中国银行
BANK OF CHINA

BASEL Pillar 3

Public Disclosure of Prudential Information under APS 330
As at 30 Jun 2020

Bank of China (Australia) Limited

Contents

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Public Disclosure of Prudential Information Part 3
under APS 330 – Jun 2020
Bank of China (Australia) Limited

Table 3: Capital Adequacy		2020 Jun Quarter (A$m)	2020 Mar Quarter (A$m)
(a)	Capital requirements (in terms of risk-weighted assets) for:		
	• Credit Risk	**1,510.62**	**1,339.1**
	Residential mortgage	1,163.6	1,038.4
	Other retail	27.3	29.7
	Corporate	81.8	84.0
	Bank	130.4	89.8
	Government	-	-
	Other risk assets	0.7	0.4
	Perfomance-related Contingencies	9.7	9.8
	Loan commitment	94.7	79.0
	Market related derivatives	2.25	8.0
	• Securitisation	-	-
(b)	Capital requirements (in terms of risk-weighted assets) for equity exposures in the IRB approach (simple risk-weighted method).	-	-
(c)	Capital requirements (in terms of risk-weighted assets) for market risk.	0.6	0.7
(d)	Capital requirements (in terms of risk-weighted assets) for operational risk.	164.1	143.8
(e)	Capital requirements (in terms of risk-weighted assets) for interest rate risk in the banking book (IRRBB) (IRB/AMA approved Asutralian-owned ADIs only).	-	-
(f)	Common Equity Tier 1, Tier 1 and Total Capital ratio for the consolidated banking group.		
	• Common Equity Tier 1 Ratio	27.1%	30.1%
	• Tier 1 Ratio	28.9%	32.2%
	• Total Capital Ratio	30.9%	34.5%

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Table 4: Credit Risk

		2020 Jun Quarter (Credit Risk Exposure in A$m)	2020 Mar Quarter (Credit Risk Exposure in A$m)	Average Balance for the Quarter (Credit Risk Exposure in A$m)
(a)	**Total gross credit exposures, plus average gross exposure over the period, broken down by:**			
	Total gross credit risk exposures, broken down by			
	Debt securities and Due from ADIs	399.5	290.8	345.1
	Loans	3,408.4	3,055.7	3232.1
	Loan commitments	248.0	218.1	233.1
	Performance-related contingencies	9.7	9.8	9.7
	Market related derivatives	4.4	16.6	10.5
	All other	357.8	334.7	346.3
	Total gross credit risk exposures, broken down by portfolio			
	Claims secured by residential mortgage	3,547.2	3,160.1	3353.7
	Other retail	27.3	29.7	28.5
	Corporate	81.8	84.0	82.9
	Banks and other ADIs	399.5	290.8	345.1
	Government	307.5	247.3	277.4
	All other	64.4	113.9	89.1
(b)	**Amount of impaired facilities, provision and write-offs, by portfolio**			
	Amount of impaired facilities, by portfolio			
	Claims secured by residential mortgage	-	-	-
	Other retail	-	-	-
	Corporate	-	-	-
	Banks and other ADIs	-	-	-
	Government	-	-	-
	All other	-	-	-

Table 4: Credit Risk (Continued)	2020 Jun Quarter (Credit Risk Exposure in A$m)	2020 Mar Quarter (Credit Risk Exposure in A$m)	Average Balance for the Quarter (Credit Risk Exposure in A$m)
Amount of past due items, by portfolio*			
Claims secured by residential mortgage	4.7	4.6	4.6
Other retail	0.0	0.0	0.0
Corporate	-	-	-
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Amount of specific provision, by portfolio			
Claims secured by residential mortgage	0.7	0.6	0.7
Other retail	-	-	-
Corporate	-	-	-
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
Charges for specific provisions and write-offs during the period			
Claims secured by residential mortgage	-	-	
Other retail	-	-	-
Corporate	-	-	-
Banks and other ADIs	-	-	-
Government	-	-	-
All other	-	-	-
(c) General reserves for credit losses	3.9	4.5	4.2

*Amount of past due but not impaired items

Table 5: Securitisation exposures

(a)	Securitisation activity of current period (AUD million)	Exposure securitized		Recognized gain(or loss) on sale	
		2020 Q2	2020 Q1	2020 Q2	2020 Q1
	Residential Mortgage	-	-	-	-
	Total exposure securitized during the period	**-**	**-**	**-**	**-**

(b)		2020 Q2	2020 Q1
	On balance sheet securitisation exposure		
	Securities held in the banking book	-	-
	Total on balance sheet exposure	**-**	**-**
	Funding facilities	-	-
	Credit enhancements	-	-
	Derivatives - Basis swaps	-	-
	Total off balance sheet exposures	**-**	**-**

Liquidity Risk

Liquidity Coverage Ratio Disclosure

Liquidity Coverage Ratio (LCR) measures whether an ADI maintains an adequate level of unencumbered high-quality liquid assets (HQLA) to meet its liquidity needs for a 30 calendar day period under a severe stress scenario.

