IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN RELIANCE ON REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THIS OFFERING IS MADE IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S UNDER THE SECURITIES ACT.

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THE OFFERING CIRCULAR (AS AMENDED AND RESTATED) THAT WILL BE DISTRIBUTED TO YOU PRIOR TO THE PRICING DATE AND NOT ON THE BASIS OF THE ATTACHED DOCUMENTS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your Representation: In order to be eligible to view the following Offering Circular or make an investment decision with respect to the securities, investors must be non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S. By accepting this e-mail and accessing the following Offering Circular, you shall be deemed to have represented to Bank of China Limited, London Branch, Bank of China (Hong Kong) Limited, BOCI Asia Limited, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, Crédit Agricole Corporate and Investment Bank, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Industrial and Commercial Bank of China (Macau) Limited, Mizuho Securities Asia Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and Standard Chartered Bank (each a "**Dealer**" or a "**Manager**") that (1) you and any customers you represent are non-U.S. persons eligible to purchase the securities outside the United States in an offshore transaction in reliance on Regulation S and that the electronic e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to the delivery of such Offering Circular by electronic transmission.

You are reminded that the Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Offering Circular to any other person.

The materials relating to the offering of securities to which the Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer (as defined in the Offering Circular) in such jurisdiction.

The Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer (as defined in the Offering Circular), Dealers, any person who controls any Dealer, any director, officer, employee or agent of the Issuer or any Dealer, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Dealers.

You should not reply by e-mail to this notice, and you may not purchase any securities by doing so. Any reply email communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

BANK OF CHINA LIMITED

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

BANK OF CHINA

Bank of China Limited, London Branch

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

Issue of U.S.$300,000,000 Floating Rate Notes due 2027

(the "Notes" or "Senior Notes")

issued under the U.S.$40,000,000,000 Medium Term Note Programme

This Offering Circular, (the "**Offering Circular**") is prepared in connection with the issue of the U.S.$300,000,000 Floating Rate Notes due 2027 (the "**Notes**") by Bank of China Limited, London Branch (the "**Issuer**") under the U.S.$40,000,000,000 Medium Term Note Programme (the "**Programme**") of Bank of China Limited (the "**Bank**"). This Offering Circular replaces and supersedes the offering circular dated 23 May 2024 in relation to the Programme for the purpose of the issue of the Notes only and prospective investors of the Notes should read this Offering Circular prior to making any investment decision.

The Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 13 April 2022 (as further amended or supplemented from time to time, the "**Non-Guaranteed Notes Principal Trust Deed**") between the Bank (on behalf of itself and each Branch Issuer) and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**") and are the subject of an amended and restated issue and paying agency agreement dated 3 April 2018 (as further amended or supplemented from time to time, the "**Non-Guaranteed Notes Principal Agency Agreement**") between the Bank (on behalf of itself and each Branch Issuer), the Trustee and the agents named therein.

The Notes will be issued within the relevant annual or otherwise general foreign debt issuance quota granted to the Bank or registration will be completed by the Bank pursuant to the Administrative Measures for the Examination and Registration of Medium- and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56 號)) which took effect on 10 February 2023 (as supplemented, amended or replaced from time to time) and any implementation rules or policies as issued by the NDRC from time to time (the "**NDRC Order 56**"). After the issuance of the Notes, the Bank intends to provide the requisite information and documents on the issuance of such Notes to the NDRC within the time period as required by the NDRC.

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's International Securities Market (the "**ISM**"). Such admission is expected to be effective immediately following the Issue Date (as defined in the pricing supplement under "*Pricing Supplement for the Notes*" (the "**Pricing Supplement**")). The ISM is not a regulated market for the purposes of Article 2(1)(13A) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**").

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (*Withdrawal*) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Offering Circular.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to (as defined under "*Terms and Conditions of the Notes*" and each term therein, a "**Condition**") the Notes are set out in the pricing supplement under the Pricing Supplement.

The Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The Notes will be issued in registered form ("**Registered Notes**") and are sold in an "**offshore transaction**" within the meaning of Regulation S ("**Unrestricted Notes**") will initially be represented by a permanent registered global note certificate (each an "**Unrestricted Global Note Certificate**" or a "**Global Note Certificate**") without interest coupons, which may be deposited on the Issue Date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"). The provisions governing the exchange of interests in Global Note Certificates are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Accordingly, the Notes are being offered and sold only outside the United States to non-U.S. persons in offshore transactions in accordance with Regulation S. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons. For a description of certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see the section entitled "*Subscription and Sale*", "*Transfer Restrictions*" and the Pricing Supplement.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as amended or modified from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

The Notes are expected to be assigned a rating of "A1" by Moody's Investor Service, Inc. ("**Moody's**"), "A" by Fitch Ratings Ltd. ("**Fitch**") and "A" by S&P Global Ratings ("**S&P**"). The rating is only correct as at the date of the Offering Circular. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency. Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the Pricing Supplement and the merits and risks of investing in the Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with the Notes. The principal risk factors that may affect the ability of the Issuer to fulfil its obligations in respect of the Notes are discussed under "*Risk Factors*" below. See "*Risk Factors*" beginning on Page 8.

The Issuer each accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Managers

Bank of China	**ABC International**	**Agricultural Bank of China Limited Hong Kong Branch**
Bank of Communications	**China Construction Bank (Asia)**	**China Securities International**
CITIC Securities	**CMB Wing Lung Bank Limited**	**CMBC Capital**
Crédit Agricole CIB	**Guotai Junan International**	**Haitong International**
ICBC (Macau)	**Mizuho**	**Shanghai Pudong Development Bank Hong Kong Branch**
	Standard Chartered Bank	

The date of this Offering Circular is 9 October 2024.

The Bank (as to itself and the Group) having made all reasonable enquiries confirms that to its best knowledge and belief (i) this Offering Circular contains all information with respect to the Issuer, the Bank and its subsidiaries taken as a whole (the "**Group**") and the Notes and the Guarantee of the Notes, as applicable, which is material in the context of the issue and offering of the Notes; (ii) the statements contained herein relating to the Bank, the Group, the Issuer and the Notes are in every material respect true and accurate and not misleading and there are no other facts in relation to the Bank, the Group, the Issuer or the Notes, the omission of which would, in the context of the issue and offering of the Notes, make any statement in this Offering Circular misleading in any material respect; (iii) the statements of intention, opinion and belief or expectation contained in this Offering Circular with regard to the Bank, the Group and the Issuer are honestly and reasonably made or held, have been reached after considering all relevant circumstances; and (iv) all reasonable enquiries have been made by the Bank to ascertain such facts and to verify the accuracy of all such information and statements.

The Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as amended and/or supplemented by the Pricing Supplement. This Offering Circular must be read and construed together with any amendments or supplements hereto and, in relation to the Notes, must be read and construed together with the Pricing Supplement.

The distribution of this Offering Circular and the Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. None of the Issuer or the Dealers represents that this Offering Circular or the Pricing Supplement may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers, which would permit a public offering of any Notes or distribution of this Offering Circular or the Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, the Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the EEA, the UK, the PRC, Hong Kong, Japan and Singapore, and to persons connected therewith.

The Notes may be offered or sold outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S. For a description of certain further restrictions on offers and sales of the Notes and the distribution of this Offering Circular, see the section entitled "*Subscription and Sale*", "*Transfer Restrictions*" and the Pricing Supplement.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

Singapore Securities and Futures Act Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on

Recommendations on Investment Products).No person has been authorised by the Issuer or any Dealer to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the delivery of this Offering Circular or the Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor the Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers, the Trustee, the Agents or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or the Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or the Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed U.S.$40,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into United States dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement (as defined under "*Subscription and Sale*")). The maximum aggregate principal amount of Notes, which may be outstanding at any one time under the Programme, may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE APPLICABLE PRICING SUPPLEMENT MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL FOR A LIMITED PERIOD AFTER THE ISSUE DATE. HOWEVER, THERE IS NO OBLIGATION ON SUCH STABILISATION MANAGER(S) TO DO THIS. SUCH STABILISATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME, AND MUST BE BROUGHT TO AN END AFTER A LIMITED PERIOD. SUCH STABILISATION SHALL BE IN COMPLIANCE WITH ALL APPLICABLE LAWS, REGULATIONS AND RULES.

None of the Dealers, the Trustee or any Agents has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Dealers, the Trustee or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Dealers, the Trustee or any Agent or any director, officer, employee, agent or affiliate of any such person accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Dealers, the Trustee, any Agent, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Issuer, the Notes or the issue and offering of the Notes. The Dealers, the Trustee and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Notes. Each potential purchaser of the Notes should refer to and consider carefully the Pricing Supplement for the Notes, which may describe additional risks and investment considerations associated with the Notes. The risks and investment considerations identified in this Offering Circular and the Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisors as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Offering Circular nor any other information provided in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or any of the Dealers, the Trustee or the Agents or any director, officer, employee, agent or affiliate of any such person that any recipient, of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and the Group. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation, as it deems necessary. None of the Dealers, the Trustee or the Agents or any director, officer, employee, agent or affiliate of any such person undertakes to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers, the Trustee, the Agents or any of them.

In this Offering Circular, where information has been presented in thousands or millions of units, amounts may have been rounded up or down. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to the "**Bank**" are to Bank of China Limited, all references herein to the "**Issuer**" are to Bank of China Limited, London Branch, all references to the "**Relevant Obligor(s)**" are to the Issuer; all references to "**U.S.$**", "**USD**" and to "**U.S. dollars**" are to United States dollars; all references to "**HK$**" and to "**HKD**" are to Hong Kong dollars; all references to "**pounds sterling**" and "**£**" are to the currency of the UK; all references to "**euro**" and "**C**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro as amended; all references to "**yen**" are to Japanese yen; all references to "**Renminbi**", "**CNH**", "**RMB**" and "**CNY**" are to the currency of the PRC; all references to "**United States**" or "**U.S.**" are to the United States of America; references to "**China**", "**Mainland China**", "**Chinese Mainland**" and the "**PRC**" in this Offering Circular mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to "**PRC Government**" mean the government of the PRC; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; references to "**Taiwan**" are to Taiwan, province of China; references to "**EEA**" are to the European Economic Area; and all references to "**United Kingdom**" and "**UK**" are to the United Kingdom of Great Britain and Northern Ireland.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors Prospective investors should be aware that certain intermediaries in the context of this offering of Notes pursuant to the Programme, each such offering, a **CMI Offering**, including certain Dealers, may be "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for this offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Bank, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the Bank, the CMI or the relevant group company. Prospective investors associated with the Bank or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the Bank, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for this Offering. Failure to provide such information may result in that order being rejected.

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Bank*" and elsewhere in this Offering Circular constitute "forward looking statements". The words including "believe", "expect", "plan", "anticipate", "schedule", "estimate", "aim", "intend", "project", "seek to", "predict", "future", "goal" and similar words or expressions identify forward looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Bank, the Group or the Issuer and the plans and objectives of the management of the Bank, the Group or the Issuer for its future operations (including development plans and objectives relating to the Group's operations), are forward looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results or performance of the Bank, the Group or the Issuer to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Bank's, the Group's or the Issuer's present and future business strategies of the Bank, the Group or the Issuer and the environment in which the Bank, the Group or the Issuer will operate in the future. The Bank, the Group and the Issuer expressly disclaim any obligation or undertaking to release any updates or revisions to any forward looking statements contained herein to reflect any change in the expectations of the Bank, the Group or the Issuer with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the expectations of the Bank, the Group or the Issuer. All subsequent written and forward-looking statements attributable to the Bank, the Group or the Issuer or persons acting on behalf of the Bank, the Group or the Issuer are expressly qualified in their entirety by such cautionary statements.

PRESENTATION OF FINANCIAL INFORMATION

The Group's audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023 and the Group's reviewed consolidated financial statements as at the for the six months ended 30 June 2024 are published on the Hong Kong Stock Exchange as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Such audited consolidated financial statements and reviewed consolidated financial statements are not incorporated by reference into, and do not form part of, this Offering Circular.

The Group has adopted International Financial Reporting Standard 17 Insurance Contracts ("**IFRS 17**") as issued by the IASB with the initial application date as at 1 January 2023, which resulted in restatement of the comparative figures for the previous period starting from 1 January 2022 in accordance with the transitional provisions of IFRS 17. The Group restated the comparative figures as at 1 January 2022, 31 December 2022 and for the year ended 31 December 2022.

Please note that financial data as at and for the year ended 31 December 2022 adopted in the management discussion and analysis regarding the financial performance and financial position of the Group set forth in this Offering Circular are all restated financial information (unless otherwise stated) to reflect the adoption of IFRS 17. Investors should therefore exercise caution when comparing the financial data of the Group in relation to related items as at and for the year ended 31 December 2022.

ENFORCEABILITY OF CIVIL LIABILITIES

The Bank is incorporated under the laws of the PRC. Most of its directors and officers reside outside the United States (principally in the PRC). A substantial portion of the assets of the Bank and the assets of such persons are or may be located outside the United States. As a result, it may not be possible for investors to effect service of process within the United States upon the Bank or such persons, or to enforce against the Bank or such persons judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States. The Bank has been advised by its PRC counsel, JunZeJun Law Offices, that there is uncertainty or impossible to ascertain as to whether the courts of the PRC would (1) enforce judgments of the U.S. courts obtained against the Bank or its directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States or (2) entertain original actions brought in the courts of the PRC against the Bank or its directors and officers predicated upon these civil liabilities provisions.

TABLE OF CONTENTS

SUMMARY OF THE OFFERING

The following is a brief summary of the offering and is qualified in its entirety by the remainder of this Offering Circular. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this summary. For a more complete description of the terms and conditions of the Notes, see "Terms and Conditions of the Notes" in this Offering Circular.

Issuer	Bank of China Limited, London Branch (ABN 29 002 979 955).
The Issue	U.S.$300,000,000 floating rate Notes due 2027.
Managers	Bank of China Limited, London Branch, Bank of China (Hong Kong) Limited, BOCI Asia Limited, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, Crédit Agricole Corporate and Investment Bank, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Industrial and Commercial Bank of China (Macau) Limited, Mizuho Securities Asia Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and Standard Chartered Bank.
Principal Paying Agent, Paying Agent	The Bank of New York Mellon, London Branch (for Notes cleared through Euroclear/Clearstream).
Registrar	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Transfer Agent	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Trustee	The Bank of New York Mellon, London Branch.
Clearing Systems	Euroclear and Clearstream (each of Euroclear and Clearstream, a "Clearing System"). See "*Clearing and Settlement*".
Status of the Senior Notes	The Senior Notes constitute direct, general, unsubordinated, unconditional, and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such obligation as may be preferred by provisions of law that are both, at all times rank at least *pari passu* with all of its other present and future unsecured and unsubordinated obligations as described in "*Terms and Conditions of the Notes – Status of the Notes and Guarantee of Guaranteed Notes – Status of the Senior Notes*".
Events of default relating to Senior Notes	The Senior Notes will contain events of default provisions relating to non-payment, breach of other obligations,

	insolvency, winding- up, illegality and guarantee not in force, as further described in Condition 15 (*Events of Default*).
Issue Price	100.00 per cent. of the Aggregate Nominal Amount
Maturity Date	The Interest Payment Date falling on or nearest to 18 October 2027
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula or otherwise) as may be specified in the Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the Pricing Supplement.
Redemption for tax reasons	Notes may be redeemed before their stated maturity at the option of the Issuer (in whole but not in part) as described in Condition 11(b) (Redemption for tax reasons). See "*Terms and Conditions of the Notes – Redemption and Purchase – Redemption for tax reasons*".
Interest	As set out in the Pricing Supplement.
Withholding Tax	All payments in respect of Notes will be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer will (subject to certain customary exceptions as described in Condition 14 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes, had no such withholding been required.
Listing and Trading	An application will be made to the ISM for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. Such admission to trading is expected to be effective on 21 October 2024.
Governing Law	English law.
Rating	The Notes are expected to be assigned a rating of "A1" by Moody's, "A" by Fitch and "A" by S&P.
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering materials in the United States of America, the EEA, the UK, the PRC, Hong Kong, Japan and Singapore, see "*Subscription and Sale*" below on page 201. For the purpose of Regulation S, Category 2 selling restrictions will apply.

Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Category 2 of Regulation S prior to the expiration of the relevant distribution compliance period. See "*Transfer Restrictions*".
Clearing and Settlement	The Notes will be issued in registered form and are sold in an "offshore transaction" within the meaning of Regulation S will initially be represented by a permanent registered global note certificate without interest coupons, which may be deposited on the Issue Date with a common depositary on behalf of Euroclear and/or Clearstream.

SUMMARY FINANCIAL INFORMATION OF THE BANK

The summary financial information set forth below have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

The Group has adopted International Financial Reporting Standard 17 Insurance Contracts ("**IFRS 17**") as issued by the IASB with the initial application date as at 1 January 2023, which resulted in restatement of the comparative figures for the previous period starting from 1 January 2022 in accordance with the transitional provisions of IFRS 17. The Group restated the comparative figures as at 1 January 2022, 31 December 2022 and for the year ended 31 December 2022.

Please note that financial data as at and for the year ended 31 December 2022 adopted in the management discussion and analysis regarding the financial performance and financial position of the Group set forth in this Offering Circular are all restated financial information (unless otherwise stated) to reflect the adoption of IFRS 17. Investors should therefore exercise caution when comparing the financial data of the Group in relation to related items as at and for the year ended 31 December 2022.

CONSOLIDATED INCOME STATEMENT

	For the year ended 31 December			
	2023	**2022 (after restatement)**	**2022 (before restatement)**	**2021**
	(Amount in millions of Renminbi, unless otherwise stated)			
Interest income	1,048,851	880,848	882,273	789,488
Interest expense	(582,306)	(421,582)	(421,595)	(364,346)
Net interest income	466,545	459,266	460,678	425,142
Fee and commission income	92,369	87,102	87,102	94,453
Fee and commission expense	(13,504)	(12,212)	(14,854)	(13,027)
Net fee and commission income	78,865	74,890	72,248	81,426
Net trading gains	28,723	7,221	13,332	28,291
Net gains on transfers of financial asset	806	2,083	2,057	3,197
Other operating income	49,199	43,001	70,824	67,661
Operating income	624,138	586,461	619,139	605,717
Operating expenses	(222,933)	(199,506)	(231,196)	(226,355)
Credit impairment losses	(106,494)	(97,993)	(98,027)	(103,079)
Impairment losses on other assets	(68)	(5,966)	(5,966)	(1,141)
Operating profit	294,643	282,996	283,950	275,142
Share of results of associates and joint ventures	965	645	645	1,478
Profit before income tax	295,608	283,641	284,595	276,620
Income tax expense	(49,237)	(46,916)	(47,091)	(49,281)
Profit for the year	246,371	236,725	237,504	227,339
Attributable to:				
Equity holders of the Bank	231,904	226,522	227,439	216,559
Non-controlling interests	14,467	10,203	10,065	10,780
	246,371	236,725	237,504	227,339
Earnings per share for profit attributable to equity holders of the Bank during the year (expressed in RMB per ordinary share)				
– Basic	0.74	0.72	0.73	0.70
– Diluted	0.74	0.72	0.73	0.70

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December			
	2023	**2022 (after restatement)**	**2022 (before restatement)**	**2021**
	(Amount in millions of Renminbi, unless otherwise stated)			
Assets				
Cash and due from banks and other financial institutions	568,855	815,063	815,063	644,816
Balances with central banks.......................	2,941,140	2,313,859	2,313,859	2,228,726
Placements with and loans to banks and other financial institutions	1,233,888	1,174,097	1,174,097	1,257,413
Government certificates of indebtedness for bank notes issued	203,176	196,497	196,497	175,715
Precious metals..	96,968	130,215	130,215	276,258
Derivative financial assets	146,750	152,033	152,033	95,799
Loans and advances to customers, net	19,476,871	17,116,005	17,117,566	15,322,484
Financial investments – financial assets at fair value through profit or loss	7,158,717	6,435,244	6,445,743	6,164,671
	550,421	613,105	571,960	561,642
– financial assets at fair value through other comprehensive income	3,248,113	2,500,216	2,468,375	2,389,830
– financial assets at amortised cost	3,360,183	3,321,923	3,405,408	3,213,199
Investments in associates and joint ventures	39,550	38,304	38,304	35,769
Property and equipment.............................	227,135	226,776	226,776	219,126
Construction in process..............................	20,346	19,613	19,613	26,965
Investment properties.................................	22,704	23,311	23,311	19,554
Deferred income tax assets	75,156	71,139	70,192	51,172
Other assets..	220,910	181,392	190,588	203,940
Total assets	32,432,166	28,893,548	28,913,857	26,722,408
Liabilities				
Due to banks and other financial institutions	2,245,362	2,240,323	2,240,323	2,682,739
Due to central banks	1,235,320	915,858	915,858	955,557
Bank notes in circulation	203,249	196,903	196,903	175,605
Placements from banks and other financial institutions	474,977	466,335	466,335	407,767
Financial liabilities held for trading...........	54,264	53,868	53,868	12,458
Derivative financial liabilities....................	135,973	135,838	135,838	89,151
Due to customers	22,907,050	20,201,825	20,201,825	18,142,887
Bonds issued..	1,802,446	1,540,935	1,540,935	1,388,678
Other borrowings.......................................	36,176	24,905	24,905	26,354

	As at 31 December			
	2023	2022 (after restatement)	2022 (before restatement)	2021
	(Amount in millions of Renminbi, unless otherwise stated)			
Current tax liabilities	59,303	58,957	58,957	45,006
Retirement benefit obligations	1,676	1,842	1,842	2,095
Deferred income tax liabilities	7,397	6,804	6,804	7,003
Other liabilities	512,158	485,854	501,893	436,555
Total liabilities	29,675,351	26,330,247	26,346,286	24,371,855
Equity				
Capital and reserves attributable to equity holders of the Bank				
Share capital	294,388	294,388	294,388	294,388
Other equity instruments	399,505	369,505	369,505	319,505
Preference shares	119,550	119,550	119,550	119,550
Perpetual bonds	279,955	249,955	249,955	199,955
Capital reserve	135,736	135,759	135,759	135,717
Treasury shares	–	–	–	–
Other comprehensive income	34,719	5,505	5,706	1,417
Statutory reserves	256,729	235,362	235,362	213,930
General and regulatory reserves	379,285	337,465	337,465	303,209
Undistributed profits	1,129,148	1,045,989	1,049,404	956,987
	2,629,510	2,423,973	2,427,589	2,225,153
Non-controlling interests	127,305	139,328	139,982	125,400
Total equity	2,756,815	2,563,301	2,567,571	2,350,553
Total equity and liabilities	32,432,166	28,893,548	28,913,857	26,722,408

RISK FACTORS

The Notes are offered to Professional Investors only and are not suitable for retail investors. Investors should not purchase the Notes in the primary or secondary markets unless they are Professional Investors. Investing in the Notes involve risks. Prospective investors should have regard to the factors described in this section before deciding whether to invest in the Notes.

Risks relating to the PRC Banking Industry

The PRC banking regulatory regime is continually evolving and the Group is subject to future regulatory changes

The Group operates in a highly regulated industry and is subject to laws and regulations governing all aspects of its operations. The principal banking-related statutes and regulations are the Commercial Banking Law and the Law of PRC on Supervision and Administration of Banking Sector and the related implementation rules. The principal regulators of the PRC banking industry are the National Financial Regulatory Administration (the "**NFRA**") (former China Banking and Insurance Regulatory Commission) ("**CBIRC**"), the People's Bank of China ("**PBOC**") and the State Administration of Foreign Exchange ("**SAFE**").

The PRC banking regulatory regime has been evolving continuously. Changes in the rules and regulations as well as their interpretations may result in additional costs or restrictions on the Group's operations and activities. For example, PBOC exercises significant influence over monetary policies.

In addition, the Group may be required to increase deposit reserves in response to future potential changes in PBOC rules and regulations. The Group may be required to take additional steps to adapt to future changes on a timely basis.

The Group's business and operations are directly affected by changes in the PRC's policies, laws and regulations relating to the banking industry, such as those affecting the extent to which it can engage in specific businesses, as well as changes in other governmental policies. There can be no assurance that the policies, laws and regulations governing the banking industry will not change in the future or that any changes will not materially and adversely affect the Group's business, financial condition and results of operations nor can there be any assurance that the Group will be able to adapt to any changes on a timely basis. For instance, changes in the financial regulatory policies may have a material impact on the operational and financial results of the Bank, while adjustment in the monetary policies and the regulatory methods will have a direct impact on the business activities of the Bank. The Group's business operations will be adversely affected if the Bank is unable to make proper adjustment to its business operations according to the trend of change in the financial regulatory policies and monetary policies. In addition, there may be uncertainties regarding the interpretation and application of new policies, laws and regulations, which may result in penalties and restrictions on the Group's activities and could also have a significant impact on its business.

The increasingly competitive nature of the PRC banking industry, as well as competition for funds which may arise from the development of the PRC capital markets, could adversely affect the Group's business, financial condition, results of operations and prospects

The PRC banking industry is becoming increasingly competitive. The Group faces competition from domestic and foreign-invested banks and financial institutions. In addition, the Mainland and Hong Kong Closer Economic Partnership Arrangement, which allows Hong Kong banks to operate in the PRC, may also increase competition in the PRC banking industry. These banks and financial institutions compete with the Group for substantially the same loan, deposit and fee customers. Moreover, the PRC government has, in recent years, implemented a series of measures designed to further liberalise the banking industry, including those relating to interest rates and fee-and-commission based products and services, which are changing the basis on which the Group competes with other banks for customers. Competition in the PRC banking industry may be further aggravated by internet finance and the participation of private capital in the banking businesses. The increased competition may:

- reduce the Group's market share in its principal products and services;
- reduce the growth of the Group's loan portfolio or deposit base and other products and services;
- reduce the Group's interest income, increase the interest expenses and decrease its net interest margin;
- reduce the Group's fees and commission income;
- increase the Group's outgoings and expenses, such as marketing and administrative expenses;
- lead to a deterioration of the Group's asset quality; and
- increase the turnover of and competition for senior management and qualified professional personnel.

The Group faces increased competition in all the business areas in which it currently operates or will in the future operate. The Group may also face competition for funds from other forms of investment alternatives as the PRC capital market continues to develop. For example, the PRC capital market is becoming a more viable and attractive investment alternative and the Group's deposit customers may elect to transfer their funds into bonds, equities, investment funds and other capital market instruments, which may reduce its deposit base and adversely affect its business, financial condition and results of operations.

The rate of growth of the PRC banking market may not be sustainable

The Group expects the banking market in the PRC to expand as a result of growth in the PRC economy, increases in household wealth, continued social welfare improvement, demographic changes and the opening of the PRC banking market to foreign participants. The prospective impact on the PRC banking industry of certain trends and events, such as the slowing down of the growth of the economy and the increasing competition in the financial industry, remain uncertain. Consequently, there is no assurance that the historic high rate of growth of the PRC banking market can be sustained.

The third edition of the Basel Capital Accord promulgated in December 2010 by Basel Committee ("Basel III") and related reforms could have an adverse effect on the Bank's business

In accordance with Basel III, the minimum Tier 1 Capital Adequacy Ratio will be raised from 4 per cent. to 6 per cent., while the minimum Common Equity Tier 1 Capital will be raised to 4.5 per cent. (with the China Banking and Insurance Regulatory Commission (the "**CBIRC**") expected to require PRC banks to maintain a 5 per cent. Common Equity Tier 1 Capital), with an additional 2.5 per cent. capital conservation buffer and certain buffer for systematically important banks.

CBIRC published the Administrative Measures for the Capital of Commercial Banks of the PRC (for Trial Implementation) (商業銀行資本管理辦法(試行)) (the "**CBIRC Capital Regulations**") in June 2012 requiring commercial banks to meet the regulatory capital adequacy requirements before the end of 2018. On 26 October 2023, the NFRA published the Regulations Governing Capital of Commercial Banks (the "**New Capital Regulations**") which became effective on 1 January 2024 and the CBIRC Capital Regulations ceased to have effect on the same day. The regulatory capital adequacy ratios requirements under the New Capital Regulations include minimum capital requirements, reserve capital requirements, counter-cyclical capital requirements, additional capital requirements for systemically important banks and Tier 2 capital requirements. The New Capital Regulations have set higher requirements for both the quality and quantity of banks' capital and after the implementation of these Measures, there are a more stringent definition of capital, further improved regulatory standards for capital instruments, and gradually reduced traditional subordinated debt capital instruments. Any failure of the Bank to adapt to the more stringent requirements for capital adequacy ratios level under the New Basel Capital Accord and thus to meet the higher requirements for the relevant regulatory indicators may adversely affect the Bank's business.

