



Bank of China USA

Bond Investment Policy

中国银行纽约分行债券投资政策

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1. Executive Summary (总则)

1.1. Summary (概要)

The bond investment business of Bank of China USA branches (the “BOC USA”, “Bank”, or “Branch” hereinafter) involve different types of risks, including market, credit, liquidity, compliance, operational risk and so on. An effective and reliable risk management mechanism shall be established. All risks related to bond investment business shall be managed as required by the HO and Branch’s related risk policies and procedures.

中国银行美国地区分行(以下为“纽约分行”、“银行”、或者“分行”)债券投资业务涉及不同类型的风险,其中包括市场、信用、流动性、合规以及操作风险等。纽约分行应建立一套有效可靠的风险管理机制。所有与债券投资业务相关的风险指标应按照总行与纽约分行的风险政策要求按孰严原则进行管控。

The Branch maintains an investment portfolio that has two primary purposes: serving as a source of liquidity and satisfying regulatory agencies’ asset pledge requirements. The secondary purpose of the investment book is to enhance the return on asset (ROA) for the Branch.

分行进行债券投资的主要目的包括:第一,作为流动性的来源以及满足当地监管机构对资产抵押的要求。第二,提高分行的资产回报率。

The bond investment business should be properly authorized according to the Branch’s risk governance structure and policies, involving related committees, senior management and departments. The risks associated with the bond investment shall be able to be identified, measured, monitored, and controlled. The risk indicators and limits for the bond investment business shall be established. The setting of risk limits should fully follow the requirements of the Branch’s strategies and Risk Governance Framework (the “RGF”).

债券投资业务授权应根据纽约分行的风险治理框架和政策进行,征求相关部门意见并报管理层和相关委员会批准。与债券投资相关风险应被及时识别、测量、监控和控制,并应设立风险指标及限额。风险限额的建立应充分反映纽约分行的发展战略及风险治理框架的要求。

1.2. Related Policies (相关政策)

In order to strengthen the bond investment risk management practices of BOC USA, this policy is developed in accordance with the OCC Guidelines Establishing Heightened Standards, Federal Reserve System Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations, and other related regulatory guidance as well as related policies of the Head Office, as applicable. Other related regulations and policies include but not limited to:

- BOC USA Risk Governance Framework
- BOC USA Credit Risk Management Policy
- BOC USA Market Risk Management Policy
- BOC USA Liquidity Risk Policy

为了加强中国银行美国地区分行债券投资风险管理，本政策根据美国财政部货币监理署的更高标准指引、美联储针对银行控股公司和外资银行的强化审慎监管规范、其它相关监管规定以及总行相关政策。其它相关监管和政策包括但不限于：

- 中国银行美国地区分行风险治理框架
- 中国银行美国地区分行信用风险管理政策
- 中国银行美国地区分行市场风险管理政策
- 中国银行美国地区分行流动性风险政策

2. Scope （范围）

The Policy establishes standards for the Branch's bond investment business. The Branch shall conduct its bond investment business within the scope of this policy, its RGF, other policies as well as those of Head Office.

本政策制定了纽约分行债券投资业务的标准，债券投资业务应在本政策授权范围内、并在风险治理框架及总行或其它政策授权许可内进行。

This policy governs the Branch's bond investment business which serves both investment and liquidity purposes. It also governs the investment activities of Los Angeles branch (the "LAB") and Chicago Branch (the "CHB"). The Branch shall set up different accounts in order to meet its management requirements.

本政策管理纽约分行以经营及流动性为目的的债券投资业务，并管理洛杉矶分行（LAB）和芝加哥分行（CHB）的相关投资业务。纽约分行应建立不同账户以满足管理要求。

3. Roles & Responsibilities （职责分工）

3.1. Asset Liability Management Committee and EVP-in-charge （资产负债管理委员会与分管行长）

Asset Liability Management Committee (the "ALCO") reviews and approves the Branch's Bond Investment policy, investment strategy and investment plan. ALCO also reviews and approves bond investment authorization and new products, subject to other applicable approval procedures. It reviews the bond investment business related indicators and limits. If the bond

investment portfolio has any material risk event, the event and its remedial plan will also be escalated to ALCO for review and approval.

资产负债管理委员会（ALCO）负责审批全行的债券投资政策、投资策略以及投资计划。ALCO 还负责审查和批准债券投资授权及新产品，这些事项同时还须遵守纽约分行其他审批流程。ALCO 应检视债券投资业务的相关指标及限额。如果债券投资业务发生重大风险事件，该事件及其补救措施应上报到 ALCO，并由其批准。

EVP-in-charge reviews approval items before they are presented to ALCO; approves investment applications; reviews bond investment related reports and gives instructions as to asset allocation, risk positioning and individual trades.