BOCAL reported weighted average LCR of 183% in the quarter ended 30 June 2020, increased by 21% compared to last quarter, mainly caused by the increased HQLA. Facing with the COVID-19 pandemic, BOCAL further reinforced its liquidity management capability by increasing additional HQLA bond and RBA-eligible securities holding. The Bank manages its LCR position on a daily basis and maintains a buffer over the minimum regulatory requirement and the Board’s risk tolerance. Methodologies used to determine LCR outcomes are reviewed regularly.

The Bank holds a simple mix of High Quality Liquid Assets, consisting of cash, deposits with central banks, Australian government bonds, and securities eligible for repo with the Reserve Bank of Australia under the Committed Liquidity Facility (CLF) and Term Funding Facility (TFF). The composition of the liquid asset portfolio has remained relatively stable and commensurate with its business size, characteristics and complexity of the Bank over this quarter of 2020.

The Bank follows the principle of prudence in its liquidity management strategy, and manages its funding maturity profile, deposit product diversification and customer relationships to minimize Net Cash Outflows. The cash outflows associated with the Bank's retail funding base were relatively stable, which has provided the Bank sufficient liquidity to support the business growth.

APS 330 Table 20 - LCR disclosure 2020Q2

		30 Jun 2020 Total unweighted value (average) $M	Total weighted value (average) $M
Liquid assets, of which:			
1	High-quality liquid assets (HQLA)		**351**
2	Alternative liquid assets (ALA)		**160**
3	Reserve Bank of New Zealand (RBNZ) securities		-
Cash outflows			
4	Retail deposits and deposits from small business customers, of which:	**2,759**	**350**
5	Stable deposits	**984**	**49**
6	Less stable deposits	**1,774**	**301**
7	Unsecured wholesale funding, of which:	**144**	**124**
8	Operational deposits (all counterparties) and deposits in networks for cooperative banks	-	-
9	Non-operational deposits (all counterparties)	**117**	**117**
10	Unsecured debt	-	-
11	Secured wholesale funding		-
12	Additional requirements, of which:	**411**	**93**
13	Outflows related to derivatives exposures and other collateral requirements	**76**	**76**
14	Outflows related to loss of funding on debt products	-	-
15	Credit and liquidity facilities	**335**	**17**
16	Other contractual funding obligations	**40**	**37**
17	Other contingent funding obligations	-	-
18	**Total cash outflows**	**3,354**	**603**
Cash inflows			
19	Secured lending	-	-
20	Inflows from fully performing exposures	**200**	**196**
21	Other cash inflows	**127**	**127**
22	**Total cash inflows**	**327**	**324**
23	**Total liquid assets**		**511**
24	**Total net cash outflows**		**280**
25	**Liquidity Coverage Ratio (%)**		**183%**
Number of data points used			**91**

APS 330 Table 20 - LCR disclosure 2020Q1

		31 Mar 2020 Total unweighted value (average) $M	Total weighted value (average) $M
Liquid assets, of which:			
1	High-quality liquid assets (HQLA)		279
2	Alternative liquid assets (ALA)		88
3	Reserve Bank of New Zealand (RBNZ) securities		0
Cash outflows			
4	Retail deposits and deposits from small business customers, of which:	2636	337
5	Stable deposits	932	47
6	Less stable deposits	1703	290
7	Unsecured wholesale funding, of which:	134	108
8	Operational deposits (all counterparties) and deposits in networks for cooperative banks	0	0
9	Non-operational deposits (all counterparties)	100	100
10	Unsecured debt	0	0
11	Secured wholesale funding		0
12	Additional requirements, of which:	384	78
13	Outflows related to derivatives exposures and other collateral requirements	61	61
14	Outflows related to loss of funding on debt products	0	0
15	Credit and liquidity facilities	323	17
16	Other contractual funding obligations	51	48
17	Other contingent funding obligations	0	0
18	**Total cash outflows**	3204	571
Cash inflows			
19	Secured lending	0	0
20	Inflows from fully performing exposures	270	267
21	Other cash inflows	77	77
22	**Total cash inflows**	347	344
23	**Total liquid assets**		367
24	**Total net cash outflows**		227
25	**Liquidity Coverage Ratio (%)**		162%
Number of data points used (Calendar Days)			91