The Group's results of operations may be materially and adversely affected if PBOC further deregulates interest rates

PBOC has adopted reform measures to liberalise the PRC's interest rate regime. For example, in October 2004, PBOC eliminated restrictions in respect of the maximum interest rate for Renminbi-denominated loans and the minimum interest rate for Renminbi-denominated deposits. Thereafter, PBOC continued to lower the minimum interest rate for loans on repeated occasions. In June 2012, PBOC adjusted the maximum interest rate for deposits to 110 per cent. of the relevant benchmark deposit rate and the minimum interest rate for loans to 80 per cent. of the relevant benchmark lending rate. In July of the same year, PBOC again adjusted the minimum interest rate for loans to 70 per cent. of the relevant benchmark lending rate. On 20 July 2013, PBOC entirely removed lending rate control by eliminating the minimum interest rate for loans (except for individual residential mortgage loans) and removing controls on bill discount rates. On 25 October 2013, PBOC introduced a new prime lending rate, officially known as the "loan prime rate", which is based on a weighted average of lending rates from nine commercial banks. In recent years, PBOC has adjusted the benchmark interest rates several times. On 22 November 2014, PBOC lowered the one-year Renminbi benchmark loan interest rate by 0.4 percentage points to 5.6 per cent. and raised the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.75 per cent. On 1 March 2015, PBOC further lowered the one-year Renminbi benchmark loan interest rate by 0.25 percentage points to 5.35 per cent. and lowered the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.5 per cent. On 11 May 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 5.1 per cent. and 2.25 per cent. respectively. On 24 October 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 4.35 per cent. and 1.5 per cent., respectively. Moreover, the upper limit of the interest rate floating range of the Renminbi-denominated deposits in commercial banks was removed by PBOC on 24 October 2015. Going forward, PBOC may further liberalise the existing interest rate restrictions on Renminbi-denominated loans and deposits. If the existing regulations are substantially liberalised or eliminated, competition in the PRC's banking industry will likely intensify as the PRC's commercial banks seek to offer more attractive interest rates to customers. Further liberalisation by PBOC may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, thereby materially and adversely affecting the Group's business, financial condition and results of operations which in turn may negatively affect the Group's ability to service the Notes and to satisfy its other obligations under the Notes.

The PRC regulations impose limitations on the types of investments the Group may make and, as a result, the Group has limited ability to seek optimal investment returns to diversify its investment portfolio and to hedge the risks of its Renminbi-denominated assets

The government of the PRC (the "**PRC Government**") has imposed limitations on what a commercial bank may invest in. These permitted investments by issuers mainly include debt securities of:

- the government;
- public sector and quasi-government;
- policy banks;
- financial institutions; and
- corporates.

These investment restrictions limit the Group's ability to seek optimal returns on its investments. The restrictions may also expose the Group to significantly greater risk of investment loss in the event that a particular type of investment it holds suffers a decrease in value. In addition, due to the limited hedging tools available to it, the Group's ability to manage market and credit risks relating to its Renminbi- denominated assets is limited and any resulting decline in the value of its Renminbi-denominated assets may materially and adversely affect its business, financial condition and results of operations.

The effectiveness of the Group's credit risk management is affected by the quality and scope of information available in the PRC

National credit information databases developed by PBOC have been in operation since January 2006. However, as the information infrastructure in the PRC is still under development and there remains limitations on the availability of information, national credit information databases are generally under-developed and are not able to provide complete credit information on many of the Group's credit applicants. Until the PRC has further developed and fully implemented its nationwide unified credit information database on corporate borrowers, the Group has to rely on other publicly available resources and its internal resources to supplement what is currently available on the nationwide unified credit information database for enterprises. These sources of data and information are not sufficiently complete or effective for the robust credit risk management system that the Group attempts to build. Therefore, there can be no assurance that the Group's assessment of the credit risks associated with any particular customer is based on complete, accurate and reliable information, which materially and adversely affects the Group's ability to effectively manage its credit risk.

The Group is subject to certain operational requirements as well as guidelines set by the PRC banking regulatory authorities, such as maintaining a capital adequacy ratio

The Group is subject to certain operational requirements and guidelines set by the PRC banking regulatory authorities. NFRA requires all commercial banks in the PRC to maintain certain financial ratios throughout its operations.

In recent years, NFRA (former CBIRC) have issued several regulations and guidelines governing capital adequacy requirements applicable to commercial banks in the PRC. In April 2011, CBIRC promulgated the Guideline Concerning the Implementation of New Regulatory Standards for the PRC Banking Industry to clarify the direction for future regulations and the requirement for prudent regulatory requirements. In June 2012, CBIRC promulgated the CBIRC Capital Regulations which sets out the new requirements for capital adequacy which became effective on 1 January 2013, the minimum capital adequacy ratio, tier 1 capital adequacy ratio and common equity tier 1 capital adequacy ratio for commercial banks to meet by the end of 2018 are 8 per cent., 6 per cent. and 5 per cent., respectively. On 30 November 2012, CBIRC issued the Notice of the China Banking Regulatory Commission on Issues concerning Transitional Arrangements for the Implementation of the Administrative Measures for the Capital of Commercial Banks (for Trial Implementation), which sets out the requirements for capital adequacy ratio during the phase-in period. On 26 October 2023, NFRA published the New Capital Regulations which became effective on 1 January 2024 and the CBIRC Capital Regulations ceased to have effect on the same day. As a domestic systematically important bank and a global systematically important bank, the Group is subject to additional capital requirements of NFRA and the Basel Committee. As at 31 December 2023, the Group's capital adequacy ratio, tier 1 capital adequacy ratio and common equity tier 1 capital adequacy ratio (calculated in accordance with the Capital Rules for Commercial Banks (Provisional)) were 17.74 per cent., 13.83 per cent. and 11.63 per cent., respectively.

Although the Group is currently in compliance with the capital adequacy requirements, there can be no assurance that the NFRA will not issue new regulations to heighten the capital adequacy ratios requirements, particularly in the light of the implementation of the new Basel III. Any change in calculation of capital adequacy ratios by NFRA may also affect the Group's compliance with capital adequacy ratios. There can be no assurance that the Group will be able to meet these requirements in the future at all times. If the Bank fails to meet the capital adequacy requirements, NFRA may require the Bank to take corrective measures, such as restricting the growth of its loans and other assets or restricting its declaration or distribution of dividends. These measures could materially and adversely affect the Bank's business, financial condition and results of operations.

In order to support its steady growth and development, the Group may need to raise more capital to ensure that its capital adequacy ratios comply with the regulatory requirements. In its capital raising plan in the future, the Group may issue any equity securities that can replenish the Tier 1 capital or any debt securities that can replenish the Tier 2 capital. The Group's capital-raising ability may be restricted by the Group's future business, financial condition and results of operations, the Group's credit rating, regulatory approvals and overall market conditions, including Chinese and global economic, political and other conditions at the time of capital raising.

The PRC regulators have implemented measures relating to lending to small and medium-sized enterprises ("SMEs") and the Group may be affected by future regulatory changes

The NFRA has promulgated a series of measures to encourage banking institutions to implement the PRC Government's macroeconomic policies, and, in particular, to proactively support continued healthy economic growth by increasing lending activities to SMEs while effectively controlling risk. However, SMEs are more vulnerable to fluctuation in the macro-economy as compared to large enterprises due to relatively limited capital, management or other resources required to cope with the adverse impact of major economic or regulatory changes. In addition, SMEs may not be able to provide reliable information necessary for the Bank to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, the non-performing loans of the Bank may be significantly increased if its small and medium-sized enterprise clients are affected by economic or regulatory changes, which could materially and adversely affect the Group's business, results of operations and financial condition.

In addition, there can be no assurance that the policies, laws and regulations governing the PRC banking industry, in particular, those relating to lending to SMEs (e.g. incentive policies to encourage lending to SMEs), will not change in the future or that any such changes will not materially and adversely affect the Group's business, financial condition and results of operations.

Risks relating to the Group's Business

If the Group is unable to effectively control and reduce the level of impaired loans and advances in its current loan portfolio and in new loans the Group extends in the future, or if the Group's allowance for loan impairment losses on loans and advances is insufficient to cover actual loan losses, its financial condition and results of operations may be materially and adversely affected

The Group's results of operations have been and will continue to be negatively impacted by its impaired loans. According to IFRS Accounting Standards, being the set of accounting principles that are applicable to the Group, loans are impaired if there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms of loans. As at 31 December 2023, the Group's non-performing loans ("**NPLs**") under its five-category loan classification were RMB253.205 billion, representing an NPL ratio of 1.27 per cent. The Group seeks to continue to improve its credit risk management policies, procedures and systems, and has been able to effectively control the level of its impaired loans, despite the financial turmoil in global markets.

The amount of the Group's reported impaired loans and the ratio of the Group's impaired loans to its loans and advances to customers may increase in the future for a variety of reasons, including factors which are beyond the Group's control, such as a slowdown in economic growth and other adverse macroeconomic trends in the PRC or a deterioration in the financial condition or results of operations of the Group's borrowers, which could impair the ability of the Group's borrowers to service their debt. There can be no assurance that the Group will be able to maintain or lower its current impaired loan ratio in the future or that the quality of its existing or future loans and advances to borrowers will not deteriorate. As a result of the PRC Government's economic stimulus programmes, many PRC banks, including the Group, experienced high growth in their loan scale in the past. This increase in bank loans may lead to elevated impaired loan ratios and loan loss provisions as well as increasing strain on the Group's risk management resources, which may affect the quality of its loan portfolio.

As at 31 December 2023, the balance of the Group's allowance for impairment losses on loans and advances was RMB485.298 billion and the coverage ratio of allowance for loan impairment losses to NPLs was 191.66 per cent. The Group's allowance for loan impairment losses is affected by various factors, including the quality of the Group's loan portfolio, the Group's borrowers' financial condition, repayment ability and repayment intention, the realisable value of any collateral, the extent of any guarantees, the industry in which the borrower operates, as well as general economic and business conditions. Many of these factors are beyond the Group's control. Furthermore, the adequacy of the Group's allowance for loan impairment depends to a significant extent on the reliability of, and its skills in utilising, its model for determining the level of allowance, as well as its system of data collection. The limitations of the Group's model, its lack of experience in using the model and deficiencies in its data collection system may result in inaccurate and insufficient allowance for impairment losses. As a result, the Group's actual loan impairment losses could prove to be different from its estimates and could exceed its allowance. If the Group's allowance for impairment losses on loans and advances proves insufficient to cover actual losses, it may need to make additional allowance for losses, which could significantly reduce its profit and adversely affect its business, financial condition and results of operations.

If the Group is unable to realise the collateral or guarantees securing its loans to cover the outstanding principal and interest balance of its loans, its financial condition and results of operations may be adversely affected

A substantial portion of the Group's loans is secured by collateral. The Group's loan collateral primarily includes real estate and other financial and non-financial assets located in the PRC, the value of which may fluctuate due to factors beyond the Group's control, including macroeconomic factors affecting the PRC economy. In particular, an economic slowdown in the PRC may lead to a downturn in the PRC real estate market, which may in turn result in declines in the value of the collateral securing many of the Group's loans to levels below the outstanding principal balance of such loans. Any decline in the value of the collateral securing the Group's loans may result in a reduction in the amount the Group can recover from collateral realisation and an increase in its impairment losses.

In addition, a considerable portion of the Group's domestic loans are guaranteed. The Group's exposure to guarantors is generally unsecured, and a significant deterioration in the financial condition of these guarantors increases the risk that the Group may not be able to recover the full or any amount of such guarantees if needed and when required.

Furthermore, the guarantee provided by such guarantors may be determined by the court as invalid if the relevant guarantor fails to comply with applicable PRC laws and regulations.

The Group has granted loans to certain overcapacity sectors, the real estate sector and local government financing vehicles ("LGFVs") and any extended downturn in or change in national policies towards the overcapacity sectors, the real estate sector and LGFVs may adversely affect the Group's financial condition, results of operations and prospects

Loans to Overcapacity Sectors, High Energy Sectors and High Pollutant Emission Sectors

The Group has granted loans to industries and sectors featured by high energy consumption and high pollutant emission and implemented differentiated credit policies in relation to overcapacity sectors.

In the past few years, the Bank has adopted a relatively stringent criteria for extending loans to the overcapacity sector with priority given to the enterprises under key projects of the State or leading enterprises within the industry; meanwhile, the Bank has stepped up efforts in loan restructuring and withdrawn from enterprises that are not compliant with the State's industrial policies. The overall asset quality of loans to overcapacity sectors is maintained at a satisfactory level with the loans primarily going to the leading enterprises within the industry and is therefore better protected against risks. However, if the problem of overcapacity in China continues to aggravate and the relevant enterprises receiving credit facilities from the Bank are unable to implement technology upgrade in a timely manner to stay competitive, the quality of loans to the above sectors may be adversely affected.

Real Estate Sector

The Group's loans and advances to the real estate sector primarily comprise loans issued to real estate companies and individual housing loans. In the PRC, the ongoing corporate deleveraging efforts by the PRC government since 2017 and the increased amount of corporate defaults over recent years, particularly in the real estate sector, have contributed to further turmoil in financial markets.

With respect to its real estate loans, the Group follows strictly its credit risk management procedures, including on-going credit monitoring of borrowers' financial information, and strictly enforcing repayment schedules. In addition, the Group has established a regional risk alert system and loan policy adjustment mechanism applicable to the real estate sector.

The Group has instructed its branches to strengthen research of regional and local real estate market conditions, adjust credit guidelines applicable to real estate loans and implement different credit limits to reflect different levels of risk for these loans. The PRC real estate market is subject to volatility and property prices have experienced significant fluctuations in recent years. The PRC Government has plans to and has already implemented certain macroeconomic control and other adjustment measures aiming at managing these fluctuations and preventing the real estate market from over-heating. These policies may have an adverse effect on the growth of the Group's loans to the real estate industry, the quality of loans extended to the real estate industry and the quality of the Group's mortgage loan portfolio. In addition, if the real estate market in the PRC experiences a significant downturn, the value of the real estate securing the Group's loans may decrease, resulting in a reduction in the amount the Group can recover on its loans in the event of default. This may in turn materially and adversely affect the Group's asset quality, business, financial condition and results of operations.

LGFVs

LGFVs are legal entities formed by local governments which are primarily responsible for utilisation of financial capitals and external financing in relation to urban infrastructure. Loans to LGFVs are a part of the loan portfolio of commercial banks in PRC, including the Group's. The Group's loans to LGFVs are primarily utilised by infrastructure projects including transportation and urban projects and land reserve centres. A majority of these projects comprise of loans to provincial-and municipal-level platforms with terms of less than 10 years and are mainly fully or partially covered by operating cash flows of the projects.

The Group attaches great importance to the credit management of LGFVs and has undertaken a series of measures, such as access lists, industry quotas, debt limitation models and regular review, to reduce credit risks associated with loans to LGFVs. The Group intends to further strengthen the risk management of LGFVs. Although the Group has taken a variety of credit risk management measures, it may not discover all potential risks associated with irregular operations, large debts and unsustainable revenues of LGFVs or the potential reform or elimination of non-compliant entities by local governments. In addition, as local government revenues are primarily derived from taxes and land premiums, the economic cycles and fluctuations in the real estate market may also adversely affect the quality of such loans. There can be no assurance that the LGFVs will be able to fulfil their obligations under the terms of the loans on time or at all. Any failure by these LGFVs to fulfil their loan obligations may have a material and adverse effect on the Group's business, financial condition and results of operations.

The formal implementation of the deposit insurance scheme may adversely affect the Group's deposit-taking business and financial position

The Deposit Insurance Regulations formulated by the State Council came into effect on 1 May 2015, which will result in the formal establishment of a deposit insurance scheme in the PRC. The Deposit Insurance Regulations requires that the commercial banks and other deposit-taking banking financial institutions established in the PRC shall take out deposit insurance and pay deposit insurance premiums to relevant deposit insurance fund management institutions, with such premiums to be used as deposit insurance funds to compensate depositors in the event of the liquidation or similar event of any PRC bank. Under the deposit insurance scheme, upon the liquidation or similar event of any PRC bank, the maximum compensation that a depositor may receive on the total principal and accrued interest deposited with such PRC bank will be capped at RMB500,000.

The deposit insurance premiums to be paid by the Bank in accordance with the Deposit Insurance Regulations and other relevant laws and regulations will increase the Group's operating costs and capital requirements. Furthermore, the deposit insurance scheme may increase competition among PRC banks for deposits as some depositors may consider spreading out their deposits with different PRC banks. This may result deposits currently held with the Group being transferred by depositors to other PRC banks as well as the Group having to offer higher interest rates to retain existing, and attract new, depositors, which may have an adverse effect on the Group's business, financial position and operating results.

Any deficiencies in the Group's risk management and internal control system may adversely affect the Group's financial condition and results of operations

With the expansion of its business, products and services, the Group may face significant challenges in risk management and may need to further improve its risk management system. For example, in addition to commercial banking services, the Group provides investment banking, insurance, direct investment, fund management and aircraft leasing services. The risks related to these services are different from those related to commercial banking services. The Group has adopted measures, policies and procedures to improve its risk management and internal control system and strengthen consolidated balance sheet risk management. However, such measures, policies and procedures may not be effective in managing the relevant risks. As a result, the Group's risk management and internal control system still need to be improved. Any deficiencies in the Group's risk management system may affect the Group's ability to respond to these risks. If the risk management system of the Group is unable to effectively manage relevant risks, its financial condition and results of operations may be adversely affected.

The Group assesses specific risks of single corporate clients as well as its overall credit risk through an internal credit assessment system. Its system involves detailed analysis of its borrowers' credit risk, taking into account both quantitative and qualitative factors. Therefore, the Group may be exposed to risks associated with inaccurate assessments. The effectiveness of the Group's credit rating system is also limited by the information available to it and the credit history of its borrowers. The Group has improved its credit policies and guidelines to better process potential risks relating to certain industries, including the real estate industry, and certain borrowers, including affiliated companies and group enterprises. However, the Group may fail to identify these risks on a timely basis given the limited resources and tools available to it. If the Group fails to effectively enforce, constantly follow or continue to improve its credit risk management policies and guidelines, its business operations, financial results and reputation may be materially and adversely affected.

The Group continues to improve its internal control system. The Group's Risk Management and Internal Control Committee under its senior management as well as the risk management and internal control committees of the Group's branches are responsible for ensuring the effective performance of the Group's internal control system. The Group expends significant effort on the development of its internal control system, improvement of its management mechanisms including internal control examination, modification and monitoring of workflow and internal control and compliance assessment, enhancement of the standardisation of management procedures, and strengthening of monitoring of key internal control measures and key positions. In addition, by further increasing the independence, professional competence and effectiveness of its internal audit function, the Group continuously improves its internal audit in overall business and risk management and strengthens the communication between its internal audit committee and external auditor as well as between the management and the internal audit department. However, if the Group's internal control system is not effectively implemented or consistently applied, the Group's business operations, financial results and reputation may be adversely affected.

The Group may encounter difficulties in effectively implementing centralised management and supervision of its branches and subsidiaries, as well as consistently applying of its policies throughout the Bank, and may not be able to timely detect or prevent fraud or other misconduct by its employees or third parties

The Group's branches and subsidiaries historically have significant autonomy in their respective operations and managements. In the past, the Group was not always able to timely detect or effectively prevent failures in management at the branch or subsidiary level. In addition, due to limitations in information systems and differences between domestic and overseas regulatory policies, the Group's efforts in detecting or preventing such failures may not be implemented consistently and may not be sufficient to prevent all irregular transactions or incidents.

The Group may be subject to fraud and other misconduct committed by its employees, customers or other third parties, which could adversely affect its business operations and reputation. Common weaknesses that facilitate fraud include inadequate segregation of duties, insufficient internal controls and noncompliance with the Group's internal control policies by the employees. While the Group has implemented measures aimed at detecting and minimising employees' and third parties' misconduct and fraud, it may not always be able to timely detect or prevent such misconduct, and it may need to continue to improve its current, and implement new, policies and measures. If the Group is unable to effectively manage and supervise its branches and subsidiaries, it may not be able to detect or prevent fraud or other misconduct of its employees or third parties in a timely manner, which may result in damage to its reputation and an adverse effect on its business, financial condition, results of operations and prospects.

The Group is subject to fluctuations in interest rates and exchange rates and other market risks

The Group's results of operations significantly depend on its net interest income. Fluctuations in interest rates could adversely affect the Group's financial condition and results of operations in different ways. For example, a fall in interest rates may result in a decrease in the interest income of the Bank and an increase in interest rates will normally result in a decline in the value of its fixed rate debt securities. Moreover, the gradual liberalisation of the regulation of interest rates may result in greater interest rate volatility as well as intensified competition in deposit and lending businesses. Such competition could result in an increase in cost of funds and a decrease in pricing on loans, which in turn could lead to a decrease in the Group's net interest income. In addition, despite the withdrawal of interest rate regulations on loans which allows the Group to charge different interest rates to borrowers with different credit ratings, the Group may not be able to benefit from such measures due to increased competition. A significant portion of the Group's outstanding interest-earning assets and, interest-bearing liabilities are denominated in foreign currencies. As a result, the Group's financial condition and results of operations are also affected by fluctuations in the interest rates associated with these foreign currencies.

The Group conducts a substantial portion of its business in Renminbi, with certain transactions denominated in U.S. dollars, HK dollars and, to a much lesser extent, other currencies. The Group's primary subsidiary, Bank of China (Hong Kong) Limited ("**BOCHK**"), conducts a substantial portion of its business in HK dollars and Renminbi. The Group endeavours to manage fund source and application to minimise potential mismatches in accordance with management directives. However, the Group's ability to manage its foreign currency positions in relation to the Renminbi is limited as the Renminbi is not a completely freely convertible currency.

The value of Renminbi against U.S. dollar, Euro and other currencies fluctuates and is affected by many factors, such as changes in political and economic conditions in the PRC and globally. On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. In July 2008, the PRC Government announced that its exchange rate regime would change into a managed floating mechanism based on market supply and demand. Given domestic and overseas economic developments, PBOC adjusted the Renminbi exchange rate regime in April 2012 to enhance the flexibility of the Renminbi exchange rate. The PRC Government may make further adjustments to the exchange rate system in the future. Any appreciation of Renminbi against U.S. dollar, Euro or any other foreign currency may result in a decrease in the value of the Group's foreign currency-denominated assets. Conversely, the Group is required to obtain approval from the SAFE before converting foreign currencies into Renminbi for non-current account transactions, such as repayment of the principal of loans and equity investments. All these factors may adversely affect the Group's business, financial condition and results of operations, as well as its compliance with the capital adequacy ratios and operating ratios requirements.

To the extent the Group's foreign currency-denominated assets and liabilities cannot be matched in the same currency or appropriately hedged, fluctuations in foreign currency exchange rates against Renminbi may adversely affect the Group's financial condition and results of operations.

There are operational risks associated with the Group's industry which, if realised, may have an adverse impact on its business operation

Like all other financial institutions, the Group is exposed to many types of operational risks, including the risk of fraud, unauthorised transactions or other misconduct by employees (including the violation of regulations for the prevention of corrupt practices, as well as other regulations governing the Group's business activities), or operational errors, including clerical or record keeping errors or errors resulting from computer or telecommunications systems failure. The Group is also exposed to the risk that external vendors may fail to fulfil their contractual obligations to it (or will be subject to the same risk of fraud or operational errors by their employees). Moreover, the Group is exposed to the risk that its (or its vendors') business continuity and data security systems prove not to be sufficient in case of a system failure or natural disaster.

Given the Group's high volume of transactions, certain errors may be repeated or compounded before they are discovered and successfully rectified. In addition, the Group's dependence upon automated systems to record and process transactions may further increase the risk of technical system flaws or employee tampering or manipulation of those systems. The Group may also be subject to disruptions of its operating systems, arising from events that are wholly or partially beyond its control (including, for example, natural disasters, external network attacks or electrical or telecommunication outages), which may give rise to a deterioration in customer service and to loss or liability to it. Although, like all banks, the Group maintains monitoring and controlling system designed to reduce operational risks, the Group has suffered losses from operational risks and there can be no assurance that the Group will not suffer losses from operational risks in the future. The Group's reputation could be adversely affected by the occurrence of any such events involving its employees, customers or third parties. In addition to internal factors that may affect the Group's operations, the rapid growth and expansion of its business in recent years may have also resulted in increasing complexity in its internal and external control systems and risk management measures, which may add to its operational risks.

The Group's expanding range of products and services exposes it to new risks

The Group has been expanding and intends to continue to expand the range of its products and services. Expansion of its business activities and product range exposes the Group to a number of risks and challenges, including the following:

- if the Group fails to promptly identify and expand into new areas of business to meet the increasing demand for certain products and services, the Group may fail to maintain its market share or lose some of its existing customers;
- the Group may not have sufficient experience or expertise in certain new products and services and may not compete effectively in these areas;
- the new products and services may not be accepted by the Group's customers or meet its expectations for profitability;
- the new products and services may give rise to potential disputes or claims from customers;
- the Group may not be able to hire new personnel or retrain current personnel to enable it to conduct new business activities;
- the Group may fail to obtain regulatory approval for its new products or services; and
- the Group may not be successful in enhancing its risk management capabilities and information technology systems to support a broader range of products and services. If the Group is unable to achieve the intended results from the expansion of its range of products and services, its business, financial condition and results of operations may be materially and adversely affected.

The continuous rapid growth of the business of the Bank raises higher requirements on management and operation levels and brings various risks and challenges to the Bank. Regardless of the Bank's active efforts in improving corporate structure and governance, it takes time for the Bank to implement the relevant measures and the relevant measures may be unable to enhance such aspects of the Bank as corporate structure and governance as anticipated.

The Bank may require additional capital in order to sustain its business growth. The ability of the Bank to increase capital is subject to various factors, including the Bank's future financial conditions, the approval from governmental and regulatory authorities and the overall conditions of the market.

If the Bank fails to keep growing at the current speed or any new business activity may not achieve expected results or the Bank fails to increase capital and successfully address risks and challenges brought by rapid growth, the Group's business, financial condition, results of operations and prospects may be adversely affected.

The Group is subject to credit and liquidity risks with respect to certain off-balance sheet commitments

In the normal course of its business, the Group makes commitments and guarantees which are not reflected as liabilities on its statement of financial position, including commitments, guarantees and letters of credit relating to the performance of its customers. The Group is subject to the credit risk of its customers as a result of these off-balance sheet undertakings. Over time, the creditworthiness of the Group's customers may deteriorate and the Group may be called upon to fulfil its commitments and guarantees in case any of its customers fail to perform their obligations owed to third parties. If the Group is unable to obtain payment or indemnification from its customers in respect of these commitments and guarantees, its business, financial condition and results of operations may be adversely affected.

The Group is subject to the supervision and inspection of regulators in jurisdictions where it operates

The Group is subject to supervision and regular and irregular inspection by the PRC's regulatory institutions and other administrative institutions, including the Ministry of Finance, PBOC, NFRA, China Securities Regulatory Commission ("**CSRC**"), the State Administration of Taxation, the State Administration of Industry & Commerce, SAFE, the National Development and Reform Commission (the "**NDRC**") and the National Audit Office and their local counterparts where the Group operates. The Group's branches and regulated subsidiaries must follow local laws, regulations and regulatory requirements of relevant local regulatory institutions. There can be no assurance that the Group's branches and sub-branches will be able to meet the applicable laws and regulatory requirements at all times. Any failure of the Group to meet these requirements may result in fines, penalties or sanctions which may adversely affect the Group's operations, reputation, business, financial position and results of operations.

The Group implements sanctions compliance policies in accordance with relevant external sanctions regulations. Changes in these sanction regulations could change from time to time

The U.S. currently imposes various economic sanctions, which are administered mainly by the U.S. Treasury Department's Office of Foreign Assets Control and the U.S. State Department. For instance, U.S. persons can be prohibited from engaging in any transactions with a designated target of certain sanctions, including the purchase and sale of, and receipt of payments under, securities issued by such designated target. Similar sanctions are administered by the UK, the European Union, United Nations Security Council and other applicable jurisdictions. These sanctions are intended to address a variety of policy concerns, among other things denying certain countries, and certain individuals and entities, the ability to support international terrorism and to pursue weapons of mass destruction and missile programmes.