分管行长审阅向资产负债管理委员会的报批材料；审批投资建议；听取债券投资业务相关汇报，并对债券投资组合的资产摆布、风险配置以及具体交易作出指示。

3.2. Treasury（司库）

Treasury (the “TRY”) shall coordinate with MKD to prepare the bond investment plan based on the Branch’s overall asset and liability condition, regulatory asset pledge needs, excess fund management, and liquidity risk, interest rate and foreign exchange risk management requirements, and submitting it to ALCO for approval. Although the overall investment plan is submitted to ALCO on an annual basis, TRY shall review the investment plan execution progress, and recommend modification to the investment plan and risk indicators based on the prevailing market conditions, the Branch’s asset and liability structure, regulatory and internal risk management if necessary.

分行司库（TRY）应协调金融市场部结合全行整体资产及负债情况、监管资产抵押需求、闲置资金、流动性风险管理以及利率与汇率风险管理要求完成债券投资计划。投资计划虽然是以年度为频率向资产负债管理委员会报告，但在实施过程中，司库应审视计划执行进度，并可依实际市场状况、分行资产负债结构、监管规定与内控风险管理对投资计划或各项风险指标提出调整建议。

3.3. Global Markets Department（金融市场部）

Global Markets Department (the “MKD”) is responsible for managing the bond investment portfolio as per authorizations from ALCO and investment plan, proposing risk indicators and limits, making action plans according to changes in related risk profiles. In addition, MKD acts as proxy for LAB and CHB’s bond investment.

金融市场部（MKD）应根据资产负债管理委员会的授权与投资计划管理债券投资组合，建议风险指标及限额，并针对相关风险状况做出相应的解决方案。此外，金融市场部是洛杉矶分行及芝加哥分行的债券投资代理人。

MKD has the discretion to conduct the bond investment transactions in compliance with the guidelines and requirements set forth in the investment plan and this policy. MKD shall ensure that the bond investment portfolio is within the approved risk limits at any time. MKD may only invest in the approved products in a manner consistent with its authorizations. Department head or desk/team lead is responsible for submitting investment applications (proposals) to EVP-in-charge for approval.

金融市场部有权在相关制度与本办法的授权范围内开展债券投资业务并确保债券投资组合在任何情况下都在已核准的风险限额内。金融市场部只可以对符合其授权的产品进行投资。部门总经理或团队主管负责向分管行长提出投资建议，经批准后执行。

3.4. Treasury Middle Office Department （资金中台部）

Treasury Middle Office Department (the “MOD”) is the owner of and responsible for maintaining this Policy. MOD shall coordinate with MKD and TRY in proposing risk limits for the bond investment portfolio. MOD shall monitor and report on the risk indicators of the bond investment portfolio to related committees, executive management and departments. MOD shall investigate and report any limit breach and recommend remedial actions according to the RGF and applicable risk policies.

资金中台部（MOD）负责制定并维护本政策。资金中台部应协调金融市场部及分行司库提出债券投资组合的风险限额；负责监测并向相关委员会、管理层以及相关部门报告债券投资组合各项风险指标的执行情况；若发生超限事件，资金中台部应根据风险治理框架及相关风险政策的要求及时调查、上报，并提出整改措施的建议。

3.5. Market Risk Management Department （市场风险管理部）

Market Risk Management Department (the “MRD”) is responsible for establishing and maintaining the market and liquidity risk related limits of the bond investment portfolio concerning the RGF, the market risk policy, and liquidity risk policy. MRD is also responsible for giving opinion and suggestion concerning the investment plan with regard to market risk, liquidity risk and other related areas of concern from a 2nd LOD standpoint.

市场风险管理部（MRD）负责根据风险治理框架、市场风险政策和流动性风险政策建立及更新债券投资组合的市场以及流动性风险限额。市场风险部还需从二道防线的角度对投资计划提出关于市场风险和流动性风险的相关建议。

3.6. Credit Risk Management Department（信用风险管理部）

Credit Risk Management Department (the “CRM”) is responsible for establishing and maintaining the credit risk related limits of the bond investment portfolio concerning the RGF, and the credit risk policy.

信用风险管理部（CRM）负责根据风险管理框架以及信用风险政策设立和更新债券投资组合的信用风险限额。

3.7. OSD, LAB, and CHB（运营服务部、洛杉矶分行、芝加哥分行）

Operation Service Department (the “OSD”) acts as the back office of the bond investment business. LAB and CHB are responsible for proposing their regulatory pledge needs to TRY. TRY shall provide guidance to MKD to fulfill the collateral needs.

