

CCA: Main features of regulatory capital instruments

Main features of regulatory capital instruments		(a)		
		CET1 Capital Ordinary shares	Additional Tier 1 Capital Subordinated capital securities	Tier 2 Capital Subordinated notes
1	Issuer	Bank of China (Hong Kong) Limited	Bank of China (Hong Kong) Limited	Bank of China (Hong Kong) Limited
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	Not applicable	Rule 144A: CUSIP - 06428JAA7 ISIN - US06428JAA79 Regulation S: CUSIP - 06428YAA4 ISIN - US06428YAA47	Rule 144A: CUSIP - 061199AA3 ISIN - US061199AA35 Regulation S: CUSIP - Y1391CAJ0 ISIN - USY1391CAJ00
3	Governing law(s) of the instrument	Hong Kong law	English law, except that the provisions of the Capital Securities relating to subordination shall be governed by Hong Kong law	New York law (other than the provisions of the indenture relating to subordination, which are governed by Hong Kong law)
<i>Regulatory treatment</i>				
4	Transitional Basel III rules ¹	Not applicable	Not applicable	Tier 2
5	Post-transitional Basel III rules ²	Common Equity Tier 1	Additional Tier 1	Ineligible
6	Eligible at solo*/group/solo and group	Solo and Group	Solo and Group	Solo and Group
7	Instrument type (types to be specified by each jurisdiction)	Ordinary shares	Perpetual debt instruments	Other Tier 2 instruments
8	Amount recognised in regulatory capital (currency in millions, as of most recent reporting date)	HK\$43,043m (as of 30 September 2018)	HK\$23,476m (as of 30 September 2018)	HK\$5,010m (as of 30 September 2018)
9	Par value of instrument	No par value (refer to Note 1 for details)	USD3,000m	USD1,623m
10	Accounting classification	Shareholders' equity	Shareholders' equity	Liability - fair value option
11	Original date of issuance	1 October 2001 (refer to Note 2 for details)	14 September 2018	11 February 2010
12	Perpetual or dated	Perpetual	Perpetual	Dated
13	Original maturity date	No maturity date	No maturity date	11 February 2020 (unless previously redeemed or purchased and cancelled with the prior written approval of the HKMA)
14	Issuer call subject to prior supervisory approval	No	Yes	Yes
15	Optional call date, contingent call dates and redemption amount	Not applicable	First call date: 14 September 2023 The issuer may redeem all but not some only of the Capital Securities then outstanding Also early redemption for tax reasons; tax deduction reasons; capital event; at the option of the issuer etc (please refer to "Terms & Conditions of the Capital Securities" at p.100 of the Supplemental Offering Circular dated 11 September 2018 for further details on call dates and redemption amounts)	Early redemption for tax reasons; purchases of Notes by the issuer (please refer to "Description of the Notes" in Offering Memorandum dated 12 April 2010 for further details on call dates and redemption amounts)
16	Subsequent call dates, if applicable	Not applicable	Any distribution payment date after the first call date	Ditto
<i>Coupons/dividends</i>				
17	Fixed or floating dividend/coupon	Floating	Fixed	Fixed

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18	Coupon rate and any related index	Not applicable	Years 1-5: 5.90% per annum payable semi-annually in arrear; Year 5 onwards: resettable on year 5 and every 5 years thereafter at the then prevailing 5-year US Treasury rate plus 3.036% p.a.	5.55%
19	Existence of a dividend stopper	No	Yes	No
20	Fully discretionary, partially discretionary or mandatory	Fully discretionary	Fully discretionary	Mandatory
21	Existence of step-up or other incentive to redeem	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable	Not applicable	Not applicable
25	If convertible, fully or partially	Not applicable	Not applicable	Not applicable
26	If convertible, conversion rate	Not applicable	Not applicable	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable	Not applicable	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable	Not applicable	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable	Not applicable	Not applicable
30	Write-down feature	No	Yes	No
31	If write-down, write-down trigger(s)	Not applicable	Upon the occurrence of a Non-Viability Event	Not applicable
32	If write-down, full or partial	Not applicable	Full or Partial	Not applicable
33	If write-down, permanent or temporary	Not applicable	Permanent	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable	Not applicable	Not applicable
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument in the insolvency creditor hierarchy of the legal entity concerned)	Subordinated capital securities mentioned in the second column of this main features table	(i) Subordinate to (a) all unsubordinated creditors of the issuer (including its depositors), (b) creditors in respect of Tier 2 Capital Securities, and (c) all other subordinated creditors whose claims are stated to rank senior to the Capital Securities; (ii) Pari passu to parity obligations; and (iii) Senior to junior obligations (Please refer to Condition 3(B) of the "Terms & Conditions of the Capital Securities")	Upon the occurrence of a Subordination Event (Refer to Note 3 for details), subordinated to the claims of depositors and all other unsubordinated creditors of the issuer
36	Non-compliant transitioned features	No	No	Yes

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37	If yes, specify non-compliant features	Not applicable	Not applicable	Does not contain provision to be written down, or converted into ordinary shares, at the point of non-viability
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Footnote:

¹ Regulatory treatment of capital instruments subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

² Regulatory treatment of capital instruments not subject to transitional arrangements provided for in Schedule 4H of the Banking (Capital) Rules

* Include solo-consolidated

Note 1: Pursuant to the Hong Kong Companies Ordinance (Chapter 622) which has commenced operation on 3 March 2014, all shares issued by a company incorporated in Hong Kong before, on and after that commencement date shall have no par value and the relevant concept of authorised share capital is abolished.

Note 2:

- The authorised share capital of Bank of China (Hong Kong) Limited ("BOCHK"), comprising 4 million ordinary shares of HK\$100 each, was subdivided into 400 million ordinary shares of HK\$1 each pursuant to shareholders written resolution of BOCHK passed on 3 Sep 2001.
- On 30 Sep 2001, 400 million shares in the capital of BOCHK were transferred from Bank of China Limited to BOC Hong Kong (Holdings) Limited ("BOCHK Holdings") pursuant to Supplemental Merger Agreement.
- BOCHK then issued a total of 42,642,840,858 ordinary shares at par value of HK\$1 each to BOCHK Holdings on 1 Oct 2001. Hence, the total issued and paid-up share capital of BOCHK was HK\$43,042,840,858 since 2001.
- The concepts of par value for shares and authorised share capital have been abolished following the commencement of the Hong Kong Companies Ordinance (Chapter 622) as mentioned in Note 1.

Note 3: "Subordination Event" shall occur if an order is made or an effective resolution is passed for the winding-up, liquidation or dissolution or similar proceeding of the issuer in Hong Kong (except for the purposes of a reconstruction, amalgamation or reorganisation, the terms of which have previously been approved by a resolution of the noteholders passed at a meeting duly convened and held in accordance with the indenture by a majority of at least 662/3% of the votes cast).