The Group attaches great importance to sanctions compliance and follows the requirements of sanctions resolutions, laws, regulations and regulatory rules of the United Nations Security Council, PRC and other applicable jurisdictions. According to the Bank's compliance policy, no financial service shall be provided to any sanctioned countries, entities or individuals which are prohibited by sanctions. Sanctions regulations will change from time to time, and any such changes above could adversely affect the Group's business, results of operation and financial condition.

The Group is subject to risks associated with its derivative transactions and investment securities

The Group enters into derivative transactions primarily for trading, asset and liability management and on behalf of its customers. There are credit, market and operational risks associated with these transactions. In addition, there is not a complete set of market practice and documentation records in the PRC's derivative market and the PRC courts have limited experience in dealing with issues related to derivative transactions. This may further increase the risks associated with these transactions. In addition, the Group's ability to monitor, analyse and report these derivative transactions is subject to the development of the Group's information technology system. As a result, the Group's financial condition and results of operations may be adversely affected by these derivative transactions.

The investments of the Group in securities including bonds, shares or other financial instruments, both domestically issued in the PRC and offshore. Such investments are subject to credit, market liquidity and other types of risks associated with such investments.

The Group will continue to closely follow up with the developments in the international financial markets and assess impairment allowances on related assets in a prudent manner in accordance with IFRS Accounting Standards. Any non-performance or default by the counterparty or volatility of the markets or liquidity of the markets in which may have an adverse effect on the Group's financial condition and results of operations.

The Group's liquidity may be adversely affected if it fails to maintain its deposit growth or if there is a significant decrease in its deposits

Most of the funding requirements of the Group's commercial banking operations are met through short-term funding, principally in the form of deposits, including customer and inter-bank deposits. Although the Group has established a liquid assets investment portfolio to supplement its on-going liquidity needs, it continues to rely primarily on customer deposits to meet its funding needs. While the Group's short-term customer deposits have been a stable and predictable source of funding, there can be no assurance that the Group will always be able to rely on this source of funding. If the Group fails to maintain its deposit growth or if there is a significant decrease in its deposits, the Group's liquidity position, business, financial condition and results of operations may be adversely affected. Should any of these events occur, the Group may need to seek more expensive sources of funding to meet its funding requirements.

In addition, there are mismatches between the maturity of the Group's assets and the maturity of its liabilities. If the mismatches between the maturity of its assets and the maturity of its liabilities widen significantly, the Group's liquidity position could be adversely affected and funding from higher-cost source has to be obtained. Furthermore, the Group's ability to obtain additional funds may also be affected by other factors, including factors beyond the Group's control, such as the deterioration of overall market conditions, disturbances to the financial markets or a downturn in the industries where it has substantial credit exposure. All of these factors may result in significant adverse effects on the Group's liquidity, business, financial position and results of operations. See also "*Risk Factors – Risks Relating to the PRC Banking Industry*" for additional information relating to the PRC banking regulatory regime.

The Group's provisioning policies and loan classification may be different in certain respects from those applicable to banks in certain other countries or regions

The Group determines a level of allowance for impairment losses and recognises any related provisions made in a year using the concept of impairment under International Financial Reporting Standard No. 9 – Financial Instruments ("**IFRS 9**"). The Group's provisioning policies may be different in certain respects from those of banks incorporated in certain other countries or regions which do not assess loans under IFRS 9. As a result, the Group's allowance for impairment losses, as determined under those provisioning policies, may differ from those that would be reported if it was incorporated in those countries or regions.

The Group classifies its loans as "pass", "special-mention", "substandard", "doubtful" and "loss" by using the five-category classification system according to requirements of NFRA. Its five-category classification system may be different in certain respects from those banks incorporated in certain other countries or regions. As a result, it may reflect a different degree of risk than what would be reported if the Group was incorporated in those countries or regions.

The Group may not be able to detect money laundering and other illegal or improper activities, which could expose it to additional liability and harm its business

The Group is required to comply with applicable anti-money laundering laws, anti-terrorism laws and other regulations in the PRC and other jurisdictions in which it has operations. These laws and regulations require the Group, among other things, to formulate "know your customer" policies and procedures and to report suspicious and large transactions to the applicable regulatory authorities in different jurisdictions.

While the Group has adopted policies and procedures aimed at detecting and preventing the use of its banking network for money laundering activities or by terrorists and terrorist-related organisations and individuals generally, such policies and procedures may not completely eliminate instances where the Group may be used by other parties to engage in money laundering or other illegal or improper activities. To the extent the Group may fail to fully comply with applicable laws and regulations, the relevant government agencies to whom the

Group reports have the power and authority to impose fines and other penalties on the Group, which may materially and adversely affect the Group's reputation, business, financial condition and results of operation.

The Group's business is highly dependent on the proper functioning and improvement of its information technology systems. Malfunction of or failure to improve or upgrade the information technology systems timely could have an adverse effect on the Bank's business

The Group is highly dependent on the ability of its information technology systems to accurately process a large number of transactions across numerous and diverse markets and products in a timely manner. The proper functioning of the Group's financial control, risk management, accounting, customer service and other data processing systems, together with the communication networks among the Group's various branches and sub-branches and its main data processing centres, are critical to the Group's business operations and its ability to compete effectively. The Group has developed an information system operation and management procedure based on the best practice and passed the certification of ISO 20000 standard of information technology ("**IT**") operation and maintenance. The Group has established information security management system covering areas such as physical environment security, operational security, access control and information security event management. Such security management system complies with international standards and is certified with ISO 27001 international standards. The Group has developed a comprehensive IT emergency response mechanism and work process to cope with IT emergencies and formulated contingency plans covering all application systems, infrastructure and key equipment, which ensures prompt and effective response to IT emergencies. The Group has maintained backup data and developed a disaster recovery process under the "two locations and three centres" framework to ensure the continued function of the information system in disastrous events and the ability to cope with regional disastrous events effectively. However, the Group's operations may be materially disrupted if there is fatal malfunction or regional major disaster. In addition, any security event caused by loss or corruption of data and malfunction of software, hardware or other computer equipment could have a material and adverse effect on the Group's reputation, business, financial condition and results of operations.

The Group's ability to remain competitive will depend largely on its ability to upgrade its IT systems on a timely and cost-effective basis. In addition, the information available to and received by the Group through its existing IT systems may not be timely or sufficient enough for it to manage risks and plan for, and respond to, market changes and other developments in its current operating environment. As a result, the Group is making and intends to continue making investments to improve or upgrade its IT systems. Any failure to improve or upgrade its IT systems effectively or on a timely basis could adversely affect the Group's competitiveness, business, financial condition and results of operations.

Internet banking services involve risks of security breaches

Internet banking activities involve the electronic storage and transmission of confidential information, which are vulnerable to unauthorised access, external network attacks and other disruptions. These possible security threats could expose the Group to liability and damage its reputation. Costs incurred in preventing security threats may be high and may adversely affect the Group's business, financial condition and results of operations. The failure of the Group to detect any defects in software products which are used in providing its internet banking services and an unexpected and sudden high volume of internet traffic may have an adverse effect on the Group's internet banking business.

There can be no assurance of the accuracy or comparability of facts, forecasts and statistics contained in the Offering Circular with respect to the Bank, the Group, the PRC, its economy or its banking industry

Certain facts, forecasts and statistics in the Offering Circular relating to the PRC, the PRC's economy and global banking industries and the Bank's market share and ranking are derived from various official and other publicly available sources which are generally believed to be reliable. However, the Bank cannot guarantee the quality and reliability of such source materials. In addition, these facts, forecasts and statistics have not been independently verified by the Bank, the Group, or any of their respective directors, employees, representatives, affiliates or advisers and, therefore, none of them makes any representation as to the accuracy or fairness of such facts, forecasts and statistics, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up to date. The Bank has taken reasonable care in reproducing or extracting the information from such sources. However, because of possibly flawed or ineffective methodologies underlying the published information or discrepancies between the published information and market practice and other problems, these facts, forecasts and other statistics may be inaccurate or may not be comparable from period to period or be comparable to facts, forecasts or statistics produced for other economies and should not be unduly relied upon.

Risks relating to the PRC

The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect the Group

The Group relies, to a significant degree, on its domestic operations to achieve revenue growth. Domestic demand for banking services is materially affected by growth of private consumption and overall economic growth in the PRC. The global crisis in financial services and credit markets in 2008 has caused a slowdown in the economic growth in many countries, including the PRC. Although the PRC's economic growth has increased compared to its level immediately after the global financial crisis, it has displayed signs of slowdown as evidenced by a decrease in the growth rate of the PRC's gross domestic product ("**GDP**") in recent years. This was caused by a combination of factors most of which are beyond our control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. In 2021, the PRC Government reported a GDP of RMB114.37 trillion, representing year-on-year growth of 8.1 per cent. In 2022, the PRC Government reported a GDP of RMB121.02 trillion, representing year-on-year growth of 3.0 per cent. In 2023, the PRC Government reported a GDP of RMB126.06 trillion, representing year-on-year growth of 5.2 per cent. Although the PRC Government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no assurance that those measures will be effective.

Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global economy. The United States and China have been involved in disputes over trade barriers that have escalated into a trade war between the two countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. The two governments have entered into an initial phase one agreement to resolve the disputes on 15 January 2020. However, there are uncertainties as to when and whether the phase two negotiations will begin and whether the two governments will continue to fulfil their respective obligations under the phase one agreement. All these would add to the uncertainties relating to the overall prospects for the global and the PRC economies, which may have a material adverse impact to the Group's business, prospects, financial condition and results of operations.

The Group's business may be affected by the PRC's economic, political and social conditions and the prospects of the industries in which its loans are concentrated

A significant majority of the Group's businesses, assets and operations are located in the PRC. Accordingly, its financial condition, results of operations and business prospects are, to a significant degree, subject to the economic, political, legal and social developments in the PRC. The PRC's economy differs from the economies of most developed countries in many respects, including, among others, government involvement, level of development, growth rate, control of foreign exchange and allocation of resources.

The PRC economy has been undergoing a transition from a planned economy to a market-oriented economy. A substantial portion of productive assets in the PRC is still owned by the PRC Government. The PRC Government also exercises significant control over the PRC's economic growth by allocating resources, setting monetary policy and providing preferential treatment to particular industries or companies. In recent years, the PRC Government has pushed forward a large number of economic reform measures to introduce market forces and promote the establishment of sound corporate governance structures. Such economic reform measures may be adjusted, modified or applied differently depending on the industries and regions of the country. As a result, the Group may not benefit from certain of such measures.

The PRC Government has the power to implement macroeconomic controls affecting the PRC's economy. The PRC Government has implemented various measures in an effort to control the growth rate of certain industries and restrain inflation. As measured by GDP, the PRC has been one of the world's fastest growing economies in recent years. In 2021, the PRC Government reported a GDP of RMB114.37 trillion, representing year-on-year growth of 8.1 per cent. In 2022, the PRC Government reported a GDP of RMB121.02 trillion, representing year-on-year growth of 3.0 per cent. In 2023, the PRC Government reported a GDP of RMB126.06 trillion representing year-on-year growth of 5.2 per cent. However, the PRC may not be able to sustain such a growth rate. During the recent global financial crisis and economic slowdown, the growth of the PRC's GDP slowed down. (See "*– Risks relating to the PRC – The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us*" above.) If the PRC's economy experiences a decrease in growth rate or a significant downturn, any unfavourable business environment or economic condition for the Group's customers could negatively impact their ability or willingness to repay their loans and reduce their demand for the Group's banking services. As a result of the foregoing, the Group's business, financial condition and results of operations may be materially and adversely affected.

The interpretation of the NDRC Order 56 may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Notes. Any failure to complete the relevant filings and/registration under the NDRC Order 56 within the prescribed time frames may have adverse consequences for the relevant Issuer and/or the investors of the Notes

The NDRC issued the NDRC Order 56 on 5 January 2023, which came into effect on 10 February 2023. According to the NDRC Order 56, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a term not less than one year issued outside the PRC with the NDRC prior to the issue of the securities, and notify the particulars of the relevant issues within the timeframe prescribed by the NDRC after the completion of the relevant issue.

Under the NDRC Order 56, the Bank shall, (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the Certificate with respect to the relevant Notes in accordance with the NDRC Order 56, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations.

Failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under articles 24 and 26 of the NDRC Order 56 may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the "Credit China" website and the national enterprise credit information publicity system, among others.

The Bank undertakes to file or cause to be filed with the NDRC within the relevant prescribed timeframes after the relevant Issue Date the requisite information and documents in respect of the relevant Notes in accordance with the NDRC Order 56 and any implementation rules or policies as issued by the NDRC from time to time.

However, the NDRC Order 56 is relatively new and its implementation may involve significant uncertainty. The administration and enforcement of the NDRC Order 56 may be subject to executive and policy discretion of the NDRC. While the NDRC Order 56 has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Order 56, the NDRC Order 56 is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the NDRC Order 56 would not result in adverse consequences on the relevant Issuer's or the Bank's ability to perform in accordance with the Terms and Conditions of the Notes or the enforceability of the Notes.

Interpretation and implementation of the PRC laws and regulations may involve uncertainties

The Bank is incorporated and exists under the laws of the PRC. The PRC legal system is based on written statutes. Since the late 1970s, the PRC has promulgated laws and regulations dealing with legal relations in respect of such economic matters as foreign investment, corporate organisation and governance, commerce, taxation and trade, with a view towards developing a comprehensive system of commercial law. However, as many of these laws and regulations are relatively new and continue to evolve, especially with respect to the PRC banking regulatory regime, these laws and regulations may be subject to different interpretations and inconsistently enforced. In addition, there is only a limited volume of published court decisions, which may be cited for reference but are not binding on subsequent cases and have limited precedential value. These uncertainties relating to the interpretation and implementation of the PRC laws and regulations may adversely affect the legal protections and remedies that are available to the Group in its operations and to holders of the Notes.

For example, NDRC issued the NDRC Order 56 on 5 January 2023, which came into effect on 10 February 2023. According to the NDRC Order 56, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities with a term not less than one year issued outside the PRC with NDRC prior to the issue of the securities and shall, (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the "Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises (企業借用外債審核登記證明)" with respect to the relevant Notes issued by NDRC, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations. The NDRC Order 56 mentions some legal consequences of non-compliance with the pre-issue registration requirement. For example, if the enterprise borrows a foreign debt in violation of the NDRC Order 56, the examination and registration authority shall take disciplinary actions such as holding an interview and giving a public warning against the relevant enterprise and its principal person-in-charge according to the seriousness of the circumstances, and if intermediary agency knows or should have known that an enterprise is borrowing a foreign debt in violation of the relevant provision of the NDRC Order 56 but still provides the relevant intermediary services to the enterprise, the examination and registration authority shall circulate a notification of violation of regulations, and consult the relevant department on punishing the relevant intermediary agency and relevant liable persons in accordance with the applicable laws and regulations. In the worst case scenario, if pre-issue registration is required but not complied with, it might become unlawful for the relevant Issuer to perform or comply with any of its obligations under the relevant Notes and the relevant Notes might be subject to the enforcement as provided in Condition 15 (*Events of Default*). Potential investors of the Notes are advised to exercise due caution when making their investment decisions. Similarly, the NDRC Order 56 mentions some legal consequences of non-compliance with the post-issue notification requirement. For example, failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under articles 24 and 26 of the NDRC Order 56 may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the "Credit China" website and the national enterprise credit information publicity system, among others.

On 11 January 2017, the PBOC promulgated the Circular on Issues concerning the Macro-prudential Management of Full-covered Cross-border Financing (Yin Fa [2017] No. 9) (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知) (the "**2017 PBOC Circular**"). Under the 2017 PBOC Circular, financial institutions are required to file relevant operating rules and internal control policies and the details of the calculation of their outstanding foreign debt and foreign debt limit with PBOC or SAFE before making their first cross-border financing transaction and they are required to report to PBOC or SAFE of the amount of its capital fund and the financing agreement when a financing agreement is signed and before the drawdown of the loan or issue of debt securities, report its cross-border income after such drawdown, and report its cross-border payments after making interest or principal payments. In addition, financial institutions are also required to report to PBOC or SAFE on the fifth working day of each month on the foreign debt it has borrowed and the change in its outstanding foreign debt during the previous month. The Bank is one of the 27 designated banks required to carry out the aforesaid reporting procedures. The 2017 PBOC Circular is a new regulation and is subject to interpretation and application by relevant PRC authorities. The 2017 PBOC Circular applies to the issue of Notes under the Programme by the Bank or its onshore branches but does not explicitly state whether it applies to offshore branches of financial institutions incorporated in the PRC.

Further, for the purpose of calculating the risk-weighted cross-border financing balance as prescribed in the 2017 PBOC Circular, the foreign debt (including but not limited to the Notes) of offshore branches of financial institutions in the PRC are excluded from the calculation unless PBOC requires that the foreign debt be included if issue proceeds of the Notes is remitted into the PRC. If reporting is required but not complied with, PBOC and/or SAFE may, among other things, (a) issue a notice of censure, (b) request rectification within a time limit, (c) impose a penalty according to the Law of People's Republic of China on the People's Bank of China and the Regulation of the People's Republic of China on the Management of Foreign Exchanges, (d) suspend cross-border financing of the institution, and (e) collect risk reserves from the institution. In addition, in the worst case scenario, if reporting is required but not complied with, it might become unlawful for the Issuer to perform or comply with any of its obligations under the Notes and the Notes might be subject to the enforcement as provided in Condition 15 (*Events of Default*). Pursuant to the Certificate of Examination and Registration of Foreign Debts Borrowed by Enterprises of 2024 (Fa Gai Ban Wai Zhai [2024] No. 239) (《企業借用外債備案登記證明》(發改辦外債[2024]239 號)) issued by the NDRC General Office on 29 April 2024 (the "**NDRC Approval**"), separate pre-issuance registration with NDRC with respect to the Notes is not required provided that the Notes are issued within the foreign debt quota of the NDRC Approval. This NDRC Approval is subject to interpretation and application by relevant PRC authorities and the above-described uncertainties that apply to the 2017 PBOC Circular also apply to such approval.

Any force majeure events, including future occurrence of natural disasters or outbreaks of contagious diseases in the PRC or elsewhere, may have an adverse effect on the Group's business operations, financial condition and results of operations

Any natural disasters or outbreaks of health epidemics and contagious diseases, including avian influenza, severe acute respiratory syndrome, or SARS, swine flu caused by H1N1 virus, or H1N1 Flu, and the coronavirus disease 2019 ("**COVID-19**") may adversely affect the Group's business, financial condition and results of operations. Possible force majeure events may give rise to additional costs to be borne by the Group and have adverse effects on the quality of its assets, business, financial condition and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect the Group's business. More recently, the COVID-19 pandemic has significantly disrupted the global financial, foreign exchange, commodity and energy markets, and resulting government restrictions and support measures during and after the COVID-19 pandemic. Whether and to what extent countries and territories will be able to return to pre COVID-19 economic levels remain uncertain.

There is no assurance that the outbreak will not lead to decreased demand for services the Group provides; nor is there assurance that the outbreak's adverse impact on the PRC economy and the Group's customers will not adversely affect the level of non-performing loans. The outbreak may also adversely affect the Group's ability to keep normal operations and provide uninterrupted services to its customers. Moreover, the PRC has experienced natural disasters like earthquakes, floods and drought in the past few years. For example, in May 2008 and April 2010, the PRC experienced earthquakes with reported magnitudes of 8.0 and 7.1 on the Richter scale in Sichuan and Qinghai provinces respectively, resulting in the death of tens of thousands of people. Any future occurrence of severe natural disasters in the PRC may adversely affect its economy and in turn the Group's business. There can be no guarantee that any future occurrence of natural disasters or outbreak of avian influenza, SARS, H1N1 Flu, COVID-19 or other epidemics, or the measures taken by the PRC Government or other countries in response to a future outbreak of avian influenza, SARS, H1N1 Flu, COVID-19 or other epidemics, will not seriously interrupt the Group's operations or those of its customers, which may have an adverse effect on its business, financial condition and results of operations.

Investors may experience difficulties in effecting service of legal process and enforcing judgments against the Group and the Group's management

The Issuer and a number of the Group's subsidiaries are incorporated in the PRC and a substantial portion of the Group's assets are located in the PRC. In addition, a number of the Group's directors and senior management reside within the PRC and the assets of the Group's directors and officers may be located within the PRC. As a result, it may not be possible to effect service of process outside the PRC upon such directors and senior management, including for matters arising under applicable securities law. The Issuer has irrevocably submitted to the exclusive jurisdiction of the Hong Kong courts in the transaction documents relating to the Notes. Hong Kong and the PRC have entered into certain arrangements on the reciprocal recognition and enforcement of judgments in civil and commercial matters (the "**Reciprocal Arrangements**") which allow for a final court judgment (relating to the payment of money or other civil or commercial proceeding) rendered by a Hong Kong court or PRC court (as the case may be) to be recognised and enforced in the PRC or Hong Kong (as the case may be), provided certain conditions are met. However, certain matters may be excluded under the Reciprocal Arrangements and a judgment may be refused to be recognised and enforced by the requested place in certain circumstances such as for public policy reasons or where the judgment was obtained by fraud. As a general matter, a judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. The PRC signed the Hague Convention on Choice of Court Agreements (the "**Hague Convention**") in September 2017 which is intended to promote the use of exclusive choice of court agreements in international contracts and facilitate the creation of a recognition and enforcement regime for court judgements between contracting States. However, the signing of the Hague Convention does not have currently have any legal effect until it is ratified by the PRC Government. The PRC has not entered into treaties or arrangements providing for the reciprocal recognition and enforcement of judgments of courts with numerous countries, including Japan, the United States and the UK. Therefore, it may be difficult for Noteholders to enforce any judgments obtained from such foreign courts against the Group, the Issuer or any of their respective directors or senior management in the PRC.

Risks Relating to the Global Economy

Uncertainties and instability in global market conditions could adversely affect the Group's business, financial condition and results of operations

The global economic slowdown and turmoil in the global financial markets that started in the second half of 2008 had a negative and lasting impact on the world economy, which in turn affected the PRC real estate industry and many other industries. Subsequently, global markets and economic conditions were adversely affected by the credit crisis in Europe, the credit rating downgrade of the United States, recent conflicts between Russia and Ukraine and heightened market volatility in major stock markets. An armed conflict between Israel and Hamas-led Palestinian militant groups has been evolving in and around the Gaza Strip since October 2023, which lead to further military conflicts between Israel and Iran. In addition, on 31 January 2020, the UK officially exited the European Union following a UK-EU Withdrawal Agreement signed in October 2019. The UK and the European Union had a transition period which ended on 31 December 2020 to negotiate, among others, trade agreements in detail. The EU and the UK announced their agreement on a Trade and Cooperation Agreement ("**TCA**") on 24 December 2020, and the TCA was provisionally applied from 1 January 2021 and ratified by the European Parliament on 28 April 2021. This event has resulted in a downgrade of the credit ratings of the UK and the uncertainty before, during and after the period of negotiation may also create a negative economic impact and increase volatility in global markets.

The outlook for the world economy and financial markets remains uncertain. In Europe, the Russia- Ukraine war has continued to elevate geopolitical instability which could have significant ramifications for the Bank Group and its customers. For example, the war has contributed to a sharp rise in the price of energy and non-energy commodities, which had already been affected by the impact of the COVID-19 pandemic and later localised COVID-19 outbreaks. The steep rise in inflation engendered by the rise in commodity prices, and by the previous monetary and fiscal policy loosening in response to the COVID-19 pandemic has prompted global central banks to raise their policy rates sharply, with the potential for further increases to come, which may create further challenges for the Bank's customers. Headline inflation is in the process of abating as energy prices moderate, but underlying prices pressures are likely to remain in place.

In addition, economic sanctions, in particular, by the UK, the U.S., and the EU, have adversely affected global markets. The Bank continues to monitor and respond to economic sanctions and trade restrictions that have been adopted in response. These sanctions and trade restrictions are complex, novel and evolving. In particular, significant sanctions and trade restrictions imposed against Russia have been put in place by the U.S., the UK and the EU, as well as other countries. Such sanctions and restrictions have specifically targeted certain Russian government officials, politically exposed persons, business people, Russian oil imports, energy products, financial institutions and other major Russian companies. In addition, there have been put in place more generally applicable investment, export, and import bans and restrictions. These sanctions and restrictions may affect the Bank, its customers and the markets in which the Bank operates by creating regulatory, reputational and market risks. An armed conflict between Israel and Hamas-led Palestinian militant groups has been evolving in and around the Gaza Strip since October 2023, which may lead to a wider conflict on the Middle East. As a result, the aggravated geopolitical tension brings uncertainty to the global economy as well as significant volatilities to the global financial market.

In Asia and other emerging markets, some countries are expecting increasing inflationary pressure as a consequence of liberal monetary policy or excessive foreign fund inflow, or both. In the Middle East, Eastern Europe and Africa, political unrest in various countries has resulted in economic instability and uncertainty. China's economic growth may slow due to weakened exports as well as recent developments surrounding the trade-war with the United States. The United States and China have been involved in disputes over trade barriers that have escalated into a trade war between the two countries. Both countries have implemented tariffs and other barriers on certain industries and products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. In April 2018, the United States imposed tariffs on steel and aluminium imports from China, and later on 6 July 2018, the United States imposed 25 per cent. tariffs on U.S.$34 billion worth of Chinese goods as part of the United States' tariffs policy. In turn, the PRC responded with similarly sized tariffs on United States' products. On 18 September 2018, the United States imposed 10 per cent. tariffs on approximately U.S.$200 billion worth of Chinese goods and plans to further increase the rate to 25 per cent. in January 2019. In return, the PRC responded with tariffs on U.S.$60 billion of U.S. goods. There are uncertainties as to when and whether the trade disputes will be resolved and the trade barriers lifted. The trade war between the United States and China has resulted in disruption to global trade flows, global production and supply chains; and it also increased volatility in the financial markets around the world. In addition, the European Union ("EU")-China relations have become increasingly complex with bilateral relations marked by challenges related to market access and investment as well as key foreign and security policy issues. The EU has sought to take steps to remedy what it sees as an uneven playing field, by reducing critical dependencies and vulnerabilities in its supply chains. Moreover, as the PRC is transitioning to a consumption-based economy, the forecast growth rate of the PRC is expected to be significantly lower than its average growth rate over the past thirty years. In addition, the escalating tensions between the PRC and the United States, including ongoing trade disputes and deterioration in diplomatic relations, have contributed to increased market volatility, weakened consumer confidence and diminished expectations for economic growth around the world. Some of these tensions have manifested themselves through actions taken and sanctions imposed by the governments of the United States and the PRC in 2020 and early 2021. The United States has imposed a range of sanctions and trade restrictions on Chinese persons and companies, focusing on entities the United States believes are involved in human rights violations, information technology and communications equipment and services, and military activities, among others. In response, the PRC has announced a number of sanctions and trade restrictions that target or provide authority to target foreign officials and companies, including those in the United States. Heightened geopolitical tensions between the United States and the PRC continue to cause significant uncertainty in the global macroeconomy.

In early 2023, the global financial markets have experienced further turmoil with the collapse of mid-size Silicon Valley Bank, Signature Bank and First Republic Bank in the United States, as well as the collapse of global financial institution Credit Suisse, which has resulted in tightened credit standards, reduced capital investment and higher uncertainty in the global macroeconomic environment. In addition, the ongoing corporate deleveraging efforts by the PRC government since 2017 and the increased amount of corporate defaults over the recent years, particularly in the PRC real estate sector, have contributed to further turmoil in financial markets.

The continuing slowdown of the global economy and increasing uncertainties in financial markets could adversely affect the Bank's business, financial condition and results of operations in many ways, including, among other things:

- during a period of economic slowdown, there is a greater likelihood that more of the Bank's customers or counterparties might default on their loan repayments or other obligations to the Bank, which, in turn, could result in the Bank recording a higher level of non-performing loans, allowance for impairment losses and write-offs;
- the increased regulation and supervision of the financial services industry, including the proposed implementation of new capital adequacy requirements under the Basel III, may restrict the Bank's business flexibility and increase its compliance and operating costs;
- the value of the Bank's investments in debt securities issued by overseas governments and financial institutions may significantly decrease;

- the Bank's ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flow may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect the Bank's business prospects.

Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in the PRC, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. In addition, global economic uncertainty and the slowdown in PRC economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions.

The Bank cannot assure the investors that the various macroeconomic measures and monetary policies adopted by the PRC Government will be effective in maintaining a sustainable growth in China's economy. If further economic downturn occurs, the Bank's businesses, financial condition and results of operations could be materially and adversely affected.

Please see also "*Risks Relating to the Group's Business*" and "*The Group is subject to risks associated with its derivative transactions and investment securities*" for further details.

Risks Relating to the Market Generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Series, such Series is to be consolidated with and form a single series with a Series of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances, investors may not be able to sell their Notes at all or at their fair market value. In addition, the market for investment grade has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Series of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected

Each Relevant Obligor will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes, and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Notes that carry a fixed interest rate ("Fixed Rate Notes")

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Risks Relating to Notes Issued under the Programme

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the Notes and the information contained in this Offering Circular or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets;

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks; and

(vi) have sufficient knowledge and expertise (either alone or with a financial adviser) to evaluate the effect or the likelihood of the occurrence of a Non-Viability Event for Subordinated Notes which feature loss absorption.

Investors shall pay attention to any modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Terms and Conditions of the Notes may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

The Terms and Conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (a) any modification (except such modifications in respect of which an increased quorum is required as mentioned above) of the Notes, the Receipts, the Coupons, the relevant Non-Guaranteed Notes Trust Deed, the relevant Guaranteed Notes Trust Deed, the relevant Deed of Guarantee or, as applicable, the relevant Alternative Trust Deed which is not prejudicial to the interests of the Noteholders; or (b) any modification of the Notes, the Receipts, the Coupons, the relevant Non-Guaranteed Notes Trust Deed, the relevant Guaranteed Notes Trust Deed, the relevant Deed of Guarantee or the relevant Alternative Trust Deed which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law as described in Condition 19 (*Meetings of Noteholders; Modification and Waiver*).

Investors shall be aware of the effect of change of law

The Terms and Conditions of the Notes are based on English law (except that the provisions of the Notes relating to subordination shall be governed by, and construed in accordance with, the laws as specified in the relevant Pricing Supplement) in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or the laws as specified in the Pricing Supplement, or administrative practices after the date of this Offering Circular.

Considerations related to a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate ("**EURIBOR**")), are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

The euro risk-free rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. On 4 December 2023, the group issued its final statement, announcing completion of its mandate.

Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark; and/or (iii) leading to the disappearance of the benchmark. Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event occurs, including if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if any Paying Agent, Calculation Agent, the Issuer or other party is restricted from calculating, or is no longer permitted lawfully to calculate, interest on any Notes by reference to such benchmark, all as more particularly set out in the definition of “Benchmark Event”. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (both as defined in the Terms and Conditions of the Notes), in each case with or without the application of an adjustment spread which, if applied, could be positive, negative or zero), and allow the Issuer to make amendments to the Terms and Conditions of the Notes to ensure the proper operation of the Successor Rate or Alternative Reference Rate (as the case may be) and, in either case, an Adjustment Spread (if any).

Under these fallback arrangements, the Issuer will use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Terms and Conditions of the Notes) to determine (acting in good faith), a Successor Rate or Alternative Reference Rate (as applicable) and, in either case, an Adjustment Spread (if any) (as defined in the Terms and Conditions of the Notes), no later than five Business Days (as defined in the Terms and Conditions of the Notes) prior to the relevant Interest Determination Date (as defined in the Terms and Conditions of the Notes), being the IA Determination Cut-off Date, but in the event that the Issuer is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or Alternative Reference Rate and, in either case, an Adjustment Spread (if any), prior to the IA Determination Cut-off Date, the Issuer (acting in good faith) will have discretion to determine the relevant Successor Rate or, or if there is no Successor Rate, an Alternative Reference Rate and, in either case, an Adjustment Spread (if any). There can be no assurance that such Successor Rate or Alternative Reference Rate (as applicable) determined by the Issuer will be set at a level which is on terms commercially acceptable to all Noteholders. However, it may not be possible to determine or apply an Adjustment Spread and even if an adjustment is applied, such Adjustment Spread may not be effective to reduce or eliminate economic prejudice to investors. If no Adjustment Spread can be determined, a Successor Rate or Alternative Rate may nonetheless be used to determine the Rate of Interest. The use of a Successor Rate or Alternative Reference Rate (including the application of an Adjustment Spread) is likely to result in any Notes linked to or referencing the relevant

Reference Rate performing differently (which may include payment of a lower Rate of Interest) than they would if the relevant Reference Rate were to continue to apply in its current form.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of the Rate of Interest for a particular Interest Period (as defined in the Terms and Conditions of the Notes) may result in the Rate of Interest for the last preceding Interest Period being used (or alternatively, if there has not been a first Interest Payment Date, the initial Rate of Interest). This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page (as defined in the Terms and Conditions of the Notes).

Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, any determinations that may need to be made by the Issuer and the involvement of an Independent Adviser, there is a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, or any other international or national reforms and the possible application of the benchmark replacement provisions of the Notes in making any investment decision with respect to any Notes or referencing a benchmark.

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes will generally not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor would generally not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes

An Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) the payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Partly-paid Notes

An Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable Rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as EURIBOR. The market values of such Notes are typically more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than the prevailing rates on its Notes.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes

The Rate of Interest in respect of the Notes will be determined on the basis of Compounded SOFR (as defined in the Annex), which is calculated by referencing the SOFR Index (as defined in the Annex), subject to the fallbacks set out in this Pricing Supplement.

The Federal Reserve Bank of New York, as the administrator of the Secured Overnight Financing Rate ("**SOFR**"), in cooperation with the Treasury Department's Office of Financial Research (the "**OFR**"), began publishing the SOFR Index on 2 March 2020. The SOFR Index is intended to measure the cumulative impact of compounding SOFR on a unit of investment over time, with the initial value set to 1.00000000 on 2 April 2018, the first value date of SOFR. The Federal Reserve Bank of New York reports that the SOFR Index is compounded by the value of each SOFR thereafter, and that as a result, the SOFR Index on a given day is intended to reflect the effect of compounding SOFR across all previous U.S. Government Securities Business Days (as defined in the Annex) since 2 April 2018. It also reports that the SOFR Index allows for the calculation of compounded average rates over custom time periods.

The Federal Reserve Bank of New York reports that the SOFR Index is published as a number rounded to the eighth decimal place on each day that SOFR is published, on a dedicated page on its website, shortly after SOFR is published at approximately 8:00 a.m., New York Time. The Federal Reserve Bank of New York notes that the SOFR Index will only be revised on a same-day basis at approximately 2:30 p.m., New York Time, and only if either that day's SOFR publication were also being revised or an error were discovered in the calculation of the SOFR Index. The Federal Reserve Bank has also published an update to the indicative series of data of the SOFR Index from 2 April 2018 to 2 March 2020. However, investors should not rely on any historical changes or trends in the SOFR Index as an indicator of future changes in SOFR, the SOFR Index, Compounded SOFR and/or the liquidity or market price of the Notes.

Further, prospective investors should be aware that the Federal Reserve Bank of New York, in cooperation with the OFR, also publishes 30-, 90-, and 180-day SOFR averages, sometimes referred to as "SOFR averages", which are referred to as “30-day Average SOFR”, “90-day Average SOFR” and “180-day Average SOFR”. However, the Rate of Interest in respect of the Notes will be determined on the basis of Compounded SOFR as defined in the Annex, and not as published. Any determination based on Compounded SOFR may diverge from any determination that may have been made based on any published compounded Compounded SOFR.

SOFR is published by the Federal Reserve Bank of New York, in cooperation with the OFR, and is intended to be a broad measure of the general cost of financing Treasury securities overnight. The Federal Reserve Bank of New York reports that SOFR includes all trades used in the Broad General Collateral Rate, plus data on transactions cleared through the Fixed Income Clearing Corporation’s Delivery-versus-Payment (“**DVP**”) repo service. The Federal Reserve Bank of New York notes that DVP repo transactions with rates below the 25th volume-weighted percentile rate are removed from the distribution of DVP repo data each day. This has the effect of removing some (but not all) transactions in which the specific securities are said to be trading “special”. In addition, the Federal Reserve Bank of New York notes that it excludes trades between affiliated entities, when relevant and when the data to make such exclusions is available. Similarly, it excludes trades negotiated for forward settlement. To the extent possible, “open” trades, for which pricing resets daily, are included in the calculation of SOFR.

The Federal Reserve Bank of New York reports that SOFR is calculated as a volume-weighted median, which is the rate associated with transactions at the 50th percentile of transaction volume. Specifically, the volume-weighted median rate is calculated by ordering the transactions from lowest to highest rate, taking the cumulative sum of volumes of these transactions, and identifying the rate associated with the trades at the 50th percentile of dollar volume. At publication, the volume-weighted median is rounded to the nearest basis point. The Federal Reserve Bank of New York notes that SOFR is based on transaction-level data collected under the supervisory authority of the Board of Governors of the Federal Reserve System and transaction-level data obtained from DTCC Solutions LLC, an affiliate of the Depository Trust & Clearing Corporation, under a commercial agreement. The Federal Reserve Bank of New York notes on its publication page for SOFR that the use of SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of SOFR at any time without notice.

The Federal Reserve Bank of New York began publishing SOFR in April 2018. The Federal Reserve Bank of New York has also published historical indicative SOFR going back to 2014. Investors should not rely on any historical changes or trends in SOFR as an indicator of future changes in SOFR.

Prospective investors in the Notes should be aware that the market continues to develop in relation to SOFR as a reference rate in the capital markets and its adoption as an alternative to U.S. Dollar (USD) LIBOR. The market or a significant part thereof may adopt an application of SOFR, the SOFR Index or Compounded SOFR that differs significantly from that set out in this Pricing Supplement and the Issuer may in future issue bonds referencing SOFR, the SOFR Index or Compounded SOFR that differ materially in terms of interest determination when compared with any previous SOFR, SOFR Index or Compounded SOFR referenced bonds issued by it. The development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of the Notes. Similarly, if SOFR, the SOFR Index or Compounded SOFR do not prove widely used in securities such as the Notes, investors may not be able to sell the Notes at all or the trading price of the Notes may be lower than those of bonds linked to indices that are more widely used.

In addition, the manner of adoption or application of SOFR, the SOFR Index or Compounded SOFR in the bond markets may differ materially compared with the application and adoption of SOFR, the SOFR Index or Compounded SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR, the SOFR Index or Compounded SOFR across these markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of the Notes. Investors should consider these matters when making their investment decision with respect to any such Notes.

Furthermore, the Rate of Interest in respect of the Notes is only capable of being determined five U.S. Government Securities Business Days immediately prior to the relevant Interest Payment Date (subject as set out in this Pricing Supplement). It may be difficult for investors in the Notes to estimate reliably the amount of interest which will be payable on the Notes, and some investors may be unable or unwilling to trade the Notes without changes to their IT systems, both of which factors could adversely impact the liquidity of the Notes. Further, if the Notes become due and payable in accordance with paragraph 25 of this Pricing Supplement, the final Rate of Interest payable in respect of the Notes shall only be determined on the date on which the Notes become due and payable and shall not be reset thereafter.

In addition, as SOFR and the SOFR Index are published by the Federal Reserve Bank of New York based on data received from other sources, the Issuer has no control over their determination, calculation or publication. There can be no guarantee that SOFR and the SOFR Index will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Notes. If the manner in which SOFR and/or the SOFR Index is calculated is changed, that change may result in a reduction of the amount of interest payable on the Notes and the trading prices of the Notes. If the definition, methodology, formula, guidelines, or other means of calculating SOFR and/or the SOFR Index is modified, references to SOFR and/or the SOFR Index shall be to SOFR and/or the SOFR Index as modified. Furthermore, to the extent that the SOFR Index is no longer published as specified in this Pricing Supplement, the applicable rate to be used to calculate the Rate of Interest on the Notes will be determined using the alternative methods described in the Annex (including in the event of a Benchmark Event (as defined in the Conditions)) ("**Fallbacks**"). Any of these Fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if SOFR and/or the SOFR Index had been provided by the Federal Reserve Bank of New York in its current form. In addition, the use of the Fallbacks may result in determinations being made by an Independent Adviser (as defined in the Conditions) or directly by the Issuer, in accordance with the respective applicable Fallbacks. The use of the Fallbacks may also result in a fixed rate of interest being applied to the Notes.

Accordingly, an investment in the Notes may entail significant risks not associated with similar investments in conventional debt securities. Any investor should ensure that it understands the nature of the terms of the Notes and the extent of its exposure to risk, and that it considers the suitability of the Notes as an investment in the light of its own circumstances and financial condition. An investor should consult its own professional advisers about the risks associated with investment in the Notes and the suitability of investing in the Notes in light of its particular circumstances.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

The Notes are redeemable in the event of certain withholding taxes being applicable

There can be no assurance as to whether or not payments on the Notes may be made without withholding taxes or deductions applying for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction (as defined in the Terms and Conditions of the Notes) or any political subdivision therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. Although pursuant to the Terms and Conditions of the Notes, each Relevant Obligor is required to gross up payments on account of any such withholding taxes or deductions (whether by way of PRC enterprise income tax ("**EIT**"), PRC value-added tax ("**VAT**") or otherwise), a Branch Issuer also has the right to redeem the Notes at any time in the event (i) a Relevant Obligor has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes, (ii) such obligation cannot be avoided by the Relevant Obligor taking reasonable measures available to it, and (iii) in the case of Subordinated Notes, the prior written approval of the Regulatory(ies) specified in the relevant Pricing Supplement shall have been obtained.

If the relevant Issuer redeems the Notes prior to their maturity dates, investors may not receive the same economic benefits they would have received had they held the Notes to maturity, and they may not be able to reinvest the proceeds they receive in a redemption in similar securities. In addition, such Issuer's ability to redeem the Notes may reduce the market price of the Notes.

The Trustee may request that the Noteholders provide an indemnity and/or security and/or prefunding to its satisfaction

In certain circumstances (including without limitation the giving of notice to the Issuer pursuant to Condition 15 (*Events of Default*) and the taking of enforcement steps pursuant to Condition 20 (*Enforcement*)), the Trustee may (at its sole discretion) request the Noteholders to provide an indemnity and/or security and/or prefunding to its satisfaction before it takes actions on behalf of the Noteholders. The Trustee shall not be obliged to take any such actions if not indemnified and/or secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity and/or security and/or prefunding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take actions notwithstanding the provision of an indemnity and/or security and/or prefunding to it, in breach of the terms of the relevant Non-Guaranteed Notes Trust Deed, the relevant Guaranteed Notes Trust Deed, the relevant Deed of Guarantee, the relevant Alternative Trust Deed or the Terms and Conditions of the Notes constituting the Notes and in such circumstances, or where there is uncertainty or dispute as to the applicable laws or regulations, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such actions directly.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include the Bank and other members of the Bank (a "**FIRO Group Entity**"). The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, in the context of a resolution of any FIRO Group Entity, the relevant resolution authority will have the ability to resolve other entities within the Bank as if they were themselves a within scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. Any such actions could potentially affect contractual and property rights relating to the Bank. In addition, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of nay priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Notes or the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result. Noteholders (whether senior or subordinated) may become subject to and bound by the FIRO. The implementation of FIRO remains untested and certain detail relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, the Bank is unable to assess the full impact of FIRO on the financial system generally, the Bank's counterparties, the Bank, any of its consolidated subsidiaries or other Group entities, the Bank's operations and/or its financial position.

USE OF PROCEEDS

The net proceeds of the Notes will be used by the Issuer for general corporate purposes.

TERMS AND CONDITIONS OF THE NOTES

The following (other than the words in italics) is the text of the terms and conditions which, as completed by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Forms of the Notes" and "Summary of Provisions Relating to the Notes while in Global Form".

1 INTRODUCTION

(a) **Programme:** Bank of China Limited (the "**Bank**") has established a Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$40,000,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) **Pricing Supplement:** The terms and conditions applicable to any particular tranche of Notes (a "**Tranche**") are set out in the relevant pricing supplement (the "**Pricing Supplement**") which supplements, amends and/or replaces these terms and conditions (the "**Conditions**"). In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more Tranches. Each Series of Notes may be issued by the Bank, any branch of the Bank (each a "**Branch Issuer**") or any Subsidiary of the Bank (each a "**Subsidiary Issuer**"), as specified in the relevant Pricing Supplement. Notes issued by a Subsidiary Issuer may be unconditionally and irrevocably guaranteed by the Guarantor (as defined below) as specified in the relevant Pricing Supplement. References herein to the "**Relevant Obligor(s)**" are to the relevant Issuer, and, in the case of any Guaranteed Note, each of the relevant Issuer and the relevant Guarantor.

(c) **Trust Deed:**

(i) Non-Guaranteed Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 13 April 2022 (as further amended or supplemented from time to time, the "**Non-Guaranteed Notes Principal Trust Deed**") between the Bank (on behalf of itself and each Branch Issuer) and The Bank of New York Mellon, London Branch as trustee (the "**Trustee**", which expression includes, where the context requires, all persons for the time being trustee or trustees appointed under the Non-Guaranteed Notes Principal Trust Deed). In order for a Subsidiary Issuer to issue Non-Guaranteed Notes, such Subsidiary Issuer shall, in respect of such Non-Guaranteed Notes, (A) accede to the Non-Guaranteed Notes Principal Trust Deed by executing an accession deed between such Subsidiary Issuer and the Trustee, or (B) supplement the Non-Guaranteed Notes Principal Trust Deed by executing a supplemental trust deed between such Subsidiary Issuer, the Bank and the Trustee, in each case, dated on or before the relevant Issue Date (as amended or supplemented from time to time and together with the Non-Guaranteed Notes Principal Trust Deed, the "**Non-Guaranteed Notes Trust Deed**").

(ii) Guaranteed Notes are constituted by, are subject to, and have the benefit of, an amended and restated trust deed dated 13 April 2022 (as further amended or supplemented from time to time, the "**Guaranteed Notes Principal Trust Deed**") between the Bank (on behalf of itself as Issuer and each Overseas Branch (as defined below) as Guarantor) and the Trustee (which expression includes, where the context requires, all persons for the time being trustee or trustees appointed under the Guaranteed Notes Principal Trust Deed). In order for a Subsidiary Issuer to issue Guaranteed Notes, such Subsidiary Issuer shall, in respect of such Guaranteed Notes, (A) accede to the Guaranteed Notes Principal Trust Deed by executing an accession deed between such

Subsidiary Issuer and the Trustee, or (B) supplement the Guaranteed Notes Principal Trust Deed by executing a supplemental trust deed between such Subsidiary Issuer, the Bank and the Trustee, in each case, dated on or before the relevant Issue Date (as amended or supplemented from time to time and together with the Guaranteed Notes Principal Trust Deed, the "**Guaranteed Notes Trust Deed**", and together with the Non-Guaranteed Notes Trust Deed, the "**Trust Deed**"). The relevant Guarantor must execute a deed of guarantee to be dated on or before the relevant Issue Date (each as amended or supplemented from time to time, a "**Deed of Guarantee**").

(iii) Notes issued by the Bank may be constituted by either the Non-Guaranteed Notes Principal Trust Deed or the Guaranteed Notes Principal Trust Deed as specified in the relevant Pricing Supplement.

(iv) Without prejudice to the foregoing, if the relevant Pricing Supplement specifies that an alternative trustee shall be appointed for a relevant Series of Notes, such Series of Notes shall be constituted by a deed (as further amended or supplemented from time to time, the "**Alternative Trust Deed**") between the relevant Issuer (and in the case of Notes issued by a Branch Issuer or a Subsidiary Issuer, the Bank) and the specified alternative trustee (the "**Alternative Trustee**") incorporating the Non-Guaranteed Notes Principal Trust Deed or the Guaranteed Notes Principal Trust Deed, as the case may be. The Alternative Trustee shall be the Trustee for the purposes of the Conditions applicable to such Series of Notes.

(d) **Agency Agreement:**

(i) Non-Guaranteed Notes are the subject of an amended and restated issue and paying agency agreement dated 3 April 2018 (as further amended or supplemented from time to time, the "**Non-Guaranteed Notes Principal Agency Agreement**") between the Bank (on behalf of itself and each Branch Issuer), The Bank of New York Mellon, London Branch and The Bank of New York Mellon as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch, The Bank of New York Mellon and The Bank of New York Mellon, Hong Kong Branch as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), The Bank of New York Mellon, Hong Kong Branch as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression includes any successor CMU lodging and paying Agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Principal Paying Agent and the CMU Lodging and Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes), the transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the "Agents" are to the Paying Agents and the Transfer Agents and any reference to an "Agent" is to any one of them. In order for a Subsidiary Issuer to issue Non-Guaranteed Notes, such Subsidiary Issuer shall, in respect of such Non-Guaranteed Notes, (A) accede to the Non-Guaranteed Notes Principal Agency Agreement by executing an accession agreement between such Subsidiary Issuer, the Trustee and the Agents named therein, or (B) supplement the Non-Guaranteed Notes Principal Agency Agreement by executing a supplemental agency agreement between such Subsidiary Issuer, the Bank, the Trustee and the Agents named therein, in each case, dated on or before the relevant Issue Date (as amended or supplemented from time to time and together with the Non-Guaranteed Notes Principal Agency Agreement, the "**Non-Guaranteed Notes Agency Agreement**").

(ii) Guaranteed Notes are the subject of an amended and restated issue and paying agency agreement dated 3 April 2018 (as further amended or supplemented from time to time, the "**Guaranteed Notes Principal Agency Agreement**") between the Bank (on behalf of itself as Issuer and each Overseas Branch (as defined below) as Guarantor), the Trustee and the Agents named therein. In order for a Subsidiary Issuer to issue Guaranteed Notes, such Subsidiary Issuer shall, in respect of such Guaranteed Notes, (A) accede to the Guaranteed Notes Principal Agency Agreement by executing an accession agreement between such Subsidiary Issuer, the Trustee and the Agents named therein, or (B) supplement the Guaranteed Notes Principal Agency Agreement by executing a supplemental agency agreement between such Subsidiary Issuer, the Bank, the Trustee and the Agents named therein, in each case, dated on or before the relevant Issue Date (as amended or supplemented from time to time and together with the Guaranteed Notes Principal Agency Agreement, the "**Guaranteed Notes Agency Agreement**", and together with the Non-Guaranteed Notes Agency Agreement, the "**Agency Agreement**").

(iii) Notes issued by the Bank may be the subject of the Non-Guaranteed Notes Principal Agency Agreement (in case of Notes constituted by the Non-Guaranteed Notes Principal Trust Deed) or the Guaranteed Notes Principal Agency Agreement (in case of Notes constituted by the Guaranteed Notes Principal Trust Deed).

(iv) Without prejudice to the foregoing, if the relevant Pricing Supplement specifies that an Alternative Trustee shall be appointed for the relevant Series of Notes, neither the Non-Guaranteed Notes Principal Agency Agreement nor the Guaranteed Notes Principal Agency Agreement shall apply to such Series of Notes and such alternative arrangement (as further amended or supplemented from time to time, the "**Alternative Agency Agreement**") as specified in the Pricing Supplement shall apply.

(e) **The Notes:** The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(f) **Summaries:** Certain provisions of these Conditions are summaries of the Trust Deed, the relevant Deed of Guarantee and the Agency Agreement and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed, the relevant Deed of Guarantee, as applicable, and the Agency Agreement applicable to them. Copies of the Trust Deed, each Deed of Guarantee, as applicable and the Agency Agreement are (i) available for inspection by Noteholders during normal business hours at the Specified Offices of the Paying Agents and the principal office in Hong Kong of the Principal Paying Agent or (ii) available electronically via e-mail from the Principal Paying Agent.

2 INTERPRETATION

(a) **Definitions:** In these Conditions the following expressions have the following meanings: "**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Business Day**", other than in Condition 3(g) (*Registration and delivery of Note Certificates*) means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(ii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(iii) for the purposes of Notes denominated in Renminbi only, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means the Principal Paying Agent or such other Person, in each case as specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

a "**Change of Control**" occurs when the Bank ceases to have Control of the Issuer. For the avoidance of doubt, the Bank shall cease to Control the Issuer if both limbs (i) and (ii) in the definition of "**Control**" cannot be satisfied;

"**CMU**" means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

"**Control**" means (where applicable), with respect to a Person, (i) the ownership, acquisition or control of the Relevant Percentage of the voting rights of the issued share capital of such Person, whether obtained directly or indirectly or (ii) the right to appoint and/or remove the Relevant Percentage of the members of the Person's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise.

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Dated Subordinated Notes**" means Notes specified in the applicable Pricing Supplement as dated subordinated notes;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(i) if "**Actual/Actual (ICMA)**" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided

by the product of (a) the actual number of days in such Regular Period and (b) the number of Regular Periods in any year;

(ii) if "**Actual/365**" or "**Actual/Actual (ISDA)**" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "**Actual/360**" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "**30E/360 (ISDA)**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**DTC**" means The Depository Trust Company;

"**Early Redemption Amount (Change of Control)**" means, in respect of any Note, 101 per cent. of its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning ascribed to it in the Trust Deed;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Guarantee of the Notes**" means the guarantee of the Notes given by the relevant Guarantor in the relevant Deed of Guarantee;

"**Guaranteed Notes**" means Notes issued by a Subsidiary Issuer which are guaranteed by the Guarantor as specified in the relevant Pricing Supplement;

"**Guarantor**" means such Overseas Branch as specified in the relevant Pricing Supplement as guarantor of the Guaranteed Notes;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**ISDA Definitions**" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Pricing Supplement) as published by the International Swaps and Derivatives Association, Inc.) unless otherwise specified in the relevant Pricing Supplement;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issuer**" means the Bank, the Branch Issuer or the Subsidiary Issuer, as specified in the relevant Pricing Supplement;

"**Macau**" means the Macau Special Administrative Region of the People's Republic of China; "**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Subsidiary**":

(i) in the case of (A) Notes issued by the Bank or a Branch Issuer, or (B) Guaranteed Notes, means, a Subsidiary of the Bank whose total assets or total revenue as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which the audited financial statements relate, account for 5 per cent. or more of the consolidated assets or consolidated revenue of the Bank as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to another Subsidiary of the Bank, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer; and

(ii) in the case of Non-Guaranteed Notes issued by a Subsidiary Issuer, has the meaning given in the relevant Pricing Supplement;

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement; "**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement; "**NDRC**" means the National Development and Reform Commission;

"**NDRC Circular**" means the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044 號)) issued by the NDRC and which came into effect on 14 September 2015 and any implementation rules or policies as issued by the NDRC from time to time;

"**NDRC Order 56**" means Administrative Measures for the Examination and Registration of Medium- and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第 56 號)) which took effect on 10 February 2023 (as supplemented, amended or replaced from time to time) and any implementation rules or policies as issued by the NDRC from time to time;"

"**Non-Guaranteed Notes**" means Notes issued by a Branch Issuer or a Subsidiary Issuer which are not guaranteed and specified as such in the relevant Pricing Supplement;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Overseas Branch**" means a branch of the Bank which is outside the PRC;

"**Participating Member State**" means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and (b) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and

(B) in the case of payment by transfer to an account, (a) a TARGET Settlement Day and

(b) a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which (a) banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies and (b) a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Principal Paying Agent or, as the case may be, the CMU Lodging and Paying Agent has its Specified Office; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"**PRC**" means, for the purpose of these Conditions, the People's Republic of China excluding Hong Kong, Macau and Taiwan;

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

(ii) in relation to Australian dollars, it means Sydney and in relation to New Zealand dollars, it means Auckland, in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent or, in each case, the principal financial centre as is specified in the applicable Pricing Supplement; and

(iii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the applicable Pricing Supplement;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Early Redemption Amount (Change of Control), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"**Relevant Percentage**" means, in respect of any Subsidiary Issuer, the percentage as specified in the relevant Pricing Supplement;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement; "**Reference Rate**" has the meaning given in the relevant Pricing Supplement; "**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes, (in the case of any Guaranteed Note) modify any provision of the Guarantee of the Notes (other than the modifications pursuant to any further issue under Condition 21 (*Further Issues*)) or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Security Interest**" means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Senior Guaranteed Notes**" means the Senior Notes specified in the applicable Pricing Supplement as Senior Guaranteed Notes;

"**Senior Notes**" means Notes specified in the applicable Pricing Supplement as senior notes (including the Senior Guaranteed Notes);

"**Specified Clearing System**" means the clearing system specified in the relevant Pricing Supplement in respect of a Tranche of Notes for which no Note Certificates are to be issued;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subordinated Guaranteed Notes**" means the Subordinated Notes specified in the applicable Pricing Supplement as Subordinated Guaranteed Notes, which are either Dated Subordinated Notes or Undated Subordinated Notes;

"**Subordinated Notes**" means Notes specified in the applicable Pricing Supplement as subordinated notes, which are either Dated Subordinated Notes or Undated Subordinated Notes (including the Subordinated Guaranteed Notes);

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person (the "**second Person**"):

(a) of which the first Person controls or has the power to control, 50 per cent. or more of the share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such person; or

(b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Talon**" means a talon for further Coupons;

"**TARGET Settlement Day**" means any day on which TARGET2 is open for the settlement of payments in euro;

"**TARGET2**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"**Tax Jurisdiction**" means the PRC and the relevant tax jurisdiction of a Relevant Obligor specified in the applicable Pricing Supplement, or in each case any political subdivision or any authority thereof or therein having power to tax payments made by such Relevant Obligor of principal or interest on the Notes, Receipts or Coupons;

"**Treaty**" means the Treaty establishing the European Communities, as amended;

"**Undated Subordinated Notes**" means Notes specified in the applicable Pricing Supplement as undated subordinated notes; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) **Interpretation:** In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 14 (*Taxation*), any undertaking given in addition to or substitution for Condition 14 (*Taxation*) pursuant to the Trust Deed, any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 14 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "**outstanding**" shall be construed in accordance with the Trust Deed;

(vii) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "**not applicable**" then such expression is not applicable to the Notes; and

(viii) any reference to:

(A) the Trust Deed shall be construed as a reference to the Non-Guaranteed Notes Trust Deed, the Guaranteed Notes Trust Deed or the relevant Alternative Trust Deed, as the case may be,

(B) the Agency Agreement shall be construed as a reference to the Non-Guaranteed Notes Agency Agreement, the Guaranteed Notes Agency Agreement or the relevant Alternative Agency Agreement, as the case may be,

(C) a Deed of Guarantee shall be construed as a reference to the relevant Deed of Guarantee,

each as amended and/or supplemented up to and including the Issue Date of the Notes.