运营服务部（OSD）作为债券投资业务的后台负责相关结算工作。洛杉矶和芝加哥分行负责根据监管规定的抵押品需求向分行司库提出债券投资申请。分行司库应协调 MKD 以完成抵押品指标要求。

4. Investment Requirements（投资要求）

4.1. Issuer（发行人）

According to HO regulations, guidelines, and the Branch’s related policies, eligible issuers are limited to central/federal governments, government agencies, multi-national financial institutions, financial institutions and corporations. Beyond the scope defined in this policy, the Branch can only invest in names that are specifically approved on a case by case basis. Currently permitted multi-national financial institution issuers are as follows:

- International Bank of Reconstruction and Development (IBRD)
- European Investment Bank (EIB)
- International Finance Corp (IFC)
- Inter-American Development Bank (IADB)
- Asian Development Bank (ADB)
- Council of Europe Development Bank

根据总行相关规定、指引以及本行相关政策，可投资标的的发行人仅限于政府、政府机构、多边金融组织、金融机构及公司。超出该政策范围的发行人，分行只能以单笔单批的方式获得批准后方可进行投资。目前允许投资的多边金融组织发行人名单如下：

- 国际复兴开发银行（IBRD）
- 欧洲投资银行（EIB）

- 国际金融公司（IFC）
- 美洲开发银行（IADB）
- 亚洲开发银行（ADB）
- 欧洲委员会发展银行

4.2. Product（债券种类）

The bonds that the Branch can invest in shall have a specific maturity, clear structure, no more than one embedded option (such as a call or put option) and defined risks that the Branch has capability to control. Plain vanilla bonds are preferred.

纽约分行可投资的债券品种必须是有具体的到期日、结构明确、最多包含一个期权（回售/赎回）且纽约分行能控制其风险的债券。投资时应优先选择没有结构的简单债券。

Currently allowed investment products include certificate of deposit (CD), commercial paper (CP), MBS (existing investment or CRA purpose only) and bonds issued by the aforementioned issuers. Subordinated or structured bonds are not allowed. Any new product to the investment portfolio shall obtain prior authorization from ALCO as well as Head Office. And it shall also be approved according to the new product procedures of the Branch.

目前允许投资的产品包括定期存单（CD）、商业票据（CP）、住房抵押担保债券（仅限存量投资或者以社区再投资法案为目的）以及由前述发行人发行的债券。不允许投资次级或者结构性债券。所有投资账户的新产品都应先获得资产负债管理委员会及总行的授权，并需根据纽约分行新产品流程获得批准。

4.3. Term and Denomination（期限及货币）

In principle, the longest remaining maturity shall not exceed 5 years, except otherwise approved, i.e. CRA purposed MBS investment. Currently the Branch can only invest in USD, and RMB (onshore and offshore) denominated bonds.

原则上债券最长剩余期限不应超过 5 年, 除非额外批准, 例如以社区再投资法案为目的 MBS 不在此限。目前纽约分行仅允许投资以美元、在岸及离岸人民币为标的货币的债券。

4.4. Issued Amount（发行量）

For a publicly issued bond, the minimum issue size is 200 million US Dollars or its equivalent. For Medium-Term Note/Euro Medium-Term Note/Certificate of Deposit/Commercial Paper, the program size should be higher than 1 billion US Dollars or its equivalent.

投资公开发行的债券，其最小发行量应为 2 亿美元或其它等值货币。对于定期存单、商业票据和在中期票据或欧洲中期票据计划下发行的债券，其发行计划规模应在 10 亿美元或其它等值货币以上。

4.5. Issuer Domicile（发行人所在地）

The issuer's country is a source of country risk and political risk. The Branch shall limit the eligible countries according to its RGF, credit policy and HO's regulations. The Branch should only invest in bonds of issuers domiciled in the following countries or regions:

- China, US, Japan, Germany, France, UK, Canada, Australia, Netherland, Singapore, Switzerland, Hong Kong SAR.

发行人所在国构成国家风险和政治风险。纽约分行应根据自身的风险治理框架、信用风险政策以及总行的相关规定确定符合要求的发行人国家。目前仅允许投资以下国家或地区发行人的债券：

- 中国、美国、日本、德国、法国、英国、加拿大、澳大利亚、荷兰、新加坡、瑞士及中国香港。

4.6. Scale（投资规模）

The investment scale (maximum outstanding investment nominal amount) shall be proposed in the investment plan. And the proposed scale shall consider the impacts on the Branch's balance sheet risks, capital requirement, and liquidity.

