage ratio</b>		<b>141.32%</b>

### **III. Liquidity Coverage Ratio (continued)**

- (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, 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 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 over each quarter.