3 FORM, DENOMINATION, TITLE AND TRANSFER

(a) **Bearer Notes:** Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) **Title to Bearer Notes:** Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) **Registered Notes:** Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) **Title to Registered Notes:** The Registrar will maintain a register outside the United Kingdom in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**"). In the case of Registered Notes, "Holder" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly. If so specified in the relevant Pricing Supplement, no Note Certificate shall be issued in respect of the relevant Tranche of Notes, all references to "**Holder**" shall mean the person appearing in the records of the Specified Clearing System as the Accountholder entitled to such Notes and "**Noteholder**" shall be construed accordingly.

(e) **Ownership:** The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note, the Deed of Guarantee, as applicable or the Trust Deed under the Contracts (Rights of Third Parties) Act 1999.

(f) **Transfers of Registered Notes:** Subject to paragraphs (i) (Closed periods) and (j) (Regulations concerning transfers and registration) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) **Registration and delivery of Note Certificates:** Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (Transfers of Registered Notes) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) **No charge:** The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) **Closed periods:** Noteholders may not require transfers to be registered:

(i) during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes;

(ii) during the period of 15 days ending on any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 11(b) (*Redemption for tax reasons*) or Condition 11(c) (*Redemption at the option of the Issuer*); and

(iii) after a Change of Control Put Exercise Notice or Put Option Notice has been delivered in respect of the relevant Note(s) in accordance with Condition 11(e) (*Redemption for Change of Control*) or Condition 11(f) (*Redemption of the Senior Notes or the Dated Subordinated Notes at the option of the Noteholders*).

(j) **Regulations concerning transfers and registration:** All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4 STATUS OF THE NOTES AND GUARANTEE OF GUARANTEED NOTES

(a) **Status of the Senior Notes:** This Condition 4(a) applies only to Notes specified in the Pricing Supplement as Senior and being Senior Notes. The Senior Notes and any related Receipts and Coupons constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) **Status of the Subordinated Notes:** Provisions relating to the status of Subordinated Notes will be set out in the relevant Pricing Supplement.

(c) **Guarantee of the Senior Guaranteed Notes:** This Condition 4(c) applies only to Notes specified in the Pricing Supplement as Senior and being Senior Guaranteed Notes. In the case of any Senior Guaranteed Note, the Guarantor will in the Deed of Guarantee unconditionally and irrevocably guarantee the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, general, unconditional and unsubordinated obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(d) **Guarantee of the Subordinated Guaranteed Notes:** In the case of any Subordinated Guaranteed Note, provisions relating to the status of the Guarantee of the Notes will be set out in the relevant Pricing Supplement.

5 COVENANTS

(a) **Undertaking to Maintain Ratings:** So long as any Note remains outstanding, save with the approval of an Extraordinary Resolution of holders of the Notes, each Relevant Obligor undertakes that it will use all its reasonable endeavours to maintain the rating on the Notes by a Rating Agency specified in the relevant Pricing Supplement.

(b) **Notification to NDRC:** Where the NDRC Order 56 applies to the Tranche of Notes to be issued in accordance with these Conditions and the Trust Deed, the Bank undertakes to provide or cause to be provided, the requisite information and documents to the NDRC within the prescribed timeframe after the relevant Issue Date in accordance with the NDRC Order 56 and any implementation rules as may be issued by the NDRC prior to the completion of such notification.

6 FIXED RATE NOTE PROVISIONS

(a) **Application:** This Condition 6 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 12 (*Payments – Bearer Notes*) and 13 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Fixed Coupon Amount:** The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) **Calculation of interest amount:** The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7 FLOATING RATE NOTE PROVISIONS

(a) **Application:** This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Accrual of interest:** The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Conditions 12 (*Payments – Bearer Notes*) and 13 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) **Screen Rate Determination:** If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Issuer, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(v) notwithstanding the foregoing, if the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as CNH HIBOR:

(A) the Rate of Interest for each Interest Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears on the Relevant Screen Page as at 11.15 a.m. (Hong Kong time) or if, at or around that time it is notified that the fixing will be published at 2.30 p.m. (Hong Kong time), then 2.30 p.m. (Hong Kong time) on the Interest Determination Date in question as determined by the Calculation Agent.

(B) and the Relevant Screen Page is not available or, if sub-paragraph (v)(A)(1) above applies and no such offered quotation appears on the Relevant Screen Page, or, if subparagraph (v)(A)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request the principal Hong Kong office of each of the

Reference Banks to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately 11.15 a.m. (Hong Kong time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent. If all four Reference Banks provide the Calculation Agent with such offered quotations, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations;

(C) if subparagraph (v)(B) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at approximately 11.15 a.m. (Hong Kong time) on the relevant Interest Determination Date, deposits in CNH for a period equal to that which would have been used for the Reference Rate by leading banks in the Hong Kong inter-bank market. If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Rate of Interest shall be (i) the offered rate for deposits in CNH for a period equal to that which would have been used for the Reference Rate by a bank, or (ii) the arithmetic mean of the offered rates for deposits in CNH for a period equal to that which would have been used for the Reference Rate by two or more banks, in each case as informed to the Calculation Agent by such bank or banks (which shall be such bank or banks being in the opinion of the Issuer suitable for such purpose) as being quoted by each such bank at approximately 11.15 a.m. (Hong Kong time) on the relevant Interest Determination Date to leading banks in the Hong Kong inter-bank market, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Period); and

(D) in no event shall the Rate of Interest be less than zero per cent. per annum.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than CNH HIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

(d) **ISDA Determination:** If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Pricing Supplement;

(ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Pricing Supplement; and

(iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on (y) the Eurozone inter-bank offered rate (EURIBOR) or (z) the Hong Kong inter-bank offered rate (HIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Pricing Supplement.

(e) **Benchmark Replacement:** In addition, notwithstanding the provisions above in this Condition 7 (*Floating Rate Note Provisions*), if the Issuer determines that a Benchmark Event (as defined below) has occurred in relation to the relevant Reference Rate specified in the relevant Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined below) to determine (acting in good faith), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate (as defined below) or, alternatively, if there is no Successor Rate, an Alternative Reference Rate (as defined below) for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer (acting in good faith) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in good faith) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, such Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(e) (*Benchmark Replacement*)); provided, however, that if sub-paragraph (ii) applies and the Issuer (acting in good faith) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where applicable, to substituting the Margin (as defined below), Maximum Rate of Interest or Minimum Rate Interest that applied to such preceding Interest Period for the Margin, Maximum Rate of Interest or Minimum Rate Interest that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph

(iv) shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 7(e) (*Benchmark Replacement*));

(v) if the Independent Adviser or the Issuer (acting in good faith) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as defined below) (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in good faith) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. For the avoidance of doubt, the Principal Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Non-Guaranteed Notes Principal Agency Agreement or the Guaranteed Notes Principal Agency Agreement, as the case may be, and these Conditions as may be required in order to give effect to this Condition 7(e) (*Benchmark Replacement*). Noteholder or Couponholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Principal Paying Agent (if required); and

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Principal Paying Agent and the Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions (including the amount of the Adjustment Spread, if any),

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law.

For the purposes of this Condition 7(e) (*Benchmark Replacement*):

"**Adjustment Spread**" means (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in good faith) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if no such determination as provided in (ii) above is made, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in good faith) to be appropriate in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to Noteholders as a result of the replacement of the Reference Rate with the Successor Rate or the Alternative Reference Rate (as applicable);

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in good faith) is most comparable to the relevant Reference Rate;

"**Benchmark Event**" means, in respect of a Reference Rate:

(i) such Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(ii) the making of a public statement by the administrator of such Reference Rate that it has ceased or will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(iii) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;

(iv) the making of a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate will be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions;

(v) the making of a public statement by the supervisor of the administrator of the Reference Rate that the Reference Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market; or

(vi) it has become unlawful for any Paying Agent, Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate;

provided that the Benchmark Event shall be deemed to occur (a) in the case of sub-paragraphs (ii) and (iii) above, on the date of the cessation of publication of the Reference Rate or the discontinuation of the Reference Rate, as the case may be, (b) in the case of sub-paragraph (iv) above, on the date of the prohibition or restriction of use of the Reference Rate and (c) in the case of sub-paragraph (v) above, on the date with effect from which the Reference Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank for the currency to which the relevant Reference Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant Reference Rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the relevant Reference Rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the relevant Reference Rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body.

(f) **Maximum or Minimum Rate of Interest:** If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(g) **Calculation of Interest Amount:** The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(h) **Calculation of other amounts:** If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(i) **Publication:** The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(j) **Notifications etc:** All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on each Relevant Obligor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8 DEFERRAL OF INTEREST ON UNDATED SUBORDINATED NOTES:

Provisions relating to the deferral of interest on Undated Subordinated Notes will be set out in the relevant Pricing Supplement.

9 ZERO COUPON NOTE PROVISIONS

(a) **Application:** This Condition 9 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Late payment on Zero Coupon Notes:** If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (A) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (B) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10 DUAL CURRENCY NOTE PROVISIONS

(a) **Application:** This Condition 10 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) **Rate of Interest:** If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

11 REDEMPTION AND PURCHASE

(a) **Scheduled redemption:** Unless previously redeemed, or purchased and cancelled, each Note which is not an Undated Subordinated Note will be redeemed at its Final Redemption Amount on the Maturity Date, subject as provided in Conditions 12 (*Payments – Bearer Notes*) and 13 (*Payments – Registered Notes*). If such Note is an Undated Subordinated Note, it has no final maturity and is only redeemable in accordance with the following provisions of this Condition 11 or Condition 15(b) (*Events of Default relating to Subordinated Notes*).

(b) **Redemption for tax reasons:** Subject (in the case of Subordinated Notes) to Condition 11(i) (*Additional Conditions for Redemption of Subordinated Notes*), where the Issuer is a Branch Issuer or a Subsidiary Issuer, the Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if, immediately before giving such notice, the Issuer satisfies the Trustee that:

(A)

(1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes;

(2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; and

(3) in the case of Subordinated Notes, the prior written approval of the Regulatory Authority(ies) specified in the relevant Pricing Supplement shall have been obtained

(B) in the case of Guaranteed Notes:

(1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 14 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of Notes;

(2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it; and

(3) in the case of Subordinated Guaranteed Notes, the prior written approval of the Regulatory Authority(ies) specified in the relevant Pricing Supplement shall have been obtained;

provided, however, that no such notice of redemption shall be given earlier than:

(i) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Relevant Obligor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(ii) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Relevant Obligor would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall procure that there is delivered to the Trustee (A) a certificate signed by an Authorised Signatory (as defined in the Trust Deed) of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and (B) an opinion of independent legal advisers of recognised standing to the effect that the Relevant Obligor has or will become obliged to pay such additional amounts as a result of such change or amendment and, further (C) in the case of Subordinated Notes, a copy of the written approval of the Regulatory Authority(ies) specified in the applicable Pricing Supplement.

The Trustee shall be entitled without further enquiry to accept such written approval (where applicable), certificate and opinion as sufficient evidence of the satisfaction of the circumstances set out above, in which event they shall be conclusive and binding on the holders of the Notes, Receipts and Coupons.

Upon the expiry of any such notice as is referred to in this Condition 11(b), the Issuer shall be bound to redeem the Notes accordingly.

(c) **Redemption at the option of the Issuer:** Subject (in the case of Subordinated Notes) to Condition 11(i) (*Additional Conditions for Redemption of Subordinated Notes*), if the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Relevant Obligor's having (1) in the case of Subordinated Notes, obtained the prior written approval from the Regulatory Authority(ies) specified in the applicable Pricing Supplement, and (2) given:

(i) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 22 (*Notices*); and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Notes, the Registrar;

(which notices shall be irrevocable and shall specify the fixed date for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date (Call) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Pricing Supplement together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date (Call); provided, however, that, in the case of Subordinated Notes, such redemption shall be subject to the prior written approval of the relevant Regulatory Authority(ies) pursuant to the relevant regulations, as set out in the applicable Pricing Supplement, in effect at the applicable time.

(d) **Partial redemption:** If the Notes are to be redeemed in part only on any date in accordance with Condition 11(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 11(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) **Redemption for Change of Control:** In the case of Notes issued by a Subsidiary Issuer, subject (in the case of Subordinated Notes) to Condition 11(i) (*Additional Conditions for Redemption of Subordinated Notes*), if Change of Control Put is specified in the relevant Pricing Supplement as being applicable, at any time following the occurrence of a Change of Control, the holder of any Note will have the right, at such holder's option, to require the Issuer to redeem all, but not some only, of that holder's Notes on the Change of Control Put Date at a price equal to the Early Redemption Amount (Change of Control), together with accrued interest up to, but excluding, the Change of Control Put Date. To exercise such right, the holder of the relevant Note must deposit at the specified office of any Paying Agent a duly completed and signed notice of redemption, in the form for the time being current, obtainable from the specified office of any Paying Agent (a "**Change of Control Put Exercise Notice**"), together with the Certificate evidencing the Notes to be redeemed, by not later than 30 days following a Change of Control, or, if later, 30 days following the date upon which notice thereof is given to Noteholders by the Issuer in accordance with Condition 22 (*Notices*). The "**Change of Control Put Date**" shall be the fourteenth day after the expiry of such period of 30 days as referred to above in this Condition 11(e).

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem the Notes which are the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

The Issuer shall give notice to Noteholders (in accordance with Condition 22 (*Notices*)) and the Trustee by not later than 14 days following the first day on which it becomes aware of the occurrence of a Change of Control, which notice shall specify the procedure for exercise by holders of their rights to require redemption of the Notes pursuant to this Condition 11(e).

Neither the Trustee nor the Agents shall be required to monitor whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred and shall not be liable to Noteholders or any other person for not doing so.

(f) **Redemption of the Senior Notes or the Dated Subordinated Notes at the option of the Noteholders:** Subject (in the case of Subordinated Notes) to Condition 11(i) (*Additional Conditions for Redemption of Subordinated Notes*), if the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Senior Note or, as the case may be, any Dated Subordinated Note, redeem such Senior Note or, as the case may be, any Dated Subordinated Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 11(f), the Holder of a Senior Note or a Dated Subordinated Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Senior Note or, as the case may be, such Dated Subordinated Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Senior Note or, as the case may be, or a Dated Subordinated Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Senior Noteholder or Dated Subordinated Noteholder. No Senior Note or Dated Subordinated Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 11(f), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Senior Note or Dated Subordinated Note becomes immediately due and payable or, upon due presentation of any such Senior Note or Dated Subordinated Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Senior Noteholder or Dated Subordinated Noteholder at such address as may have been given by such Senior Noteholder or such Dated Subordinated Noteholder in the relevant Put Option Notice and shall hold such Senior Note or such Dated Subordinated Note at its Specified Office for collection by the depositing Senior Noteholder or Dated Subordinated Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Senior Note or Dated Subordinated Note is held by a Paying Agent in accordance with this Condition 11(f), the depositor of such Senior Note or such Dated

Subordinated Note and not the Paying Agent shall be deemed to be the Holder of such Senior Note or such Dated Subordinated Note for all purposes. Any Put Option Notice given by a Holder pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred in which event such Holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Senior Note or Dated Subordinated Note forthwith due and payable pursuant to Condition 15 (*Events of Default*).

(g) **Early redemption of Zero Coupon Notes:** Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 11(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) **Purchase:** Any Relevant Obligor or any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. The Notes so purchased, while held by or on behalf of any Relevant Obligor or any such Subsidiary, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 19(a) (*Meetings of Noteholders*).

(i) **Additional Conditions for Redemption of Subordinated Notes:** The additional conditions for redemption of Subordinated Notes (including, but not limited to, conditions for redemption of Subordinated Notes for regulatory reasons) will be specified in the applicable Pricing Supplement.

12 PAYMENTS – BEARER NOTES

This Condition 12 is only applicable to Bearer Notes.

(a) **Principal:** In relation to Bearer Notes not held in the CMU, payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre of that currency.

(b) **Interest:** In relation to Bearer Notes not held in the CMU, payments of interest shall, subject to paragraph (h) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.

(c) **Payments in the relation to Bearer Notes held in the CMU:** In relation to Bearer Notes held in the CMU, payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

Payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the CMU for their distribution, on the order of the holder of the Bearer Notes, to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(d) **Payments in New York City:** Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(e) **Payments subject to fiscal laws:** All payments in respect of the Bearer Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*), and (ii) notwithstanding the provisions of Condition 14 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the US Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 14 (*Taxation*) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) **Deductions for unmatured Coupons:** If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(g) **Unmatured Coupons void:** If the relevant Pricing Supplement specifies that this Condition 12(f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 11(b) (*Redemption and Purchase – Redemption for tax reasons*), Condition 11(c) (*Redemption and Purchase – Redemption at the option of the Issuer*), Condition 11(e) (*Redemption for Change of Control*) or Condition 11(f) (*Redemption of the Senior Notes or the Dated Subordinated Notes at the option of the Noteholders*) or Condition 15 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) **Payments on business days:** If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) **Payments other than in respect of matured Coupons:** Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).

(j) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) **Exchange of Talons:** On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 16 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

13 PAYMENTS – REGISTERED NOTES

This Condition 13 is only applicable to Registered Notes.

(a) **Principal:** In relation to Registered Notes not held in the CMU, payments of principal shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London), and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) **Interest:** In relation to Registered Notes not held in the CMU, payments of interest shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Principal Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London), and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in Hong Kong, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) **Payments in the relation to Registered Notes held in the CMU:** In relation to Registered Notes held in the CMU, payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

Payments of principal and interest in respect of Registered Notes held in the CMU will be made to the CMU for their distribution, on the order of the holder of the Registered Notes, to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules at the relevant time and payment made in accordance thereof shall discharge the obligations of the Issuer in respect of that payment.

(d) **Payments subject to fiscal laws:** All payments in respect of the Registered Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 14 (*Taxation*), and (ii) notwithstanding the provisions of Condition 14 (*Taxation*), any withholding or deduction required pursuant to an agreement described in Section 147 1(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof or (without prejudice to the provisions of Condition 14 (*Taxation*) any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(e) **Payments on business days:** Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 13 arriving after the due date for payment or being lost in the mail.

(f) **Partial payments:** If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(g) **Record date:** Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the close of business in the place of the Registrar's Specified Office on the fifth (in the case of Renminbi) and fifteenth (in the case of a currency other than Renminbi) day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the close of business on the relevant Record Date.

*So long as the Global Note Certificate is held on behalf of Euroclear, Clearstream or any other clearing system, each payment in respect of the Global Note Certificate will be made to the person shown as the holder in the Register at the close of business of the relevant clearing system on the Clearing System Business Day before the due date for such payments, where "*Clearing System Business Day*" means a weekday (Monday to Friday, inclusive) except 25 December and 1 January.*

In respect of a Global Note Certificate representing Notes held through the CMU, any payments of principal, interest (if any) or any other amounts shall be made to the person(s) for whose account(s) interests in the relevant Global Note Certificate are credited (as set out in the records of the CMU) at the close of business on the Clearing System Business Day immediately prior to the date for payment and, save in the case of final payment, no presentation of the relevant bearer Global Note Certificate shall be required for such purpose. For the purposes of this paragraph, "Clearing System Business Day" means a day on which the CMU is operating and open for business.

14 TAXATION

(a) All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of a Relevant Obligor shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, such Relevant Obligor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.

(b) If any Relevant Obligor becomes subject at any time to any taxing jurisdiction other than the Tax Jurisdiction(s), references in these Conditions to the Tax Jurisdiction(s) shall be construed as references to the Tax Jurisdiction(s) and/or such other jurisdiction.

15 EVENTS OF DEFAULT

(a) **Events of Default relating to Senior Notes:** If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or provided with security and/or pre-funded to its satisfaction) give written notice to the Relevant Obligor(s) declaring the Senior Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality:

(i) *Non-Payment:* the Relevant Obligors fail to pay the principal of, or any interest on, any of the Notes when due and such failure continues for a period of 30 days;

(ii) *Breach of Other Obligations:* any Relevant Obligor defaults in the performance or observance of any of its other obligations under or in respect of the Notes, the Deed of Guarantee, as applicable, the Trust Deed and such default remains unremedied for 45 days after written notice has been delivered to the Relevant Obligor(s);

(iii) *Insolvency:* any Relevant Obligor or any of the Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of any Relevant Obligor or any of the Material Subsidiaries;

(iv) *Winding-up:* an order is made or an effective resolution passed for the winding-up or dissolution or administration of any Relevant Obligor or any of the Material Subsidiaries, or any Relevant Obligor ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by an Extraordinary Resolution of the Noteholders, or (b) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in any Relevant Obligor or another of its Subsidiaries;

(v) *Illegality:* it is or will become unlawful for any Relevant Obligor to perform or comply with any one or more of its obligations under any of the Notes, Coupons, the Deed of Guarantee, as applicable or the Trust Deed; or

(vi) *Guarantee not in force:* in the case of Guaranteed Notes, the Guarantee of the Notes or the Deed of Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

(b) **Events of Default relating to Subordinated Notes:** Events of Default relating to Subordinated Notes will be set out in the relevant Pricing Supplement.

16 PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

17 REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Relevant Obligor(s) may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

18 TRUSTEE AND AGENTS

Under the Trust Deed, the Trustee is entitled to be indemnified and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with any Relevant Obligor and any entity relating to a Relevant Obligor without accounting for any profit.

In the exercise of its powers and discretions under these Conditions, the Deed of Guarantee, as applicable and the Trust Deed, the Trustee will have regard to the interests of the Noteholders as a class and will not be responsible for any consequence for individual Holders of Notes as a result of such Holders being connected in any way with a particular territory or taxing jurisdiction.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Relevant Obligor(s) and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Relevant Obligor(s) reserve the right (with the prior approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or Calculation Agent and additional or successor paying agents; provided, however, that:

(i) the Relevant Obligor(s) shall at all times maintain a principal paying agent and a registrar;

(ii) if a Calculation Agent is specified in the relevant Pricing Supplement, the Relevant Obligor(s) shall at all times maintain a Calculation Agent;

(iii) the Relevant Obligor(s) shall at all times maintain a CMU Lodging and Paying Agent in relation to Notes accepted for clearance through the CMU; and

(iv) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Relevant Obligor(s) shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

The Trust Deed provides that, in respect of any Tranche of Notes, the Relevant Obligor(s) may enter into a deed with the Alternative Trustee incorporating all the provisions of the Trust Deed (as modified or amended by such deed or the relevant Pricing Supplement) and thereby constituting such Notes. In such event The Bank of New York Mellon, London Branch as trustee of the Trust Deed shall have no liability or responsibility whatsoever for the appointment of the Alternative Trustee or for any acts, omissions or defaults of any such Alternative Trustee and no fiduciary or agency relationship between any Holder of such Notes and it will be created or implied to be created.

19 MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

(a) **Meetings of Noteholders:** The Trust Deed contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by any Relevant Obligor or by the Trustee and shall be convened by the Trustee upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in aggregate principal amount of Notes outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) **Modification and waiver:** The Trustee may, but shall not be obliged to, without the consent of the Noteholders, agree to any modification of these Conditions, the Deed of Guarantee, as applicable or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification will not be materially prejudicial to the interests of Noteholders and to any modification of the Notes, the Deed of Guarantee, as applicable or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, but shall not be obliged to, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes, the Deed of Guarantee, as applicable or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, the interests of the Noteholders will not be materially prejudiced thereby.

Unless the Trustee agrees otherwise, any such authorisation, waiver or modification shall be notified to the Noteholders as soon as practicable thereafter.

20 ENFORCEMENT

The Trustee may at any time, at its discretion and without notice, institute such proceedings as it thinks fit to enforce its rights under the Trust Deed or the Deed of Guarantee, as applicable in respect of the Notes, but it shall not be bound to do so unless:

(i) it has been so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or has been so directed by an Extraordinary Resolution; and

(ii) it has been indemnified and/or pre-funded and/or provided with security to its satisfaction.

No Noteholder may proceed directly against any Relevant Obligor unless the Trustee, having become bound to do so, fails to do so within a reasonable time and such failure is continuing.

21 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the Issue Date, first Interest Payment Date and if applicable, and the timing for notification to the NDRC) so as to form a single series with the Notes. The Issuer may from time to time create and issue other series of notes having the benefit of the Trust Deed.

22 NOTICES

(a) **Bearer Notes:** Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in Hong Kong or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) **Registered Notes:** Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of Euroclear or Clearstream or DTC or any other clearing system (except as provided in (ii) below), notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note Certificate or (ii) the CMU, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to the CMU in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note Certificate, and any such notice shall be deemed to have been given to the Noteholders on the day on which such notice is delivered to the CMU.

23 CURRENCY INDEMNITY

If any sum due from any Relevant Obligor in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against such Relevant Obligor, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, such Relevant Obligor shall indemnify each Noteholder, on the written demand of such Noteholder addressed to such Relevant Obligor and delivered to such Relevant Obligor or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of each Relevant Obligor and shall give rise to a separate and independent cause of action.

24 ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

25 GOVERNING LAW AND JURISDICTION

(a) **Governing law:** The Notes, the Trust Deed, the Deed of Guarantee, as applicable and any non-contractual obligations arising out of or in connection with the Notes, the Trust Deed and the Deed of Guarantee, as applicable are governed by English law except that subordination provisions relating to Subordinated Notes in the Trust Deed and the Deed of Guarantee, as applicable, are governed by the laws of the People's Republic of China or such law as specified in the applicable Pricing Supplement and provisions in the applicable Pricing Supplement are governed by, and shall be construed in accordance with such law as specified in the applicable Pricing Supplement.

(b) **Jurisdiction:** The Relevant Obligor(s) have in the Trust Deed and (in the case of any Guaranteed Notes) the Guarantor has in the Deed of Guarantee (i) agreed for the benefit of the Trustee and the Noteholders that the courts of Hong Kong shall have exclusive jurisdiction to settle any dispute (a "**Dispute**") arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes); (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue that any other courts are more appropriate or convenient; and (iii) designated a person in Hong Kong to accept service of any process on its behalf.