投资规模（持有的未到期债券最大金额）应在投资计划中建议，并且同时考虑债券投资规模对本行的资产负债表，资本要求以及流动性的影响。

4.7. Credit Rating（信用评级）

The Branch shall independently assess the ultimate obligor's creditworthiness of the investment, determine the credit rating, and set a minimum acceptable credit rating on the investment according to Branch's policies and procedures as well as HO's regulations. If the issuer is the branch of a financial institution, then the creditworthiness of the financial institution shall be evaluated. If the issuer is the subsidiary of a financial institution, the creditworthiness of the subsidiary shall be evaluated. If the investment's ultimate obligor is the parent company, then the parent company's creditworthiness shall be reviewed.

纽约分行应独立分析投资最终债务人的信用能力，决定其评级，并根据信用风险政策以及总行规章制度设定可接受最低信用评级。若发行人为金融机构的分行，应分析该金融机构的信用能力。若发行人为金融机构的子行，则应分析该子行的信用能力。若投资的最终债务人是其母公司，则应分析其母公司的信用能力。

The Branch shall set up the minimum acceptable credit rating as equivalent to external rating as follows:

- Financial Institution bond: no lower than BBB- & Baa3
- Corporate bond: no lower than BBB+ & Baa1
- CP and CD: no lower than A-3 & P-3 or BBB- & Baa3

分行应设置最低可投资信用评级，且不低于下列同等外部评级：

- 金融机构债券： BBB-或 Baa3
- 公司债券： BBB+或 Baa1
- 商业票据及存单： A-3 或 P-3， BBB-或 Baa3

The investment and its issuers' external ratings should both meet the aforementioned minimum credit ratings. Acceptable rating agencies are Standard & Poor's, Moody's, and Fitch. For on-shore RMB bond issued in China, Chinese rating agencies' ratings take precedence. If there is more than one available rating from different rating agencies, the lowest rating shall be applied.

外部信用评级机构的债卷评级与发行人评级都必须符合前述最低评级要求。可接受的信用评级机构为标准普尔、穆迪以及惠誉。中国境内发行的人民币债券优先采用中国评级机构评级。若同时存在多家评级机构的信用评级，则使用最低评级。

If bond's external credit rating is not available, the issuer's external rating shall be reviewed. If the investment's ultimate obligor is the parent company, then the parent company's external credit rating shall be reviewed. For short term instruments, the short term rating shall be applied. If the short term rating is not available, the long term rating is acceptable.

若债券本身无外部评级，则审查其发行人外部评级。若投资的最终债务人是其母公司，则应审查其母公司的外部评级。短期产品应选用相对应的短期评级。若没有短期评级那么可使用相关长期评级。

4.8. Single transaction limit for MTN/EMTN/CD/CP

For MTN/EMTN/CD/CP, the maximum nominal amount for a single transaction cannot exceed 100 million US dollar or its equivalent.

中期票据、欧洲中期票据、定期存单和商业票据的单笔投资金额不得超过 1 亿美元。

4.9. Concentration（集中度）

The investment portfolio should not concentrate on any single obligor and country. The notional based total exposure to one entity or group over the total investment portfolio should not be higher than 10%, except US and Chinese Government. The notional based total exposure to a single country over total investment portfolio should not be higher than 15%, except US, China, and multi-national financial institution.

投资组合不应集中在单一发行人或发行人所在国。除美国与中国政府外，按名义本金计算的单一发行人占比整体投资组合不应超过 10%。除美国、中国与多边金融机构外，按名义本金计算的单一发行人所在国占比整体投资组合不应超过 15%。

5. Investment Decision and Operation （投资决策及操作）

5.1. Authorization （授权机制）

The Branch's bond investment business shall obtain ALCO authorization prior to execution. The authorization includes investment plan, risk limit, product type and other criteria. This policy in conjunction with the annual investment plan serves as the over-all authorization for MKD to conduct the business. When HO has a stricter rule or requires special procedure, prior approval from HO is prerequisite for investment execution.

在开展债券投资业务前应获得资产负债管理委员会的授权。授权内容包括投资计划、风险限额、产品类型以及其它相关要求。该政策与年度投资计划一起作为金融市场部开展债券投资业务的全面授权。当总行有更严格的规定或特别要求的流程时，事先获得总行批准是投资执行的先决条件。

The authorization shall be aligned with the Branch's strategy and comply with the RGF. The authorization should be reviewed routinely and adjusted based on the business needs and market conditions when necessary.

债券投资授权应与纽约分行的战略保持一致并符合风险治理框架。债券投资授权应定期进行重检并在必要时根据业务需求和市场情况进行相应调整。

The risk limits and investment authorizations shall be delegated to different hierarchical levels. The Branch shall allocate the authorization to investment desk or individual traders based on the management needs. Investment desk or traders are not allowed to engage in any transaction without authorization. The authorization may be approved based on the management needs by notional amount, product type, term, etc. The authorizer can directly or through orders exercise his/her authorization.

风险限额以及投资权限应进行分级授权。分行应根据管理需要将授权分配给团队负责人或交易人员。团队负责人或交易员在没有授权的情况下不得进行任何交易。授权可根据名义本金、产品类型、期限等管理需要进行划分。授权人可直接行使或通过指令行使其授权。

To be consistent with its investment purpose, the securities in the investment portfolio are usually held to maturity. However, should any necessity to sell any security holdings emerge under certain circumstances, the executive management member in charge of MKD is empowered to make such decisions. For any decisions with a material impact on the Branch, a

proposal should be presented to ALCO for approval. At the same time, any disposal of the holdings should not violate the relevant accounting standards or regulatory requirements. Also, if there is any loss after selling, MKD should report to HO and executive management member in charge of MKD.

为了与投资目的保持一致，投资通常会持有至到期日。但是在特定情况下出现需出售所持有投资的情形，分管金融市场部的行长或总监有权作出是否出售的决定。对于对本行有重大影响的任何决定都应向资产负债管理委员会提交提案并获得批准。同时，对所持有证券的任何处置方式都不得违反相关会计准则或监管要求。债券售出后如有损失，金融市场部应向总行与分管行领导汇报。

No proprietary trading is allowed. No short selling is allowed.
不允许自营交易和卖空交易。

5.2. Investment Plan（投资计划）

The investment plan is the Branch-wide bond investment plan for the year. The investment plan shall be aligned with the Bank's strategy and business needs; comply with the related policies and procedures. The investment plan shall be reviewed and approved by ALCO. The investment plan can be adjusted during the year based on changes of market conditions and balance sheet risk management when necessary.

投资计划是纽约分行的年度投资规划。投资计划应符合纽约分行的发展战略和业务需求并遵循相关政策和流程。投资计划需获资产负债管理委员会批准。投资计划得根据市场情况变化以及资产负债管理的需要酌情进行动态调整。

In general, the investment plan shall include the following:

- Market trend analysis
Analysis includes macro-economic conditions, key interest rate projections and impact on existing investment portfolios.
- Investment strategy
Based on the market environment and the Branch-wide needs, the investment plan shall propose the strategy to reach the target, such as product type, liquidity buffer composition, asset allocation and curve allocation and so on.
- Investment limits
The investment plan shall propose the projected investment scale, minimum rating, analyze its impact on risk limits, such as VaR, duration, PVBP, and Stress test. It shall propose limit adjustments if deemed necessary.

投资计划一般应包括以下内容：

- 市场趋势分析
分析内容应包含宏观经济情况，主要利率的预测以及对现有投资产品的影响。
- 投资策略

投资计划应根据市场情况和纽约分行需求，提出在产品类型、流动性缓冲组合、资产摆布以及收益率曲线摆布等方面达成目标的策略。

- 投资限额

投资计划应提出目标投资规模及最低评级的建议、并分析对各项风险指标的影响，包括风险价值、久期、基点价值以及压力测试等。如需要，应同时提议对相关风险限额进行调整。

5.3. Investment Operation（投资操作）

Bond investment shall be conducted according to the investment plan and authorizations. Prior to transacting, a pre-trade analysis should be prepared; MKD shall submit an investment application, which is signed by head of department and desk/team lead, alongside the pre-trade analysis report to the executive management member in charge for approval before each transaction; Each trading ticket shall bear the signature of executing trader and authorized trader, and accompanied by evidences that the trader has compared fair market prices with at least three counterparties or electronic pricing sources. These paperwork supplement the trading documents to form a complete set of records.

债券投资应根据投资计划和授权进行。投资前金融市场部应进行投前分析。金融市场部应在每笔交易前向分管行领导提交由部门总经理和债券台主管签字的投资申请，将投资分析报告作为附件，获得批准后方可进行投资。每笔交易单应由执行交易员以及授权交易员签字，并同时附有证据证明交易员已比较市场公允价，亦即至少三个交易对手的价格或者相关电子报价。这些文档是完整的交易资料的构成部分。

The front, middle, and back office shall be separated to independently carry out their business responsibilities to comply with the check-and-balance principle for the sake of minimizing risks, especially operational risk, compliance risk, market risk and credit risk.

为了减低风险，特别是操作风险、合规风险、市场风险以及信用风险，前、中、后台应分别独立履行职责，以满足分离制衡的原则。

MKD shall monitor the bond market environment, business status and risk indicators, adjust and manage the bond investment portfolio accordingly. MKD shall perform periodical post-trade review and report to management, take immediate actions when necessary.