(c) **Waiver of immunity:** To the extent that any Relevant Obligor may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed in any such jurisdiction to such Relevant Obligor or its assets or revenues, such Relevant Obligor agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

(d) **Consent to enforcement, etc:** Each Relevant Obligor irrevocably and generally consents in respect of any proceedings anywhere to the giving of any relief or the issue and service on it of any process in connection with those proceedings including, without limitation, the making, enforcement or execution against any assets whatsoever (irrespective of their use or intended use) of any order or judgment which may be made or given in those proceedings.

PRICING SUPPLEMENT FOR THE NOTES

Singapore Securities and Futures Act Product Classification – In connection with S309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the **SFA**) and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the **CMP Regulations 2018**), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

UK MiFIR product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (**COBS**), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (**UK MiFIR**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a **distributor**) should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Pricing Supplement dated 9 October 2024

Bank of China Limited, London Branch

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

Issue of U.S.$300,000,000 Floating Rate Notes due 2027 (the Notes)

under the U.S.$40,000,000,000 Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the drawdown offering circular dated 9 October 2024 (the **Offering Circular**). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular as so supplemented and the additional disclosure relevant to the Notes in the Annex.

1.	Issuer:		Bank of China Limited, London Branch
2.	(i)	Series Number:	157
	(ii)	Tranche Number:	001
	(iii)	Tax Jurisdiction:	United Kingdom
3.	Specified Currency or Currencies:		United States dollars (**U.S.$**)
4.	Aggregate Nominal Amount:		

	(i)	Series:	U.S.$300,000,000
	(ii)	Tranche:	U.S.$300,000,000
5.	(i)	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii)	Net Proceeds:	Approximately U.S.$299,000,000
6.	(i)	Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii)	Calculation Amount:	U.S.$1,000
7.	(i)	Issue Date:	18 October 2024
	(ii)	Interest Commencement Date:	Issue Date
8.	Status of the Notes		Senior
9.	Maturity Date:		The Interest Payment Date falling on or nearest to 18 October 2027
10.	Interest Basis:		Compounded SOFR + 0.59 per cent. per annum Floating Rate (further particulars specified below in paragraph 18)
11.	Redemption/Payment Basis:		Redemption at par
12.	Change of Interest or Redemption/Payment Basis:		Not Applicable
13.	Put/Call Options:		Not Applicable
14.	Listing:		Application will be made to the International Securities Market of the London Stock Exchange (Admission to trading is expected to be effective on 21 October 2024).
15.	(i)	Date of approval for issuance of Notes obtained:	Board approval: 29 April 2024 Shareholders' approval: 28 June 2024
	(ii)	Date of regulatory approval(s) for issuance of Notes obtained	NDRC pre-issuance registration: Pursuant to the Approval by the Enterprise Borrowing Foreign Debt Registration Certificate of 2024 (Fa Gai Ban Wai Zhai [2024] No. 239) (《企业借用外债备案登记证明》(发改办外债[2024] 239 号)) issued by the NDRC General Office on 29 April 2024 (the **NDRC Approval**), Bank of China Limited (the **Bank**) is not required to complete any pre-issuance registration (other than the NDRC Approval which it has obtained) in respect of the Notes with the

		NDRC as the Notes will be issued within the NDRC Approval.
16.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

17.	**Fixed Rate Note Provisions**	Not Applicable
18.	**Floating Rate Note Provisions**	Applicable For more information relating to the Floating Rate Note Provisions, see Annex to this Pricing Supplement.
	(i) Interest Period(s):	Each period beginning from (and including) the Interest Commencement Date to (but excluding) the First Interest Payment Date, or from (and including) any Specified Interest Payment Date to (but excluding) the next Specified Interest Payment Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(ii) Specified Period:	Not Applicable
	(iii) Specified Interest Payment Dates:	18 January, 18 April, 18 July and 18 October in each year, commencing on the First Interest Payment Date and ending on the Maturity Date, in each case subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(iv) First Interest Payment Date:	The Specified Interest Payment Date falling on or nearest to 18 January 2025
	(v) Business Day Convention:	Modified Following Business Day Convention
	(vi) Additional Business Centre(s):	Not Applicable. For the avoidance of doubt, New York City shall be the Principal Financial Centre.
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	The Principal Paying Agent shall be the Calculation Agent
	(ix) Screen Rate Determination:	
	– Reference Rate:	Compounded SOFR, as defined in the Annex below, and subject to the fallback provisions therein.
	– Interest Determination Date(s):	The fifth U.S. Government Securities Business Day (as defined in the Annex below) prior to the end of each Interest Period

	–	Relevant Screen Page:	SOFR Administrator's Website (as defined in the Annex) at https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index, or any successor source.
	–	Relevant Time:	Not Applicable
	–	Relevant Financial Centre:	Not Applicable
	(x)	ISDA Determination:	Not Applicable
	(xi)	Margin(s):	+ 0.59 per cent. per annum
	(xii)	Minimum Rate of Interest:	Not Applicable
	(xiii)	Maximum Rate of Interest:	Not Applicable
	(xiv)	Day Count Fraction:	Actual/360
	(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	As described in the Annex below
19.	**Zero Coupon Note Provisions**		Not Applicable
20.	**Dual Currency Note Provisions**		Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Change of Control Put**	Not Applicable
24.	**Final Redemption Amount of each Note**	U.S.$1,000 per Calculation Amount
25.	**Early Redemption Amount**	U.S.$1,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons, change of control or an event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

26.	**Form of Notes:**	**Registered Notes:**

		Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
27.	Additional Financial Centre(s) or other special provisions relating to payment dates:	For the avoidance of doubt, New York City shall be the Principal Financial Centre, and London shall be the Additional Financial Centre.
28.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	Not Applicable
29.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
30.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
31.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
32.	Consolidation provisions:	The provisions in Condition 21 (*Further Issues*) apply
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable
35.	NDRC Post-Issue Filing:	Applicable

DISTRIBUTION

36.	(i) If syndicated, names of Managers:	Bank of China Limited, London Branch, Bank of China (Hong Kong) Limited, BOCI Asia Limited, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of Communications Co., Ltd. Hong Kong Branch, China Construction Bank (Asia) Corporation Limited, China Securities (International) Corporate Finance Company Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, Crédit Agricole Corporate and Investment Bank, Guotai Junan Securities (Hong Kong) Limited, Haitong International Securities Company Limited, Industrial and Commercial Bank of China (Macau) Limited, Mizuho Securities Asia

		Limited, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and Standard Chartered Bank. (the **Managers**)
	(ii) Stabilisation Manager(s) (if any):	Any of the Managers appointed and acting in its capacity as stabilisation manager
37.	If non-syndicated, name and address of Dealer:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2; TEFRA not applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Additional selling restrictions:	Not Applicable

OPERATIONAL INFORMATION

42.	ISIN Code:	XS2919091590
43.	Common Code:	291909159
44.	Legal Entity Identifier:	54930053HGCFWVHYZX42
45.	CUSIP:	Not Applicable
46.	CMU Instrument Number:	Not Applicable
47.	Any clearing system(s) other than Euroclear/Clearstream, Luxembourg, DTC and the CMU Service and the relevant identification number(s):	Not Applicable
48.	Delivery:	Delivery against payment
49.	Trustee:	The Bank of New York Mellon, London Branch
50.	Additional Paying Agent(s) (if any):	Not Applicable
51.	Alternative Trustee (if any):	Not Applicable
52.	Rebates:	Not Applicable
53.	Contact email addresses of the overall coordinators where underlying investor information in relation to omnibus orders should be sent:	dcm.emea@uk.bankofchina.com; bocmtn@bochk.com; debt.syndicate@bocigroup.com; Abcic.dcm@abci.com.hk; abchk.dcm@abchina.com; ccba_dcm@asia.ccb.com; DCM_HK@csci.hk; DebtSyndicate@csci.hk; ib.dcm.fig@clsa.com; bondissuance@cmbwinglungbank.com; Project.bucks@ca-cib.com;

		HKG-Syndicate@ca-cib.com; dcm.ig@gtjas.com.hk; dcm@mc.icbc.com.cn; Omnibus_Bond@hk.mizuho-sc.com; and SYNHK@sc.com.
54.	Marketing and Investor Targeting Strategy:	As indicated in the Offering Circular

GENERAL

55.	Translation of the aggregate principal amount of Notes issued:	Not Applicable
56.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1; S&P: A; and Fitch: A.

USE OF PROCEEDS

The net proceeds of the Notes will be used by the Issuer for general corporate purposes.

STABILISATION

In connection with this issue, any of the Managers appointed and acting in its capacity as stabilisation manager (the **Stabilisation Manager**) (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the price of the Notes at a level higher than that which might otherwise prevail for a limited period after the Issue Date. However, there is no obligation on such Stabilisation Manager to do this. Such stabilisation, if commenced, may be discontinued at any time, and must be brought to an end after a limited period. Such stabilisation shall be in compliance with all applicable laws, regulations and rules.

PURPOSE OF PRICING SUPPLEMENT

This Pricing Supplement comprises the final terms required for issue and admission to trading on the International Securities Market of the London Stock Exchange of the Notes described herein pursuant to the U.S.$40,000,000,000 Medium Term Note Programme of the Bank.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

The Issuer acknowledges that it will be bound by the provisions of the Trust Deed.

Signed on behalf of Bank of China Limited, London Branch

By: ____________________
Duly authorised

ANNEX

A. Provisions relating to the determination of the Rate of Interest

Condition 7(c) (*Screen Rate Determination*) of the Conditions shall be deleted and replaced with the below solely for the purposes of this Series of Notes only.

(c) **Screen Rate Determination**: If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be Compounded SOFR plus the Margin as calculated by the Calculation Agent on the relevant Interest Determination Date. The Rate of Interest applicable to the Notes for each Interest Period shall apply with effect from the Reset Date for that Interest Period.

For the purposes of this Condition 7(c) (*Screen Rate Determination*):

"**Compounded SOFR**" means, with respect to an Interest Period, the compounded average of daily Secured Overnight Financing Rate ("**SOFR**") for each day during the relevant Observation Period and will be determined by the Calculation Agent on the relevant Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005% being rounded upwards (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655)):

$$\left(\frac{\textbf{SOFR Index}_{End}}{\textbf{SOFR Index}_{Start}} - \mathbf{1}\right) \times \left(\frac{\mathbf{360}}{\mathbf{d}_c}\right)$$

where:

"$\mathbf{d_c}$" is the number of calendar days in the relevant Observation Period.

"**SOFR Index$_{\mathbf{End}}$**" means, in respect of an Interest Period, the SOFR Index value on the day which is five U.S. Government Securities Business Days preceding the Interest Payment Date relating to such Interest Period (or in the final Interest Period, the Maturity Date).

"**SOFR Index$_{\mathbf{Start}}$**" means, in respect of an Interest Period, the SOFR Index value on the day which is five U.S. Government Securities Business Days preceding the first date of such Interest Period.

"**Observation Period**" means, in respect of an Interest Period, the period from (and including) the date which is five U.S. Government Securities Business Days preceding the first date of such Interest Period to, but excluding, the date which is five U.S. Government Securities Business Days preceding the Interest Payment Date for such Interest Period (or in the final Interest Period, the Maturity Date).

"**Reset Date**" means the first day of each Interest Period.

"**SOFR Administrator**" means the Federal Reserve Bank of New York or any successor administrator of the SOFR Index value and Secured Overnight Financing Rate.

"**SOFR Administrator's Website**" means the website of the SOFR Administrator, or any successor source.

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means:

(a) the SOFR Index value as published by the SOFR Administrator as such index appears on the Relevant Screen Page (currently at https://www.newyorkfed.org/markets/reference-rates/sofr-averages-and-index) on or about 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Index Determination Time**"); provided that in the event that the value originally published by the SOFR Administrator on or about 3:00 p.m. (New York time) on any U.S. Government Securities Business Day is subsequently corrected and such corrected value is published by the SOFR Administrator on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index value as of the SOFR Index Determination Time in relation to such U.S. Government Securities Business Day; and

(b) if a SOFR Index value does not so appear as specified in (a) above, then:

(i) if a Benchmark Event and has not occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to the "SOFR Index Unavailable" provisions; or

(ii) if a Benchmark Event has occurred with respect to SOFR, then Compounded SOFR shall be the rate determined pursuant to Condition 7(e) (*Benchmark Replacement*).

"**U.S. Government Securities Business Day**" means any day other than a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

If the Notes become due and payable in accordance with Condition 11(b) (*Redemption for tax reasons*) or Condition 15 (*Events of Default*), the final Interest Determination Date shall, notwithstanding any Interest Determination Date specified in the relevant Pricing Supplement, be deemed to be the date on which the Notes became due and payable and the Rate of Interest on the Notes shall, for so long as the Notes remain outstanding, be that determined on such date and as if (solely for the purpose of such interest determination) the relevant Interest Period had been shortened accordingly.

B. "SOFR Index Unavailable" Provisions

If a SOFR $\text{Index}_{\text{Start}}$ value or SOFR $\text{Index}_{\text{End}}$ value is not published on the relevant Interest Determination Date and a Benchmark Event has not occurred with respect to SOFR Index or SOFR, then the definitions of "SOFR", "Compounded SOFR", "d_c" and "Observation Period" in the provisions above shall be deemed to be deleted and replaced in its entirety with the following:

"**Compounded SOFR**" means, for the applicable Interest Period for which the SOFR Index is not available, the rate of return on a daily compounded interest investment during the relevant Observation Period (with the daily SOFR reference rate as the reference rate for the calculation of interest) and calculated by the Calculation Agent in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005% being rounded upwards (e.g., 9.876541% (or .09876541) being rounded down to 9.87654% (or .0987654) and 9.876545% (or .09876545) being rounded up to 9.87655% (or .0987655)):

$$\left(\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right)\times\left(\frac{360}{d_c}\right)$$

where:

"$\mathbf{d_c}$" means the number of calendar days in the relevant Observation Period.

"**d_o**" means the number of U.S. Government Securities Business Days in the relevant Observation Period.

"**i**" means a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Observation Period (each a "**U.S. Government Securities Business Day(i)**").

"**n_i**" for any U.S. Government Securities Business Day(i) in the relevant Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day(i) up to (but excluding) the following U.S. Government Securities Business Day(i).

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service.

"**Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling a number of U.S. Government Securities Business Days equal to the Observation Shift Days preceding the first date in such Interest Period to (but excluding) the date falling a number of U.S. Government Securities Business Days equal to the number of Observation Shift Days preceding the Interest Payment Date for such Interest Period.

"**Observation Shift Days**" means five U.S. Government Securities Business Days.

"**Reuters Page USDSOFR=**" means the Reuters page designated"USDSOFR=" or any successor page or service.

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the rate determined by the Calculation Agent, in accordance with the following provision:

a. the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, then the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, then the Secured Overnight Financing Rate that appears at the SOFR Determination Time on the SOFR Administrator's Website; or

b. if the rate specified in a. above does not appear, the SOFR published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website.

"**$SOFR_i$**" for any U.S. Government Securities Business Day(i) in the relevant Observation Period, is equal to SOFR in respect of that U.S. Government Securities Business Day(i).

"**SOFR Determination Time**" means on or about 3:00 p.m. (New York City time) on the SOFR Administrator's Website on the immediately following U.S. Government Securities Business Day.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Series of Notes represented by one or more Global Note Certificates, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name the relevant Global Note Certificate is for the time being registered in the Register which in the case of any Unrestricted Global Note Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, will be that depositary or common depositary or a nominee for that depositary or common depositary.

Each of the persons shown in the records of Euroclear, Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate (each an “**Accountholder**”) must look solely to Euroclear, Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by each Relevant Obligor to the holder of such Global Note Certificate and in relation to all other rights arising under such Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Note Certificate will be determined by the respective rules and procedures of Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note Certificate, Accountholders shall have no claim directly against any Relevant Obligor in respect of payments due under the Notes and such obligations of each Relevant Obligor will be discharged by payment to the holder of such Global Note Certificate.

TRANSFERS OF INTERESTS IN GLOBAL NOTE CERTIFICATES

Transfers of interests in Global Note Certificates within Euroclear and Clearstream or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Trustee, the Registrar, the Dealers or the Agents will have any responsibility or liability for any aspect of the records of any Euroclear and Clearstream or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Note Certificate or for maintaining, supervising or reviewing any of the records of Euroclear and Clearstream or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Notes. Consequently, the ability to transfer interests in a Global Note Certificate to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Note Certificate to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Note Certificate representing such interest.

On or after the issue date for any Series, transfers of Notes of such Series between accountholders in Euroclear and/or Clearstream will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers will be effected on the later of (i) three business days after the trade date for the disposal of the interest in the relevant Global Note Certificate resulting in such transfer and (ii) two business days after receipt by the

Principal Paying Agent or the Registrar, as the case may be, of the necessary certification or information to effect such transfer.

For a further description of restrictions on the transfer of Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Although Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Note Certificates among participants and account holders of Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Registrar, the Dealers or the Agents will have any responsibility for the performance by Euroclear or Clearstream or their respective direct or indirect participants or account holders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Note Certificate is lodged with Euroclear, Clearstream or any relevant clearing system, Individual Note Certificates for the relevant Series of Notes will not be eligible for clearing and settlement through such clearing systems.

CONDITIONS APPLICABLE TO GLOBAL NOTE CERTIFICATES

Each Global Note Certificate will contain provisions which modify the Conditions as they apply to the Global Note Certificate. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note Certificate which, according to the Conditions, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Relevant Obligor in respect of the Notes.

Payment Business Day: in the case of a Global Note Certificate, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Note Certificate will be made to the person shown as the holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" a weekday (Monday to Friday, inclusive) except 25 December and 1 January.

Exercise of put option: In order to exercise the option contained in Condition 11(e) (*Redemption for Change of Control*) or Condition 11(f) (*Redemption of the Senior Notes or the Dated Subordinated Notes at the option of the Noteholders*) the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 11(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Global Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and/or Clearstream (as the case may be) (to be reflected in the records of Euroclear and/or Clearstream (as the case may be) as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 22 (*Notices*), while all the Notes are represented by a Global Note Certificate and the Global Note Certificate is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream or held on behalf of any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 22 (*Notices*) on the date of delivery to Euroclear and/or Clearstream and/or any other relevant clearing system.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's consolidated debt and capitalisation as at 31 December 2023.

	As at 31 December 2023
	(RMB million)
Debt(1)	
Bonds issued	1,802,446
Other borrowings	36,176
Total debt	1,838,622
Equity	
Capital and reserves attributable to equity holders of the Bank	
Share capital	294,388
Other equity instruments	399,505
Capital reserve	135,736
Treasury shares	–
Other comprehensive income	34,719
Statutory reserves	256,729
General and regulatory reserves	379,285
Undistributed profits	1,129,148
Non-controlling interests	127,305
Total equity	2,756,815
Total equity and liabilities	32,432,166

Note:

(1) For the purpose of this table, the total debt of the Group only includes bonds issued and other borrowings. As at 31 December 2023, the Group had other liabilities and indebtedness including due to banks and other financial institutions, due to central banks, bank notes in circulation, placements from banks and other financial institutions, financial liabilities held for trading, derivative financial liabilities, due to customers, current tax liabilities, retirement benefit obligations, deferred income tax liabilities and other liabilities

As at 31 December 2023, the registered capital of the Bank was RMB294,388 million divided into 294,387,791,241 ordinary shares of RMB1.00 par value each, all of which had been issued and were fully paid-up, including 210,765,514,846 A Shares and 83,622,276,395 H Shares.

From time to time, the Bank and/or its various offshore branches may issue debt or other regulatory capital securities in various currencies and tenor depending on market conditions.

Except as disclosed in this Offering Circular, there has been no material adverse change in the capitalisation and indebtedness, financial position or prospects nor any significant change in the financial or trading position or prospects of the Group since 31 December 2023.

RECENT DEVELOPMENT

The following set out recent development of the Group's business after 31 December 2023, which should be read in conjunction with the "Description of the Bank" section contained elsewhere in this Offering Circular.

On 29 August 2024, the Bank published its reviewed consolidated financial statements as at the for the six months ended 30 June 2024 on the Hong Kong Stock Exchange.

THE BANK'S STRENGTHS

Largest and Rationally Distributed Overseas Network Complementing an Extensive Domestic Network

As at 30 June 2024, the Bank had a total of 11,491 institutions worldwide, including 10,945 institutions in the Chinese Mainland and 546 institutions in Hong Kong, Macau, Taiwan and other countries and regions. Its commercial banking business in the Chinese Mainland (including Head Office, tier-1 branches, tier-2 branches and outlets) comprised 10,280 institutions, including 38 tier-1 and direct branches, 373 tier-2 branches and 9,868 outlets.

Leader in Non-Interest Income and Treasury Businesses with Strong Product Innovation Capabilities

As at 30 June 2024, the Bank accounted for 15 of the world's 33 authorised Renminbi clearing banks and continues to lead its peers. It also ranked first in terms of the number of the Cross-border Inter-bank Payment System (the "**CIPS**") indirect participants. In the first half of 2024, the Group's cross-border RMB clearing transactions totalled RMB719.39 trillion, an increase of 93.97 per cent. compared with the same period of the prior year, maintaining the leading position in the global market.

PRINCIPAL BUSINESS ACTIVITIES

Commercial Banking in the Chinese Mainland

Focusing on supporting the country's major strategies, key areas and weak links, the Bank achieved remarkable results in improving the quality and efficiency of its services to the real economy.

Corporate Banking

Supporting the nation's real economy vigorously,, the Bank continuously promoted the transformation of its corporate banking business. It increased credit support in key areas and weak links including technological innovation, green transformation, inclusive finance, rural revitalisation, strategic emerging industries, the manufacturing industry and the private sector, enhanced the quality of service support for the advanced manufacturing and the construction of industrial systems for the digital economy, and supported region-specific development of new quality productive forces.

Corporate Deposits

The Bank actively promoted the high-quality growth of its deposit business, adhering to the coordinated development of quantity and price. It continued to improve its customer segmentation marketing management system, enhanced its "customer-centric" philosophy and strengthened comprehensive service capacity. Actively optimising the business structure, it maintained a balanced relationship between preventing risks and promoting development, and continuously pushed for reasonable growth in quantity and effective improvement in quality.

The Bank gave full play to the strategic positioning of administrative business, provided commercial and intelligence services for local governments, strengthened the "head office to head office" docking, continued to promote the construction of a smart government ecosystem, improved the quality of financial services, and consolidated business foundations.

Corporate Loans

The Bank closely tracked the financing needs of customers and the market. It continually increased credit granting to key areas and weak links of the nation's economic and social development and effectively improved the quality and efficiency of its services to the real economy. The Bank increased credit granting to strategic emerging industries and assisted in promoting the construction of a modern industrial system. To serve the nation's coordinated regional development strategy, the Bank grasped the central government's development positioning for each region and enhanced credit support for key industries on a region-specific basis, injecting financial momentum into the development of a regional economic pattern featuring complementary advantages and high-quality development.

Financial Institutions Business

The Bank continued to deepen collaboration with various types of financial institutions. As at the end of the first half of 2024, it has maintained correspondent relationships with nearly 1,200 institutions around the world and has opened 1,510 cross-border RMB clearing accounts for correspondent banks from 113 countries and regions, establishing itself as a leader among domestic banks. It promoted the RMB Cross-Border Interbank Payment System (CIPS) and established indirect participant partnerships with over 600 domestic and overseas financial institutions, ranking first in terms of market coverage. The Bank's custodian service for Qualified Foreign Investors (QFI) and its agency service for overseas central banks and other sovereign institutions held leading positions in the industry in terms of both customer base and business scale. It also ranked first in the amount of under custody of bonds invested by overseas institutions in the China interbank bond market (CIBM).

The Bank actively promoted RMB internationalisation, holding various events including the "Assisting the Construction of the China-Pakistan Trade Corridor and RMB Business" forum, and making every effort to advance RMB internationalisation in Latin America. It has established multi-level partnerships with international multilateral financial institutions and served as the co-lead arranger and bookrunner for the first syndicated loan of the BRICS Development Bank, the only Chinese bank to do so. As lead underwriter, it assisted the Asian Infrastructure Investment Bank and the BRICS Development Bank in issuing panda bonds. The Bank assisted in enriching product supply in capital markets, advanced the construction of Shanghai International Reinsurance Centre and deeply participated in the design and promotion of plans for "Reinsurance International Board".

Transaction Banking Business

The Bank fully served high-standard opening up and achieved steady development in its transaction banking business. It made proactive efforts to improve the volume and quality of foreign trade and to build financial bridges for foreign trade enterprises to explore diversified markets. The Bank fully served the hosting of China Import and Export Fair ("**Canton Fair**") and China International Consumer Products Expo ("**CICPE**"), and energetically supported preparations for China International Import Expo ("**CIIE**"), China International Fair for Trade in Services ("**CIFTIS**"), and China International Fair for Investment and Trade ("**CIFIT**"). A number of enterprises took the lead in joining the BOC Trade Club platform. To facilitate the steady promotion of RMB internationalisation, the Bank conducted RMB internationalisation roadshows in countries including Indonesia, Malaysia and Brazil, successfully hosted the "2024 RMB Internationalisation Forum" in Shanghai, and published the White Paper on RMB Internationalisation. It organised the "BOC Global Cash Management Service in Provinces" promotional activity series to meet the global fund management needs of enterprises in global treasury construction and overseas operations. The Bank continuously promoted the digital transformation of its transaction banking business and developed and put into operation a next – generation of bill pool system to enhance the capability of its bill trading services. It continuously deepened the construction of corporate finance scenarios, promoted open banking embedded services for corporate clients, and launched "BOC Enterprise Cloud Finance" and "BOC Enterprise Cloud Accounting" services on multiple platforms. The transaction volume of "BOC Enterprise Cloud Direct Remittance" continued to increase. In the first half of 2024, the Bank's domestic institutions continued to lead peers in the fields such as international trade settlement, cross-border letter of guarantee and cross-border fund pool. The coverage of the Bank's collaborative platforms for cross-border e-commerce settlement kept expanding, and the scale of settlement services grew rapidly. Domestic institutions witnessed a steady growth in cross-border RMB settlement volume, continuing to lead their peers.

Inclusive Finance

The Bank continued to increase its support for key customers in key areas and make every effort to build an inclusive financial service system that appropriately supports the development of micro and small-sized enterprises and other market entities. In order to serve key areas and weak links, it established and continuously improved its long-acting mechanism for financial services, carried out the "Inclusive Loan for Employment Promotion" themed event for the third consecutive years, and granted special loans to support the production and operation of enterprises which have made outstanding contributions for stabilising and expanding employment, so as to promote employment stabilisation and expansion. The Bank also scaled up its credit support to agriculture-related areas. As at 30 June 2024, the balance of the Bank's agriculture-related loans stood at RMB2.28 trillion, while the balance of loans to key counties receiving assistance for rural revitalisation reached RMB36.832 billion, up 11.08 per cent. compared with the prior year-end, outpacing the Bank's overall loan growth rate.

To foster the development of the new quality productive forces, the Bank focused on micro and small-sized technological enterprises and formulated a full life-cycle service programme, providing a package of financial services such as account opening, payroll agency, settlement, private banking and capital services, etc., with more than RMB430.0 billion in credit lines granted to over 28,000 national and provincial-level specialised and sophisticated SMEs.

The Bank continued to promote its intellectual property pledge financing business, carried out special activities to assist the development of new energy vehicles and other industrial chains, and regularly developed and published the "Enterprise Intellectual Property Pledge Financing Index". It accelerated the digital transformation, enriched and perfected the online financing product system of "BOC Quick Loan" and made innovation in its "Export E-Loan" to meet the financial service needs of micro and small-sized enterprises engaged in foreign trade export. It optimised online channels and operation platforms, continuously improved the "BOC Inclusive Finance" customer service app, and upgraded its intelligent operation platform for inclusive finance business. To assist the high-quality development of enterprises, the Bank organised nearly 30 bank-enterprise linking activities in Shanghai, Guizhou, Xinjiang and other provinces and cities, and created 14 provincial-level special investment attraction and promotion zones on the "BOC E-Cooperation" platform targeting Beijing, Tianjin, Hebei, Shanghai and other provinces. To support high-level opening-up, the Bank actively participated in the organisation of a special event on "Finance Supporting Private Enterprises in Yangtze River Delta 'Going Global'", as a means to provide further financial support and services to private enterprises' "Going Global" efforts and contribute to the high-quality construction of the Belt and Road. As at 30 June 2024, the Bank's outstanding inclusive finance loans to micro and small-sized enterprises reached RMB2,091.628 billion, growing by 18.94 per cent. compared with the prior year-end and outpacing the Bank's overall loan growth rate, while the number of inclusive finance customers surpassed 1.3 million.