金融市场部应监控债券市场变化、业务及风险指标情况，并及时对债券投资组合做出相应的调整。金融市场部应定期进行投后分析，并向行领导汇报，视情况及时采取措施。

The bond investment performance shall be routinely and comprehensively evaluated. The evaluating indicators shall include, but not limited to, the net interest income and realized and unrealized gain or loss.

债券投资组合的表现应定期进行全面评估。评估指标应包括但不限于净利息收入以及已/未实现损益。

6. Risk Management（风险管理）

6.1. Credit Assessment（信用分析）

The Branch shall evaluate the creditworthiness of the investment. The analysis shall be sufficient to support the investment decision and may include the third party research, internal and/or external risk ratings, default statistics, and other appropriate information. The depth of the analysis should be performed based on the credit quality, the complexity of the structure, and the size of the investment. For non-government issued bonds, except multi-national financial institution issued bond, the following factors should be appropriately reviewed:

- Spread to US Treasury in consist with the bond with similar credit quality;
- Default risk in consist with the bond with similar credit quality;
- Operating and financial performance levels and trends, and if applicable, the third party analytics.

The risk identification and assessment should be completed prior to the transaction as the pre-trade analysis and periodically performed after the trade as post-trade analysis. The pre-trade analysis should simulate the limits utilization changes after the trade, especially issuer's limit usage and portfolio limits usage such as scale and Stress-Test.

分行应对所投债券进行风险分析。分析程度应足够支持投资决策，分析范围可包括第三方研究、内外部评级、违约风险与其他有关指标。分析深度应按照债券信用风险、结构复杂程度、与投资规模相应作出调整。投资信用债时，应分析下列债券特征：

- 与其他类似信用风险级别的债券相比，标的债券与美国国债的收益率差应有可比性；
- 与其他类似信用风险级别的债券相比，标的债券的违约风险应有可比性；
- 标的债券发行人/最终债务人的营运与财务表现及其趋势。如适用，第三方分析也应纳入评估。

风险识别与评估应作为投前分析在交易前完成，并且在交易完成后定期进行包括这些内容的投后分析。投前分析应包括交易前后限额使用率变化，特别是发行人额度限额使用率与投资组合限额利用率，例如产品类别余额上限与压力测试风险限额。

6.2. Risk Indicator and Limit（风险指标及限额）

In conducting its bond investment business, MKD shall follow all applicable policies and regulations of the Branch and HO, including the RGF.

在进行债券投资业务时，金融市场部应遵循包括风险治理框架在内的总、分行相关政策及规定。

When HO and the Branch have a different limit or restriction, the stricter one shall be applied.

当总行与纽约分行设定的限额或要求不一致时，应按照孰严原则执行。

Applicable risk indicators and limits include, but not limited to, PVBP, VaR, Stress-Test, MTM and credit rating.

适用的风险指标及限额包括但不限于基点价值、风险价值、压力测试、市场估值以及信用评级。

6.3. Risk Management（风险管理）

Bond investment business involves market, credit, liquidity, compliance, and operation risks. The Front-Line-Units (the “FLU”) shall establish an effective and reliable risk management mechanism commensurate with the business characteristics, investment scale, and portfolio complexity. The bond investment business related risk management shall follow the Branch’s related policies and procedures to effectively identify, measure, monitor, and control the risks.

债券投资业务涉及市场、信用、流动性、合规以及操作风险。一道防线部门（简称“FLU”）应根据业务特点、投资规模以及投资组合的复杂程度建立相应有效可靠的风险管理机制。与债券投资业务相关的风险管理应遵循本行相关政策及流程来进行有效的识别、计量、监测及控制。

The bonds governed by this policy can only be classified into AFS or HTM accounts and follow the US accounting rules (the US GAAP). The FLUs shall routinely monitor the risks and limits of the investment portfolio; perform evaluation using a Mark-to-Market method. The methodology shall be appropriate and approved by related departments. The frequency of revaluation shall be adjusted based on the product type, market fluctuation, and management needs. For any breach of limits or material unrealized loss (mark-to-market), FLUs shall report to senior management and HO without any delay and propose the remediation actions according to the RGF and related policies.

本政策所管辖的债券只能依据美国会计准则划分为可供出售账户（AFS）或者持有至到期账户（HTM）。一线业务部门应定期对投资组合进行风险及限额监控，按 MTM 对投资组合进行评估。估值应使用适当方法，并获相关部门批准。估值频率应根据产品类型、市场波动以及管理需要进行相应调整。对于任何超限或重大未实现亏损，一线业务部门应及时向管理层及总行报告并根据风险治理框架和相关政策提出相应补救措施。

The second line of defense, which are Independent Risk Management Units (the “IRMs”), are responsible for establishing and maintaining relevant risk limits according to the Branch’s RGF

and related risk policies. The setting of risk limits should take full consideration of the requirements of business development, strategic plan, and risk appetite. The IRMs independently carry out risk monitoring and reporting, review and challenge FLU's decisions according to the Branch's RGF and risk policies.

二道防线作为独立的风险管理部门（IRMs）负责根据纽约分行的风险治理框架以及相关风险政策建立并维护相关风险限额。在设立风险限额时应充分考虑业务发展需要、战略规划以及风险偏好。二道防线根据本行的风险治理框架以及风险政策独立履行风险监控和报告职能，并审核一道防线的相关决策。

6.4. Monitoring and Reporting（监控与报告）

MKD shall routinely monitor the bond investment portfolio and take actions when necessary. MKD shall set up its own reporting mechanism to ensure smooth flow of information in compliance with the Branch's policies.

金融市场部应对债券投资组合实行定期监控并在必要时采取相应措施。同时，金融市场部应根据纽约分行相关政策建立内部报告机制以确保信息沟通顺畅。

MOD shall independently and routinely monitor the status of the bond investment portfolio, looking at such factors as Mark-to-Market, bond (issuer) rating changes, counterparty credit limit usage, etc. MOD shall provide the report to related departments and senior management according to the requirements of the Branch's policies.

资金中台部应定期独立对该债券投资组合的状态进行监测，包括市场估值、债券及发行人评级变化、发行人信用额度使用情况等。资金中台部应根据纽约分行相关政策向有关部门及管理层提供风险监控报告。

If there is any limit breach, the FLUs shall report to the senior management without any delay and report to HO when deemed necessary. For any limit breach, no matter it is spotted by the FLUs or IRMs, the escalation process shall follow the procedures defined in the Branch's RGF and related policies.

若发生超限情况，一线业务部门应及时向管理层汇报并在必要时报告总行。对于任何超限事件，不管是否由一线业务部门或独立风险管理部门发现，都应遵循纽约分行风险治理框架和相关政策规定的流程进行报告。

For any material limit breach, the remedial plan will be reported to senior management, ALCO and RMICC for approval, when necessary.

任何重大超限事件的补救措施都应向管理层、资产负债管理委员会和风险管理及内控委员会进行汇报并获得批准。

7. Policy Assurance Methods（政策施行保证）

7.1. Implementation Plan（实施计划）

It is responsibility of the first, second, and third lines of defense to ensure effective implementation of this policy as outlined in the Branch's risk governance framework and each department's policies.

一、二、三道防线应依照纽约分行风险治理框架规定以及各部门职责确保本政策有效实施。

7.2. Awareness Methods（政策传导）

The awareness of this policy will build among the key stakeholders via email if any key changes were made.. The policy will also be available in the Policy Library.

本政策若有变更应通过电子邮件通知主要相关人员。本政策可在分行管理办法资料库中获得。

7.3. Training Methods（培训方法）

The policy will be self-trained through the awareness process or as the policy owner determines necessary to promote full understanding of the Policy through the training sessions.

本政策将采用自我培训方式，并由政策制定部门在必要时组织培训，以促进对本政策的充分理解。

7.4. Policy Adherence Monitoring（政策执行监督）

Each applicable department head is responsible for monitoring and assessing the compliance of its procedures with this policy. This policy provides for the regular reporting of Risk Indicators, as outlined in the RGF. Internal Audit will also perform periodic monitoring of compliance through its annual testing program.

各相关部门总经理负责监督和评估自身作业流程是否符合本政策要求。本政策对依据风险治理框架报告各项风险指标做出了规定。审计部门亦将在其独立测试程序中对此进行定期监控。

7.5. Update Requirements（政策更新）

MOD is responsible for taking a proactive role in ensuring this policy remains relevant and comprehensive by means of an annual review. Therefore, it is the responsibility of MOD to

monitor internal and external circumstances to determine whether to update this policy in accordance with the Branch's policies.

资金中台部负责对本政策进行年度审查，以确保政策的全面性和有效性。资金中台部将依照内外部情况以及纽约分行相关政策决定是否更新本政策。

MOD should communicate with counterparts and key stakeholders to ensure that this policy appropriately considers emerging risks in other risk disciplines which may impact this policy. This communication may take place through attendance at working groups, committee meetings, and through other informal means of communication.

资金中台部应与相关部门沟通，以确保本政策综合考虑各种可能新出现的风险。沟通方式包括工作小组、相关委员会会议或其他非正式沟通。

The Head of MOD will have budget authority for related risk management activities and this will be considered within the annual budgeting process.