Pension Business

The Bank adhered to the national strategy of actively responding to the aging population. Focusing on establishing the national elderly care security system, the Bank strived to build up its pension finance service system with abundant products and high-quality services. As at 30 June 2024, pension funds held in trust by the Bank reached RMB232.364 billion, an increase of RMB22.478 billion or 10.71 per cent. compared with the prior year-end. Enterprise annuity individual accounts held by the Bank reached 4.3725 million, an increase of 0.2488 million or 6.03 per cent. compared with the prior year-end. The Bank provided enterprise annuity services for more than 19,400 institutional clients.

Personal Banking

Being customer-centric, the Bank stepped up efforts to establish its status as a leading bank in full-stack personal banking. As at 30 June 2024, the Bank's commercial banking business in the Chinese Mainland had more than 531 million personal customers, an increase of 1.19 per cent. compared with the prior year-end, and its market share among comparable peers grew compared to the end of 2023.

Account Management Business

The Bank is committed to offering inclusive and high-quality account management services. Centred around the "Three Pillars of Personal Pensions" system, it strengthened its personal pension services, continuously enriched products and provision, optimised related systems and functions, and provided a one-stop comprehensive pension scheme covering pension account opening, contribution and asset management, etc. The Bank maintained a leading market position among its comparable peers in terms of the number of personal pension mutual funds sold. It continued to promote a Chinese mainland personal account opening witness service in Hong Kong (China) and Macao (China) (known as the "Greater Bay Area Account Opening" service), and launched digital card and mobile banking online activation services, facilitating the opening of Chinese Mainland personal bank settlement accounts for residents of Hong Kong (China) and Macao (China). As at 30 June 2024, the Bank had opened over 380 thousand accounts via its "Greater Bay Area Account Opening" service, an increase of 10.64 per cent. compared with the prior year-end. The Bank actively reduced fees and made profit concessions, providing fee waivers on personal debit card annual fees and management fees for petty accounts.

Wealth Finance Business

The Bank improved the coverage and quality of its wealth management business in line with the strategic aim of "common prosperity" and the principles of openness, mutual benefit, customer focus and whole-process companion. It enhanced its investment products selection capabilities, established "Market-wide + Group-wide" product shelf, dynamically optimised its product supply according to market conditions, continuously improved its multi-term, multi-strategy product system, and steadily expanded cooperation with wealth management companies. As at 30 June 2024, the Bank had established partnerships with 17 wealth management companies, maintaining a leading market position among its comparable peers. It strengthened its professional asset allocation capabilities and achieved full-process management of online asset allocation, including asset review and analysis, allocation recommendations, and one-click ordering. To enhance its whole-process customer service capabilities, the Bank continuously optimised "BOC Investment Strategy", a global investment strategy information service system covering major asset categories across different time intervals. It also expanded its "Fortune" mobile banking community. As at 30 June 2024, 44 cooperating financial institutions, including funds, insurance, brokerage firms, wealth management and other businesses were operating in the "Fortune" community. The Bank strengthened investor education and provided more supplementary services for customers holding investments. To improve customer service experience, the Bank launched the "Wealth Management Night Fair" service, extending the closing time for subscription and redemption transactions to 24:00 at night, providing customers with earlier interest accrual and redemption settlement services. As at 30 June 2024, the financial assets of the Group's personal customers under management exceeded RMB 15 trillion, with a steady increase in both the customer base and assets under management of medium and high-end customers. The Bank established 8,228 wealth management centres and 1,103 prestigious wealth management centres in the Chinese mainland.

Consumer Finance Business

Closely focusing on the needs of residents, the Bank intensified its efforts to expand its consumer finance services. To support the steady and healthy development of the real estate market, the Bank implemented regulatory policies and continuously increased housing loan scale, recording a higher market share among comparable peers as compared to the end of 2023. By making timely adjustments and refinements to its housing credit policies, it provided differentiated housing credit services so as to reduce financing costs for homebuyers. The Bank gave full play to the role of promotional consumption in stabilising economic growth, continued to accelerate digital transformation and expanded customer coverage and scale in its non-housing consumer loan business. It formulated the Financial Service Plan of Bank of China for Supporting the Trade-in of Consumer Goods to better facilitate the trade-in of consumer goods. The Bank actively implemented the policy of interest exemption and deferred repayment for government-sponsored student loans, and energetically promoted the coordinated development of government-sponsored student loans by campus and place of origin, thereby expanding the scope of its business services.

Private Banking Business

The bank adhered to the concept of "private banking driven by the Group's strength", leveraging the Group's diversified resources to create full-cycle, multi-scenario and customised wealth management service. It improved its investment strategy information service system, optimised its market-wide, Group-wide, and round-the-clock private banking products shelf, enhanced sales suitability management and continuously strengthened its asset allocation and customised service capabilities. It enhanced its "Entrepreneur Office" service, providing business financing services and comprehensive service solutions tailored to key entrepreneur customers in an effort to support the development of the real economy. Moreover, it accelerated the development of its family trust business, with the number of family trust service customers increasing by 52.83 per cent. compared with the prior year-end. and rolled out unlisted company equity trust products. Leveraging the advantages of its overseas private banking services, the Bank assisted customers in optimising global asset allocation and provided employee equity incentive services for several overseas listed enterprises. It continuously issued exclusive products for the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Beijing-Tianjin-Hebei region and other regions to boost high-quality regional economic development. It promoted the issuance of charitable products and trusts to fulfil its social responsibilities. As at 30 June 2024, the Group had over 185.2 thousand private banking customers with RMB2.84 trillion of financial assets under management, and established 197 private banking centres in the Chinese mainland.

In the first half of 2024, the Bank's private banking business received various awards including the "China's Best State-Owned Private Bank" from Euromoney, "Best Private Bank – National", "Best Private Bank – Wealth Planning" and "Best Private Bank – Entrepreneurs" from Asian Private Banker, and the "Award for Family and Enterprises Finance" from Retail Banking.

Personal Foreign Exchange Business

The Bank actively served the country's high-level opening up. Focusing on key customers, key regions and key businesses, it accelerated product and service innovation and continued to optimise its personal foreign exchange business in order to consolidate its leading advantages. It expedited the roll-out of self-service currency exchange machines, which now support e-CNY exchange and offer screen and voice guidance in 8 languages. The number of the self-service machines increased by 37.74 per cent. compared with the prior year-end, maintaining market leadership. The Bank had 1,727 authorised exchange counters, with its market share among comparable peers surpassing 50 per cent. In the first half of 2024, the Bank continued to lead its domestic peers in terms of personal cross-border business income, volume of personal foreign currency exchange against RMB, and foreign currency personal deposits. It also continued to lead peers in terms of personal deposit-withdrawal currency coverage, offering 25 currencies, and personal foreign currency cash exchange coverage, offering 39 currencies.

Bank Card Business

Focusing on customers' financial service needs, the Bank continuously optimised its comprehensive service capabilities to effectively unleash bank card business growth potential.

The Bank adopted an integrated online and offline service mode for social security card business, enhanced physical social security card services and promoted electronic social security cards. As at 30 June 2024, the Bank had cumulatively issued 122.9973 million physical social security cards and 37.5160 million electronic social security cards. To support the nation's rural revitalisation strategy, the Bank enthusiastically promoted rural revitalisation themed debit cards, with a total of 4.8068 million cards issued.

To align with the requirements of key customer groups, the Bank launched a co-branded card with JD.com for young online customers. Targeting private banking and wealth management customers, the Bank launched "Great Wall Private Banking and Wealth Credit Cards" to enhance customers' loyalty and service experience. Leveraging mobile payments as a key driver, it carried out card linking and payment promotion activities in cooperation with mainstream payment institutions and enhanced its capabilities for targeted promotion based on payment institutions' algorithms. It strengthened the construction of online channel consumption scenarios and carried out cashback campaigns during peak consumption periods for high-frequency and high-consumption scenarios such as shopping, travel, supermarkets and entertainment, in order to meet customers' needs for convenient consumption. To support major consumer purchases in scenarios such as automobile, home furnishing, and electronic products, the Bank improved the customer experience for large consumption demands. It promoted the development of new energy vehicle instalment business according to green finance development requirements. It also promoted instalment services for the trade-in programmes to meet customers' needs for car replacement and upgrading as well as the renewal of household appliances and home furnishings. Based on customers' various consumption needs, the Bank also provided its BOC E-Instalment "Family Consumption Reserve Fund" service on a flexible basis.

As at 30 June 2024, the Bank had issued a total of 688.4376 million debit card and 146.1714 million credit cards. In the first half of 2024, credit card consumption volume reached RMB648.576 billion, while instalment transactions reached RMB184.951 billion.

Payment Merchant Business

Upholding the principle of "payment for the people", the Bank remained committed to providing customers with convenient, efficient and comprehensive payment services while always prioritising customer experience. The Bank enhanced its payment service capabilities for foreign nationals in China, continuously extended overseas card acceptance environment, improved payment services in its branches, and broadened its foreign currency exchange channels. As at 30 June 2024, the proportion of ATMs offering foreign card withdrawal services reached 100 per cent., and that of branches providing foreign currency exchange services stood at 95 per cent.. Fully leveraging the traditional advantages of its foreign card acquiring business, the Bank took multiple measures to expand overseas card acquiring merchants, covering key scenarios such as food, housing, transportation, travel, shopping, entertainment, healthcare, and education, effectively improving the payment convenience for overseas visitors. The number of foreign card acquiring merchants increased by 127 per cent. compared with the prior year-end. The Bank enhanced its payment service capabilities for elderly customers, including providing more "petty cash pack" to meet their needs. It had granted approximately 1.19 million "petty cash packs", while the proportion of its branches catering to the needs of elderly customers had reached 99.98 per cent.. To improve the quick payment card linking experience, the Bank introduced functions such as one-click multi-linking of debit cards at smart counter channels and the automated filling of SMS verification codes for card linking. It explored petty-amount-payment scenarios that benefit people's livelihood and expanded the coverage of its mobile banking QR code services for public transport. To make rail travel more pleasant and efficient, the Bank expanded the coverage of its Railway e-Card services to 87 inter-city railway lines, covering key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta and Guangdong-Hong Kong-Macao Greater Bay Area, serving over 38 million journeys.

Financial Markets Business

The Bank closely tracked global financial market dynamics, stepped up efforts to ensure prudent and compliant operations constantly, thus further consolidating its leading position in the sector.

Investment Business

The Bank strengthened its professional forecasting and analysis of domestic and overseas financial markets, dynamically optimised its investment structure and effectively mitigated portfolio risks. To boost the high-quality development of the real economy, the Bank adjusted its RMB portfolio to increase investment in key areas such as local government bonds and treasury bonds, and retained its position as a leading investor in green debt financing instruments. It actively participated in capital market innovations, including corporate bond investment on the Beijing Stock Exchange and total loss absorbing capacity (TLAC) non-capital bond investment. In response to fluctuations in the USD interest rate market, the Bank continuously optimised the product and currency structure of its foreign currency investment portfolios, seized market opportunities to reasonably control risks, and improved the rate of return on foreign currency portfolios.

Trading Business

The Bank continuously optimised its financial markets business system, consolidating its foundations for high-quality development. It constantly sharpened its competitive edge in financial markets, outperforming peers in market share of foreign currency exchange against RMB, making 40 currencies available for exchange, adding spot foreign exchange services for the Mexican peso and Saudi Arabian Riyal, and leading the domestic market in terms of the total number of tradable foreign currencies. The Bank actively fulfilled its responsibilities as a core market-maker, and was recognised as “Excellent RMB Foreign Exchange Market Maker”, “Excellent Foreign Currency Pair Market Maker”, “Excellent Member in Enterprise Risk Management Services” and “Excellent Currency Trading Institution along the Belt and Road” in the interbank foreign exchange market. In addition, it maintained the leading position in market-making rankings for precious metals on the Shanghai Gold Exchange and Shanghai Futures Exchange. It won the awards of “Bond Market Leading Institution of the Year” from China Central Depository & Clearing Co., Ltd and “Most Market Prestigious Institution of the Year” from China Foreign Exchange Trade System. To energetically serve the real economy, the Bank actively promoted the concept of FX risk neutrality and utilised financial market trading instruments to help enterprises enhance their exchange rate risk management. It stepped up service support for micro, small and medium-sized technological enterprises, and improved the quality and efficiency of inclusive finance hedging services. Seizing opportunities arising from the high-level opening up of financial markets, the Bank expanded its overseas institutional investor customer base and promoted quotation services for domestic bonds and derivatives. It actively responded to the optimisation of “Northbound Swap Connect”, and maintained market leadership in cash bond trading with overseas institutions. The Bank signed the first change margin agreement in domestic derivatives trading to enrich the application scenarios of RMB assets, and assist with RMB internationalisation. To effectively guard against risks, the Bank strengthened its forward-looking, proactive and professional risk management, and improved its risk control and management capabilities in order to ensure business stability and sustainability.

Investment Banking Business

The Bank fully leveraged its globalised advantages and comprehensive operations. It met the diversified financing needs of customers with comprehensive, professional and customised “onshore + offshore” and “financing + intelligence” integrated financial services plans, including financial products and services such as bond underwriting and distribution, asset-backed securitisation (ABS), and professional M&A financial advisory services, etc. The Bank facilitated the development of China’s multi-layered capital markets with professional services. The Bank supported customers’ direct financing needs. Its bond underwriting volume ranked among the top tier in China’s interbank bond market (CIBM), while its allotment volume of credit bonds in the CIBM remained first in the market. It actively promoted the development of green finance, maintaining a leading market position in green bond underwriting. Its volume of ABS underwriting outperformed peers. It strengthened synergistic cooperation with its comprehensive operation companies, met customer needs of services including M&A, equity financing, project financing, debt restructuring, asset divestitures, cross-border investment and financing, market analysis, industry research and policy interpretation, etc., thus providing professional financial advisory services. The Bank continued to hone its competitive advantages in cross-border business. It helped overseas issuers to issue Panda bonds, including Asian Infrastructure Investment Bank, New Development Bank and other enterprises, maintaining its leading market share in Panda bonds underwriting. The Bank continued to top the offshore China bond underwriting league table, helping to channel international investment in support of the real economy, and assisted the Ministry of Finance of the People’s Republic of China to issue RMB23.0 billion of offshore RMB bonds in Hong Kong, further contributing to RMB internationalisation. It assisted several enterprises and institutions to successfully issue offshore RMB bonds and US dollar bonds, helping Chinese institutions to finance overseas. The Bank assisted the Kingdom of Saudi Arabia to issue USD12.0 billion US dollar bonds, and assisted Public Investment Fund as well as Saudi Electricity Company to complete the issuance of multiple US dollar bonds, implementing the Belt and Road initiative and strengthening capital market cooperation in the Middle East. The Bank prudently developed its credit asset-backed securitisation business. It issued five NPL asset-backed securitisations with a total issuance volume of RMB3.027 billion in the first half of 2024.

Asset Management Business

The Bank contributed to the overall management and planning of the asset management sector through the Asset Management Business Committee. It enhanced its capabilities in investment and research, compliance and risk control, customer expansion, information technology and product research and development to promote the high-quality development of the Bank’s asset management business. The Bank actively supported the real economy and customers' wealth management. The Bank conducted asset management business through institutions such as BOC Wealth Management, BOCIM, BOCI China, BOC Asset Investment, BOC Hong Kong Asset Management and BOCI-Prudential Asset Management Co., Ltd., providing individual and institutional investors with RMB and foreign currency products across a full range of asset categories, as well as diversified investment strategies and services across the entire investment cycle. The Bank constantly innovated, enriched and issued new products with various characteristics and themes, such as "technology", "green", "inclusive", "pension" and "digital".

As at 30 June 2024, the scale of the Group's asset management business reached RMB3.39 trillion, continuously improving the overall strength of the Group's asset management business.

Custody Business

The Bank continued to optimise the quality and efficiency of business operations and promote the high-quality development of asset custody business. It actively promoted pension finance, with pension funds under custody reaching RMB 1.74 trillion, and continued to provide high-quality annuity custody services for large enterprises, with the value of annuities under custody increasing by over RMB36.0 billion from the prior year-end. It seized the opportunity to expand its mutual funds and placed 18 newly-issued passive index funds under its custody, leading the market in terms of the number of passive index funds under custody. In addition, the Bank developed customised custody service plans for publicly offered real estate investment trusts (REITs) and a range of pension finance products. It proactively applied operational risk management tools to improve business continuity management and enhance the effectiveness of risk prevention and control in its custody business.

Village Bank

BOC Fullerton Community Bank actively implemented China's rural revitalisation strategy, and adhered to the development concept of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". It continued to improve its product and service systems, and remained committed to providing modern financial services to rural customers, county-level micro and small-sized enterprises, individual merchants and wage earners. As at 30 June 2024, BOC Fullerton Community Bank controlled 134 village banks via new institution establishment or M&A, with 189 sub-branches in 22 provinces (including autonomous regions and municipalities directly under the central government), of which 90 banks with legal person status were located in the mid-west region.

Globalised Operation

As the most globalised Chinese bank, the Bank served the nation's new development pattern and high-standard opening up, stayed focused on the goal of building a strong financial institution, established globalisation as a pillar and priority in its development strategy, constantly enriched the supply of financial products and services, further deepened the coordination across the Group, and gave further play to the role of the mechanism of "accessing the Bank's global resources and services at any point of contact", strived to continuously consolidate its globalised advantages, and enhanced its global development capabilities and international competitiveness.

The Bank continued to explore market opportunities, with a focus on cross-border finance, green finance, high-quality Belt and Road Initiative (BRI) cooperation, RMB internationalisation, the development of Shanghai and Hong Kong as international financial centres, and overseas personal banking services etc. It also strengthened the risk management, compliance and safe operation capabilities of its overseas institutions in order to achieve sustainable development.

It continuously leveraged the advantages of global network to enhance collaborative services across the Group, and provide high-quality financial services for "high-standard Bringing In" and "high-level Going Global" initiatives. As at 30 June 2024, the Bank had 546 overseas institutions in 64 countries and regions outside the Chinese Mainland, including 44 BRI partner countries.

It also deepened group-level governance, reviewed and revised its market-by-market growth strategies for overseas institutions, focused on its main businesses, tapped the potential of overseas markets and continuously enhanced market competitiveness.

The Bank constantly enhanced the capability of BOCHK and Bank of China (Europe) S.A. to manage their respective branches in Southeast Asia and the EU, and expanded the coverage of intensive operations of middle and back offices, thus further improving service quality and efficiency. It also encouraged its institutions in Latin America, South Asia and the South Pacific to further strengthen regional collaboration and leverage synergies.

Corporate Banking

The Bank gave full play to the Group's globalised advantages, followed the changes in global markets closely, and took effective measures in line with local condition to maintain continued stable growth in its overseas institutions' financial business.

Actively leveraging the competitive edges arising from its global operations, global financial service network and "Access to the Bank's Global Resources at Any Point of Contact" service mechanism, the Bank provided high-quality financial services to "Going Global" and "Bringing in" enterprises, Fortune 500 and overseas local enterprises and contributed to serving high-standard opening-up and joint development of the Belt and Road. As at 30 June 2024, the Bank participated in more than 1,100 corporate credit projects along the Belt and Road and provided more than USD341.0 billion of credit support.

The Bank fostered comprehensive cooperation with various types of financial institutions in areas such as clearing, settlement, lending, investment, custody, treasury operations and comprehensive capital market services. As a result, it further expanded its customer base. Moreover, the Bank made full use of its international partnership network, drew on advanced global expertise and deepened peer communication and cooperation mechanisms to continually strengthen its participation in ESG-related fields worldwide.

Responding in a more agile and forward-looking manner to market fluctuations, the Bank provided market advice to overseas institutional customers and promoted the investment value of RMB to medium and long-term investors around the world, resulting in steady growth in its overseas institutional investor customer base. Actively supporting the new development pattern of dual circulation, the Bank continuously strengthened coordination between domestic and international institutions to serve high-level opening-up and national strategies such as the Belt and Road Initiative. The Bank supported enterprises in their foreign trade and economic exchange, with its overseas institutions recording stable growth in international settlement and cross-border RMB settlement. The Bank improved its global cash management "1+5+N+X" layout, maintaining market leadership in cross-border cash pooling business.

Personal Banking

The Bank accelerated the development of its overseas customer service to further meet the needs of overseas personal customers for saving, payment and credit services, with the aim of building a high-quality and user-friendly comprehensive service system featuring diversified products. As at 30 June 2024, the Bank's personal banking network covered over 30 countries and regions, serving over seven million customers, and realising continuous expansion in customer size.

The Bank constantly improved its "Cross-boundary Wealth Management Connect" services, and upgraded the services according to regulatory policies. It had approximately 62,600 subscribers for northbound and southbound "Cross-boundary Wealth Management Connect", maintaining a market-leading position. It continued to improve its "Greater Bay Area Account Opening" service, which meets demand from residents of Hong Kong (China) and Macao (China) for opening mainland personal bank settlement accounts, and continuously consolidated the product's advantages.

The Bank continued to improve the ability of refined risk management to promote the differentiated development of overseas personal loan business. The Bank provided and continuously improved wealth management and private banking services in Hong Kong (China), Macao (China), Singapore, etc.

Targeting overseas students, the Bank launched a digital version of EMV cards (Euro-Mastercard-Visa) that supports real-time card opening upon application, to meet the needs for online cross-border transactions such as tuition payment of overseas students, and provide high-quality card services for overseas students. The Bank carried out cashback offers for cross-border consumption under the "Global Wonderful" theme, a "reward points for overseas consumption" campaign with "Zhuo Jun Card" products, and a cash rebate offer for overseas students' tuition payments and other activities, underscoring the distinctive characteristics of its cross-border offering. It launched promotion activities in popular regions in collaboration with international credit card organisations. The Bank continued to enhance the influence of its foreign card acquiring brand, and improved the foreign card acceptance environment for major international games and events such as the 135th Canton Fair, the 2024 ISF Football World Cup, and the 2024 Summer Davos Forum in Dalian.

Financial Markets Business

Giving full play to the traditional advantages arising from the layout of its international network, the Bank adhered to a global vision, proactively responded to changes in international financial markets, and provided high-quality services in overseas financial markets, with the aim of building a high-value global brand in financial markets business.

It expanded the bond investment business of overseas institutions prudently by strengthening international market analysis and strategy research, increasing the bond investment scale of overseas institutions and proactively managing portfolio duration. It maintained a good balance of safety, liquidity and profitability, and continuously strengthened risk prevention and control.

The Bank provided clients worldwide with 5×24 round-the-clock quotation services to customers worldwide through its operations in Hong Kong (China), London and New York. It accelerated the promotion of electronic trading platforms to meet the automated trading needs of global customers. The Bank improved the infrastructure of its Hong Kong Offshore RMB Trading Centre, enhanced its influence in the offshore RMB and foreign exchange markets, and gave full play to its advantages in RMB business to continuously improve its customer service capabilities. The Bank improved the efficiency of the London Trading Centre's electronic trading platform to support its branches in Europe, Africa, and the Middle East, and reinforced its trading business infrastructure to promote business development. In the first half of 2024, the Bank underwrote Panda bonds with a total volume of RMB28.5 billion, ranking first in the market. It underwrote offshore China bonds with a total volume of USD1.322 billion, also ranking first in the market, and underwrote USD1.717 billion of Asia (excluding Japan) G3 currency bonds, ranking first among Chinese institutions.

It actively contributed to financial two-way opening up and led the market in both cross-border custody business and overseas custody business. As at 30 June 2024, assets under cross-border custody amounted to RMB1.07 trillion, maintaining the top position among Chinese-funded peers.

Clearing Business

The Bank further consolidated its leading edge in cross-border RMB payments. As at 30 June 2024, the Bank accounted for 15 of the world's 33 RMB clearing banks authorised by the People's Bank of China, continuing to lead its peers. It continually supported the global coverage expansion of CIPS, and ranked first in the number of CIPS direct participant and indirect participant relationships. In the first half of 2024, the Group's cross-border RMB clearing transactions totalled RMB719.39 trillion, an increase of 93.97 per cent. compared with the same period of the prior year, maintaining the leading position in the global market.

Online Service Channels

The Bank continued to optimise its online service channels of overseas institutions, strived to improve customer experience, giving new impetus to its global development.

Focusing on the high-frequency needs of local customers, the Bank optimised its overseas corporate online banking functions by region, introducing more than 20 unique online channel functions in its institutions in Mexico, Argentina, Canada and other countries and regions, thereby further improving its basic service capabilities. As at 30 June 2024, the overseas corporate online banking has been available in 56 countries and regions, providing services in 14 languages.

To further improve customer experience, the Bank vigorously promoted version 6.0 of the BOC Mobile Banking app (International Version), introducing key functions such as soft token, RMB salary remittance service, in-app push notification and online management of personal information. As at 30 June 2024, BOC International Mobile Banking app was available in 30 countries and regions around the world, providing services in 12 languages.

BOCHK

As a Hong Kong-listed banking group controlled by the Bank, BOCHK leveraged the Group's globalised advantages and comprehensive features to cultivate the Hong Kong market, actively tapped into cross-border opportunities, pushed forward integrated development in Southeast Asia, and bolstered digital empowerment, so as to continuously enhance its market competitiveness。

In line with market trends towards low-carbon transition, BOCHK enriched its green and low-carbon financial products and services. It rolled out Hong Kong's first personal carbon footprint tracking function on its mobile banking platform to encourage customers to live green and low-carbon lifestyles. It also expanded the loan purpose of green loans to personal customers to green and sustainable finance courses. To offer customers green investment opportunities, it introduced an equity fund themed on net-zero transition in China. It also provided its corporate clients with innovative and tailor-made green and sustainability-linked financial service solutions, so as to assist them in accomplishing their green development targets. In support of the HKSAR Government's green finance development, BOCHK again served as a joint global coordinator for the HKSAR Government's multi-currency digital green bond issuance. It participated in the inaugural "Hong Kong Green Week", and successfully held the "Cooperation & Innovation – Accelerating the Development of Sustainable Finance in China" forum. BOCHK remained committed to achieving its carbon neutrality targets in an orderly manner, providing momentum towards its goal of carbon-neutral operations by 2030.

BOCHK steadily developed its corporate banking services and leveraged collaborative mechanisms among its integrated business platforms to provide comprehensive financial service solutions for its corporate clients. It outperformed the local market in customer deposits and loans while maintaining its non-performing loan ratio at below the market average. It worked with blue-chip enterprises, high-quality commercial firms and SMEs, underwrote several bond issues with significant market influence, and maintained its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market. It promoted the development of inclusive finance services, implemented the nine supporting measures for SME customers (jointly introduced by the Hong Kong Monetary Authority (HKMA) and the Banking Sector SME Lending Coordination Mechanism), with the aim of offering diversified financing products and other financial services to SME customers. BOCHK also assisted corporate clients in setting up offshore treasury centres, consolidating its leading position in cash pooling business. BOCHK pushed forward the development and enhanced the quality of its personal banking services by optimising its wealth management products and services for different customer segments, actively expanding the service network of its "Private Wealth" premium brand and developing the younger customer segment, as well as strengthening its core product competitiveness. Capitalising on opportunities from Hong Kong residents travelling north for cross-border consumer spending and travelling overseas, BOCHK launched several cross-border promotion campaigns, recording solid growth in its consumer finance businesses such as credit cards, BoC Pay and BoC Bill.

Seizing business opportunities from financial services policies in the Guangdong-Hong Kong-Macao Greater Bay Area, BOCHK strengthened internal and external collaboration to provide customers with financial services featuring global expertise accessible at any point of contact and launched a range of RMB trade service solutions featuring e-Commerce, commodities, Chinese brands going global and Belt and Road, as well as cross-border financial service solutions tailored for innovative technology and digital transformation. BOCHK Jakarta Branch, Phnom Penh Branch and Yangon Branch successively completed the RMB clearing account opening procedures for several banking peers, contributing to the expansion of the regional RMB clearing network. BOCHK continued to optimise the product and service suite of "Bank of China Cross-Boundary Wealth Management Connect", with the aggregate number of accounts opened and amount of funds remitted or transferred under both Southbound and Northbound services ranking among the top tier in Hong Kong. It also executed Hong Kong's first repo transaction collateralised by onshore RMB denominated debt securities under Northbound Bond Connect.