资金中台部总经理享有开展风险控制相关活动的预算权，并在年度预算编列中统一安排。

7.6. Consequences of Violating the Policy（违规后果）

Failure to comply with this policy will be escalated to the management under certain circumstances, which will consider appropriate remedial action. Violations of the Policy are grounds for disciplinary action, adapted to the circumstances of the particular violation and having as a primary objective furtherance of BOC USA's interest in preventing violations and making clear that violations are neither tolerated nor condoned.

在某些情况下，违反本政策的行为将报告给管理层，由其酌情采取措施。违反本政策可作为处罚的依据，处罚将视违规情节而定，其主要目的是表明对违规行为零容忍并保护本行利益、保证违规不再发生。

7.7. Exceptions & Exemptions（例外与豁免）

The exception approval process contained in this policy aligns with the requirements described in BOC USA's policies. Exceptions to this policy must be justified in writing, presented to the Head of MOD (or his/her delegate), related IRMs, and will require the approval of assigned EVP/MD-in-charge or ALCO. The decision to grant a policy exception should be documented along with a discussion of the business reasons for the exception.

本政策的例外审批流程应符合纽约分行相关政策要求。例外情况必须以书面形式递交给资金中台部总经理（或其代理人）、相关风险管理部门，并需获得主管行领导或资产负债管理委员会批准。政策例外的批准应保存记录，并附有业务需求说明。

Documentation on requests and approvals for exceptions to this policy must include, at a minimum:

- The nature of the exception requested;
- The individual or group that is requesting the exception;
- Incremental risk exposure (in frequency and amount when applicable);
- The time period during which the exception is effective;
- The business reasons for granting the exception;
- Mitigating factors; and
- Planned remediation and closure of the exception, if an effective period is provided.

Policy exceptions tracking should include maintaining an exception log, documenting all follow-up actions and the resolution of all identified issues. These are the responsibility of the business unit who request the exception.

针对本政策例外的申请和批准文档需至少包括以下内容:

- 例外事件性质
- 申请人或其所属部门
- 风险敞口增量（若适用的话注明频率和金额）
- 例外起止时间
- 申请例外授权的原因
- 缓释措施
- 补救计划及关闭时间

政策例外跟踪应记录异常日志，包括所有后续追踪活动和问题的解决。这些要求是申请例外授权业务部门的责任。

8. Reference Information（参考资料）

8.1. External Regulations（外部规定）

This policy takes reference from external regulations indirectly from the Branch's related policies. The external regulations are shown as below. Please note that this list is not designed to be exhaustive or comprehensive.

- Office of the Comptroller of the Currency, *Large Bank Supervision: Comptroller's Handbook*, (Jan. 2010, Updated Dec. 2015)
- Board of Governors of the Federal Reserve System, *Advisory on Interest Rate Risk Management*, (Jan, 2010)
- Board of Governors of the Federal Reserve System, *Questions and Answers on Interagency Advisory on Interest Rate Risk Management*, (Jan, 2012)
- Board of Governors of the Federal Reserve System, *Risk-Based Capital Guidelines; Market Risk*, (Dec. 2013)
- 12 CFR 1 – Investment Securities
- The final rules and guidance revisions of 12 CFR 1, 16, 28, and 160

纽约分行债券投资政策参考相关外部监管规定。所参考外部监管规定如下所示，所列参考资料不仅限于以下内容。

- 美国货币监理署，大型银行监管审计管理手册，（2010 年 1 月，2015 年 12 月修改）
- 美联储理事会，利率风险管理指引，（2010 年 1 月）
- 美联储理事会，资本管理指引；市场风险，（2013 年 12 月）
- 12 CFR 1 – 投资证券
- 12 CFR 1, 16, 28, and 160 增修条文

8.2. Glossary（缩略语）

Abbreviation	Name
ALCO	Asset Liability Management Committee 资产负债管理委员会
BOC USA	Bank of China NY, Chicago, Los Angeles and Queens branch 中国银行纽约、芝加哥、洛杉矶及皇后分行
FLU	Front Line Units 一线业务部门
FMD	Financial Management Department 财务管理部
HO (H.O.)	Head Office 总行
IRM	Independent Risk Management 风险管理部门
MKD	Global Market Department 金融市场部
MLRC	Market and Liquidity Risk Committee 市场及流动性风险委员会
MOD	Treasury Middle Office Department 资金中台部
MRD	Market Risk Management Department 市场风险管理部
OSD	Operation Service Department 运营服务部
ORC	Operational Risk Committee 操作风险委员会
RAS	Risk Appetite Statement 风险偏好声明
RGF	Risk Governance Framework 风险治理框架
CRM	Credit Risk Management Department 信用风险管理部
RMICC	Risk Management and Internal Control Committee 风险管理与内控委员会
TRY	Treasury 司库
USRMC	US Risk and Management Committee 美国风险及管理委员会