BOCHK deepened its regional management in Southeast Asia and remained focused on integrated regional development, adopting the organic combination of market-by-market strategies as its template for a differentiated management approach across its regional entities to steadily promote the synergistic development of regional business. It continued to enhance its regionalised operations and promote the centralisation of its Southeast Asian entities' operations by boosting the business operation capacity of its Regional Operation Centre in Nanning. BOCHK continuously optimised regional risk management, stringently adhered to the risk "bottom line" and solidly maintained key financial indicators at appropriate levels by implementing its "Three Lines of Defence" risk control mechanism and providing professional guidance to its entities. At the same time, it actively strengthened synergy and collaboration, capturing opportunities from the Regional Comprehensive Economic Partnership to focus on the development of Belt and Road and "Going Global" projects as well as large corporate customers in the region. It remained committed to promoting the regional development of structured finance business, with Bank of China (Thai) Public Company Limited participating in the first syndicated loan project for an automobile finance corporate in Thailand. Meanwhile, BOCHK Jakarta Branch collaborated with the Singapore Branch to successfully win a tender for a three-year term USD denominated syndicated loan to a bank in Indonesia, becoming one of the nine mandated lead arranger banks. As part of its digital transformation strategy, BOCHK innovated and enriched the functionalities of its mobile banking platform, steadily pushed forward the development of the scenario-based personal banking ecosystem and improved the customer experience in online payments. Bank of China (Malaysia) Berhad launched an interconnection project linking Combi QR code and UnionPay QR code payment functions for customers using its mobile banking platform in China, BOCHK Phnom Penh Branch became the first bank in Cambodia to launch a co-branded debit card, facilitating both Cambodian Shared Switch (CSS) and UnionPay International Co., Ltd., and BOCHK Vientiane Branch launched a UnionPay QR code payment function on its mobile banking platform.

BOCHK adhered to its strategy of improving customer experience and leveraging digital transformation to implement comprehensive digital work mechanisms and workflows. It promoted the integration of business and technology while utilising data, business intelligence and ecological approaches throughout its product design and service operations, with the aim of providing customers with omni-channel, seamless and high-quality digital services. BOCHK developed ecological, open and scenario-based banking services and participated in the construction of the e-CNY ecosystem by launching an e-CNY zone in its BoC Pay app to support e-CNY payment services. It became a founder member of the Project Ensemble Architecture Community established by the HKMA in order to formulate standards and strategies for Hong Kong's tokenisation market. BOCHK fostered product and service integration, devoting much endeavour to the research and development of high-quality financial products and services. It connected with the HKMA's Commercial Data Interchange to gain access to credit reference data from the Commercial Credit Reference Agency, using this to streamline its loan approval process. BOCHK provided a seamless process experience by optimising the homepage of its corporate internet banking platform so as to improve the customer journey. In a bid to improve operational efficiency, BOCHK enhanced intelligent operations, and expanded the application and promotion of smart office tools, collaborative tools and automated testing tools in order to minimise operational risks. It refined its policies and systems for digital transformation, nurtured and attracted digital-savvy talent and fostered an innovative culture, thus laying a solid foundation for its long-term development.

COMPREHENSIVE OPERATION

As the first major commercial bank in the Chinese Mainland to develop comprehensive operations, the Bank engages in key fields such as investment banking, asset management, insurance, direct investment, leasing, consumer finance, and financial technology. With a focus on serving the real economy, the Bank pursued progress in "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance. Giving full play to its traditional business strengths, it advanced the high-quality development of its comprehensive operation companies according to the guidelines of Group-wide coordination, risk control, commercial sustainability, and market competitiveness.

In the first half of 2024, the Bank further optimised the synergistic mechanisms between the Bank and its comprehensive operation companies, and consolidated the regional coordination platform for comprehensive operations. It strengthened Group-level communication between the Bank and its comprehensive operation companies, formulated key business synergy strategies for its comprehensive operation companies, and carried out a comprehensive series of collaborative matchmaking activities. It also refined the Group-wide management and control mechanism of its comprehensive operations, improved the "full-chain" performance evaluation system for its comprehensive operation companies, and strengthened risk penetration management. It standardised and optimised the corporate governance structure of its comprehensive operation companies, strengthened performance management of the directors and supervisors assigned to those companies, and continuously improved the quality and efficiency of Group-wide management.

Investment Banking Business

BOC International

The Bank is engaged in investment banking business through BOC International. As an overseas investment banking platform based in Hong Kong, BOCI serves the investment banking business needs of the Group's "Going Global" and "Bringing In" clients. BOCI continuously consolidated its competitiveness and market position in Hong Kong. It focused on serving key areas such as technology finance and green finance to continuously improve the quality and efficiency of its services to the real economy. By providing professional and diversified investment banking services, BOCI helped the Bank to maintain a leading position among Hong Kong peers. Furthermore, acting as the sole ESG rating advisor, it assisted a client in obtaining a "low-risk" ESG rating from Morningstar Sustainalytics for the second consecutive year, setting an industry benchmark. BOCI actively explored innovative products and issued 17 digital structured notes using blockchain, in order to promote digital transformation and RMB internationalisation. It accelerated the transformation of its traditional brokerage business into a wealth management business, meeting clients' wealth management needs through diversified products. The number of wealth management clients increased by approximately 4 per cent. from the end of 2023. By setting up an exclusive ESOP business platform, BOCI provided professional services to around 85,000 employees of nearly 50 companies, managing various options with a total value of approximately HKD20.0 billion. It also enhanced its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOCI, ranked fifth and second respectively in the Hong Kong Mandatory Provident Fund (MPF) and Macao Pension Fund markets.

BOCI China

The Bank is engaged in securities-related business in the Chinese Mainland through BOCI China. BOCI China deepened its advantages of "investment banking + commercial banking", "investment banking + investment" and "domestic + overseas" through technological empowerment, promoting business transformation to support the development of technology finance, green finance, inclusive finance, pension finance and digital finance, as well as the building of strong financial sector for the nation. It targeted key client groups and industries, supporting the development of new quality productive forces. BOCI China ranked twelfth in technological innovation corporate bond underwriting and successfully underwrote the market's first AA+ rated technological innovation corporate bond from a specialised and sophisticated SME in the first half of 2024. BOCI China made efforts to strengthen its proactive management capabilities of asset management business and continued to improve its customer service capabilities. BOCI China ranked second in the securities industry in terms of mutual funds scale. Focusing on the wealth management needs of individual clients, BOCI China constructed a customer-centric product system, refined its comprehensive service process for wealth management, and improved the service capability of its investment advisors. In addition, the brand reputation of its research products was further enhanced.

Asset Management Business

BOCIM

The Bank is engaged in fund management business in the Chinese Mainland through BOCIM.

BOCIM steadily expanded its asset management business, maintained sound internal control and risk management, and constantly improved its brand and market reputation. Prioritising investors' interests, BOCIM strengthened its investment and research capabilities, refined product management, optimised new fund issuance, and launched 6 funds during the first half of this year with dividends of more than RMB2.5 billion, providing investors with stable income. In response to the national strategy of addressing aging population, BOCIM met investors' needs for pension investments by providing a rich supply of products. Consolidating its brand position as a "Global Manager of Global Assets", BOCIM's cross-border business covered Qualified Foreign Investors (QFI), Qualified Domestic Institutional Investors (QDII), mutual recognition of funds, Cross-border Wealth Management Connect and other fields. BOCIM also holds a capital markets services licence from the Monetary Authority of Singapore. As at 30 June 2024, BOCIM's assets under management ("**AUM**") stood at RMB685.262 billion. Specifically, its public-offered funds were RMB597.951 billion and its public-offered funds excluding money market funds were RMB309.936 billion.

BOC Wealth Management

The Bank is engaged in wealth management business in the Chinese Mainland through BOC Wealth Management. BOC Wealth Management's business includes wealth management products for the general public, wealth management products for qualified investors, advisory and consulting, and other asset management-related business.

BOC Wealth Management provided greater support for major national strategies, key areas and weak links, took concrete and meticulous measures to support the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, and promoted the high-quality development of its wealth management business. To advance Chinese modernisation, BOC Wealth Management established an investment research system for serving the real economy, intensified its efforts to identify investment opportunities in new quality productive forces, and facilitated the construction of a modernised industrial system. It continued to expand its ESG-themed wealth management offerings, increasing the proportion of products featuring ESG strategies. To support the rural revitalisation strategy, it introduced a line of exclusive themed products for customers in county-level areas and explored new models of financial services. It also strengthened its advantages in cross-border business, refined its foreign currency and cross-border wealth management product system, and maintained a leading position in the market in terms of product diversity and scale. It continued to consolidate its customer base and expand its sales channels, with products distributed via many external institutions and sales channels. In addition, it strengthened its comprehensive risk management system, promoted technological empowerment in business development and risk management, adopted "bottom line" thinking, and firmly guarded against risks. As at 30 June 2024, its BOC Wealth Management's AUM stood at RMB1,801.939 billion.

Insurance

BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong through BOCG Insurance.

BOCG Insurance helped to consolidate and enhance Hong Kong's position as an international financial centre, striving to build a high-tech, market-leading regional property insurance company with commercial banking characteristics. It leveraged its insurance expertise to boost high-level opening-up by meeting the overseas insurance needs of the Group's customers and providing better services to Chinese enterprises in Hong Kong. Centring on the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance, BOCG Insurance comprehensively aligned with market benchmarks to optimise its insurance strategy and business coordination mechanism and promote product development and service upgrading, so as to fully serve the development of the real economy. Based on the Group's integrated platform, it realised customer expansion through multiple channels, further broadening its customer base. Focusing on the development of new quality productive forces, it promoted in-depth digital transformation to enhance its innovation capability. Embracing ESG strategies, BOCG Insurance promoted green office practices and supported green finance initiatives. It maintained an appropriate balance between growth and security, effectively prevented and defused financial risks, and firmly safeguarded the "bottom line" of regulatory compliance.

BOC Life

The Bank is engaged in life insurance business in Hong Kong through BOC Life.

BOC Life actively expanded its distribution channels and enriched its product spectrum, providing customers with high-quality and professional services. It strengthened collaboration with BOCHK and deepened strategic partnerships with brokerage firms, prestigious private banks and large independent financial advisory firms. BOC Life strengthened its tied agency workforce, focused on sales of high-value new business products and carried out targeted promotions for successful applicants of the Top Talent Pass Scheme and Capital Investment Entrant Scheme as well as other high-quality customer segments. In addition, BOC Life proactively enriched its product suite to offer more attractive products to high-net-worth and cross-border customers, and developed its wellness and silver ecosystems. In addition, it accelerated the development of its digital operations to enhance customer experience.

BOC Insurance

The Bank is engaged in property insurance business in the Chinese Mainland through BOC Insurance.

Giving full play to its role as a "shock absorber" for the insurance sector and a "stabiliser" for society, BOC Insurance identified the pivotal connections and initial levers between insurance services and the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance. It prioritised the strengthening of its core businesses and main responsibilities with a view to supporting the high-quality development of the insurance business as a whole. It enhanced the ability of insurance services to serve national strategic priorities in a precise and adaptive manner, with a focus on the development of new quality productive forces, coordinated regional development, modernisation of governance systems and capacities, and the deepening of high-standard opening up. BOC Insurance also actively put into practice the Group's development strategy and reinforced bank-insurance collaboration, adding value to the Group's comprehensive financial services offering through its insurance products and services. It improved its ESG governance system, strengthened ESG information disclosure and communication, and promoted the transformation and upgrading of its governance framework. It focused on digital transformation, seeking to shift towards an online, intelligent and platform-based business development model to reinforce its growth momentum. It also improved its comprehensive risk management system, refined its long-acting internal control and compliance management mechanisms, and consistently boosted the quality and efficiency of its risk control. In the first half of 2024, it provided insurance coverage of RMB28.72 trillion, processed over 769.1 thousand claims, and paid out over RMB1.7 billion on insurance indemnities.

BOC Insurance maintained an "A-" credit rating and "stable" outlook from Standard & Poor's for the tenth consecutive year.

BOC-Samsung Life Ins. Co., Ltd. ("BOC-Samsung Life")

The Bank is engaged in life insurance business in the Chinese Mainland through BOC-Samsung Life.

Upholding its customer-centric approach, BOC-Samsung Life gave full play to its three major functions of insurance protection, wealth management and fund financing to strengthen synergy and coordination within the Group and integrate itself into the wealth management system. Efforts were made to improve the accessibility and convenience of its financial services, enrich its product system and increase the supply of annuity, life insurance and health insurance products, including launching characteristic products such as "BOC Yixiang Jinsheng Immediate Payment Annuity Insurance" and "BOC Wenying No. 2 Endowment Insurance". In line with the principle that finance should serve the real economy, BOC-Samsung Life invested RMB8.256 billion in inclusive finance, technology finance and green finance. It accelerated digital transformation and further enriched and improved the functions of its online services. In the first half of 2024, BOC-Samsung Life recorded first-year premiums of RMB4.367 billion in its protection and long-term savings businesses, demonstrating consistent improvement in its market competitiveness. It achieved a level 2A rating in the consumer rights protection regulatory evaluation. BOC-Samsung Life also ranked third among life insurance companies in the service quality index.

Investment Business

BOCG Investment

The Bank is engaged in direct investment and investment management business through BOCG Investment. BOCG Investment's business scope includes private equity investment, fund investment and management, real estate investment and management, and special situation investment.

Positioning itself as the Group's overseas direct investment platform, BOCG Investment made all-round progress in its transformation efforts with a clear focus on high-quality development. It advanced capacity building in investment research to support the development of new quality productive forces. Furthermore, it focused on project investment risks and reinforced prevention and control of new risks, significantly improving its overall risk management capabilities. It diversified its funding sources through various channels to drive business growth. During the reporting period, BOCG Investment successfully issued RMB2.5 billion in Panda bonds in the domestic interbank market.

BOC Asset Investment

The Bank is engaged in debt-for-equity swap and related business in the Chinese Mainland through BOC Asset Investment.

Committed to the national strategy of expanding domestic demand and deepening supply-side structural reform, BOC Asset Investment conducted debt-for-equity swap business in support of the high-quality development of the real economy. Adhering to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, it implemented projects in the green finance and technology finance sectors, among others, to advance the construction of a modern industrial system. As at 30 June 2024, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB239.868 billion.

Leasing Business

BOC Aviation

The Bank is engaged in the aircraft leasing business through BOC Aviation. It is one of the world's leading aircraft operating leasing companies and is the largest aircraft operating leasing company headquartered in Asia, as measured by value of owned aircraft assets.

BOC Aviation continued to implement its proactive business strategy and steadily promoted its standing in the aircraft leasing industry, achieving sustainable growth. Actively supporting the Belt and Road Initiative, it had leased 55 per cent. of its aircraft to Belt and Road countries and regions as at 30 June 2024. Continuing to closely track customer demand, the Company took delivery of 18 new aircraft as it continued to expand its owned fleet. These aircraft were all delivered on long-term leases. During the first half of 2024, BOC Aviation signed 55 leases for aircraft while steadily expanding its business. Its fleet is currently on lease to a total of 93 customers in 47 countries and regions. The Company consistently sought to optimise its asset structure and improve its sustainable development. It sold 15 owned aircraft and one owned engine during the first half of 2024, leaving it with an average owned fleet age of 4.9 years (weighted by net book value) as at 30 June 2024, one of the youngest aircraft portfolios in the aircraft leasing industry.

BOC Financial Leasing Co., Ltd. ("BOCL")

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOCL.

BOCL focused on its main responsibilities and businesses, fully committed to serving the country's major strategies, key areas and weak links, and supported the high-quality development of the real economy. As at 30 June 2024, BOCL had conducted a total of RMB104.715 billion of financial leasing business, with the scale of its leasing assets in key industries such as smart transportation, renewable energy, advanced manufacturing and new materials accounting for 84.82 per cent. of the total. It also served green mobility, new energy power generation, solid waste disposal and air quality management, etc., with green financial leasing accounting for 46.75 per cent.

of the total. BOCL focused on supporting intelligent technology upgrades and equipment renewals, combining industry and finance to drive innovative development and empower new quality productive forces. It also accelerated the expansion of its aviation and shipping business, successfully delivering the first domestic bonded financial leasing aircraft in Northeast China and realising a breakthrough from scratch in the Company's new shipbuilding projects. As at 30 June 2024, BOCL had a fleet of 5 aircraft and 11 ships, meeting the needs of aviation and shipping customers with high-quality and efficient services.

Consumer Finance

BOC Consumer Finance Co., Ltd. ("BOC Consumer Finance")

The Bank is engaged in consumer loan business in the Chinese Mainland through BOC Consumer Finance.

BOC Consumer Finance pursued high-quality development, adhered to compliance-oriented management and accelerated digital transformation. It innovated services and strengthened business management for new urban residents, rural revitalisation, consumer protection and other fields, and continued to improve customer experience and market competitiveness. As at 30 June 2024, its loan balance stood at RMB71.789 billion. The balance of online loans accounted for 64.50 per cent. of all loans, an increase of 2.01 percentage points compared with the prior year-end.

Financial Technology

Bank of China Financial Technology Company Limited ("BOC Financial Technology")

The Bank is engaged in financial technology innovation, software development, platform operation and technical consulting services through BOC Financial Technology.

BOC Financial Technology deeply integrated itself into the Group's comprehensive service system to support the Group's digital finance development. As the comprehensive service base, scenario-based ecosystem construction platform, innovation mechanism and unified output channel of the Group's technology system, BOC Financial Technology devoted great efforts to building a scenario ecosystem for corporate treasury products with entirely independent intellectual property rights, thus helping to improve its digital services offering for industrial customers. By empowering the Group's comprehensive operations, BOC Financial Technology boosted the digital financial development of the Group with tailored policy support, including independently developing and continuously optimising end-to-end integrated solutions for IFRS 17, the new accounting standard for insurance contracts. It also conducted pioneering technology research and actively expanded innovative collaborations so as to continuously enhance the market influence of the Group's "finance + technology" brand in technology innovation.

SERVICE CHANNELS

Focusing on customer experience and leveraging digital transformation as the key driver, the Bank accelerated the transformation and upgrading of all service channels, cultivating an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

Online Channels

Embracing the spirit of digitalised, online, mobile and intelligent channel development, the Bank vigorously expanded its online channels so as to rapidly develop its online businesses.

In corporate banking, the Bank upgraded its comprehensive financial services portal for group clients. New functions such as foreign exchange trading and mixed payroll services were successfully launched on the Bank's corporate online banking platform, thus continuously optimising online channel functionality. The Bank upgraded and launched version 5.0 of its domestic corporate mobile banking service, offering multiple versions including standard, cross-border finance and inclusive finance versions, and introducing new functions such as T+1/ T+2 foreign exchange settlement, foreign exchange trading, financing recommendations, loan calculators and popular wealth management products. Unveiled at the 135th Canton Fair product launch event, these enhancements continuously improved the efficiency of the Bank's digital financial services.

For personal customers, the Bank continuously upgraded its mobile banking platform. It optimised basic functions and services, launched a national housing provident fund public service section, introduced a safe box leasing reservation function, extended the historical transaction query interval for credit reports, synchronised financial calendars with mobile calendars and upgraded the equities section. The Bank enriched its wealth management services, introducing features such as "Wealth Management Night Fair" and reminders for cooling-off periods in private equity wealth management, and supported the online audio and video recording and multi-dimensional yield display of asset management products. The Bank improved inclusive financial services, optimised the product page user journey for "BOC E-Loan", added an entrusted payment function to the "Intelligent Swift Loan" product, introduced the "Platform E-Loan" product to "BOC Quick Loan", and optimised loan products such as "Farmer Quick Loan", "Tobacco Merchant E-Loan", and "Business E-Loan". It upgraded exclusive customer services and optimised the salary management and personal pension sections of its mobile banking platform. It continuously improved the digital risk control and anti-phishing monitoring capabilities of its online channels, identifying and closing down a total of 54 phishing websites and app download links in the first half of 2024. Its "Cyber Defence" smart risk control and prevention system monitored 4.560 billion online transactions, a year-on-year increase of 6.17 per cent. As at 30 June 2024, the number of registered customers and monthly active customers in mobile banking reached 282.95 million and 89.86 million respectively, making mobile banking the Bank's most active trading channel.

Offline Channels

The Bank continually optimised outlet layout and accelerated the construction of featured outlets. Based on local situations, it constructed featured outlets focused on technology finance, green finance, inclusive finance and pension finance, etc. It also refined featured outlets' products, services, business models, and software/hardware resource allocation so as to enhance the financial service capabilities of its offline channels with regard to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance. It advanced the construction of smart outlets and expanded the "finance + government affairs" service scenarios of smart counters to better serve the people's livelihood. It utilised tablet-version smart counters to extend the reach of its financial services, providing door-to-door assistance to residents in remote areas and those with limited mobility, thereby enhancing the convenience and accessibility of financial services. To improve the Bank's payment services, all ATMs are now capable of supporting foreign card cash withdrawals. In addition, small change deposit and withdrawal services have been made available in key locations such as starred hotels, international airports and major commercial areas. The Bank also expanded the service scope of its smart counters for foreign visitors to China, significantly improving the customer experience.

As at 30 June 2024, the Bank's commercial banking institutions in the Chinese Mainland (including Head Office, tier-1 branches, tier-2 branches and outlets) totalled 10,280. The number of other institutions in the Chinese Mainland totalled 665, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 546.

Fintech Innovation

The Bank continued to advance technological innovation, enhance technological support and promote the in-depth integration of business, technology and data.

The Bank strengthened technology coordination and penetration management and enhanced its Software Centre's business layout of "one headquarters and seven centres". It boosted the integrated development of technology research and development as well as operation and maintenance, reinforced its frontline development, operation and maintenance strengths, enhanced the efficiency of its technology output and improved its capacity to support safe working.

Consolidating scientific and technological support for business development. Following the philosophy of "preventing risks, consolidating foundations and enhancing capabilities", the Bank steadily promoted the construction of 39 technological and strategic projects, making initial progress during the period. It continuously advanced the transformation of its technological architecture, with the number of servers on its cloud platform reaching 29,000. The Bank continually improved its network security capabilities, with no significant network security incidents occurring in the first half of 2024, thus providing strong support for the Group's stable business development. It continued to step up support for work safety and promoted the all-round construction of an intelligent operation and maintenance tool to carry out the functions of "monitor, management, control, configuration and analysis". The Bank did not experience any significant production security errors in the first half of 2024. In the Information Technology Regulatory Rating, the Bank achieved a significant promotion and upgrade.

Cultivating drivers for technological innovation. The Bank intensified the application of mature technologies including RPA and OCR, covering over 2,900 scenarios in areas such as channel operations, corporate banking and personal banking. It also promoted the application of privacy computing, internet of things (IoT) and other technologies. Focusing on the three key elements of computing power, algorithms and data, the Bank promoted the pilot application of large models such as Code Assist and carried out preliminary study of quantum-resistant cryptography and quantum computing technologies. It organised an employee competition for new technology applications, promoted the implementation of excellent solutions and achievements, created a strong atmosphere of innovation across the Bank and effectively enhanced its ability to apply new technologies.

Steadily advancing the construction of the "OASIS Project". The Bank introduced public business capability components such as intensive operation and remote approval functions as well as an intensive operation mode for enterprise-level shared transactions to enhance its business support capabilities. It continuously upgraded the anti-money laundering component to improve its early warning and monitoring capabilities, and gradually improved comprehensive fundamental public capabilities related to marketing, channels, operations, risk control and finance, etc.

Improving product innovation and management quality and efficiency. The Bank launched nine new products with a focus on key areas such as inclusive finance and cross-border finance. It deepened its open competition mechanism, pressed ahead with the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance and digital finance, and accelerated the transformation from a broad innovation model to a targeted innovation model. The Bank continuously pushed forward "innovation replication campaigns", created the "Innovation Results Supermarket" and promoted excellent achievements in intelligent marketing, intelligent risk control, technology finance and other fields.

MAJOR CONTRACTS

Material Custody, Sub-contracts and Leases

In the first half of 2024, the Bank did not take, or allow to subsist any significant custody of, sub-contract or lease assets from other companies, or allow its material business assets to be subject to such arrangements, in each case that is required to be disclosed.

Material Guarantee Business

As approved by the PBOC and NFRA, the Bank's guarantee business is an off-balance sheet item in the ordinary course of its business. The Bank operates its guarantee business in a prudent manner and has formulated specific management measures, operational processes and approval procedures in respect of the risks of guarantee business and carries out this business accordingly. In the first half of 2024, save as disclosed above, the Bank did not enter into or allow to subsist any material guarantee business that is required to be disclosed.

During the first half of 2024, there was no violation of laws, administrative regulations or rules of the CSRC in the Bank's guarantee business.

EMPLOYEES

As at 30 June 2024, the Bank had a total of 308,703 employees. There were 283,459 employees in the Bank's operations of the Chinese Mainland, of which 268,803 worked in the Bank's domestic commercial banking operations. As at 30 June 2024, there were 25,244 employees in the Bank's operations in Hong Kong, Macau, Taiwan and other countries and regions. As at 30 June 2024, the Bank bore costs for a total of 4,347 retirees.

The following table sets forth the total number of employees by geographic distribution as at 30 June 2024:

	Number of employees	**per cent. of total**
Northern China	66,676	21.60
Northeastern China	22,560	7.31
Eastern China	91,779	29.73
Central and Southern China	65,373	21.18
Western China	37,071	12.01
Hong Kong, Macau and Taiwan	18,564	6.01
Other countries and regions	6,680	2.16
Total	308,703	100.00

Intellectual Property

The Bank owns various intellectual property rights including trademarks, patents, domain names, and copyrights. The Bank conducts business under the "Bank of China", "BOC", "中國銀行", "中銀", "中行" and "", and other brand names and logos.

DESCRIPTION OF THE BANK

OVERVIEW

The Group is one of the largest state-owned commercial banks in the PRC, which owns a comprehensive financial service platform. Besides the commercial banking business which includes corporate banking, personal banking and financial market business, the Group also operates an investment banking business through BOC International Holdings Limited ("**BOC International**") and BOC International (China) Company Limited ("**BOCI China**"), an insurance business through Bank of China Group Insurance Company Limited ("**BOCG Insurance**"), BOC Group Life Assurance Company Limited ("**BOC Life**") and Bank of China Insurance Company Limited ("**BOC Insurance**"), a fund management business through Bank of China Investment Management Co., Ltd. ("**BOCIM**"), direct investment and investment management business through the Bank of China Group Investment Limited ("**BOCG Investment**"), an asset management business through BOC Wealth Management Co., Ltd. ("**BOC Wealth Management**"), a financial leasing, transfer and receiving of financial leasing assets business through BOC Financial Leasing Co., Ltd. ("**BOCL**"), and debt-for-equity conversion and related business in the Chinese Mainland through BOC Financial Asset Investment Co., Ltd. ("**BOC Asset Investment**"). In 2006, after successfully acquiring Singapore Aircraft Leasing Enterprise, a leading company in such business in Asia, the Group changed the acquired company's name to BOC Aviation Pte. Ltd. and became the first Chinese bank to enter the global aircraft leasing business. In connection with the global offering and the listing of its shares on the Hong Kong Stock Exchange, on 12 May 2016, BOC Aviation Pte. Ltd. was converted to a public company limited by shares and the name was changed to BOC Aviation Limited ("**BOC Aviation**"), which took effect on 19 May 2016. The combination of these businesses has created a universal banking platform that provides the Bank with the ability to offer a broad range of financial products and services and enables it to establish stronger relationships with strategically targeted customers and strengthen customer loyalty.

Established in 1912, the Bank is one of the best-known commercial banks in the PRC. During its more than 100 years of history, the Bank has built one of the most recognised brand names in the PRC through its contributions to the evolution of the PRC commercial banking industry. The Bank has many significant achievements in the PRC commercial banking sector. For example, in 1929, the Bank was the first PRC commercial bank to establish a foreign branch with the opening of its London branch. In addition, in 1985, the Bank offered the first bank card in the PRC. In 1994 and 1995, the Bank's Hong Kong subsidiary and Macau branch became bank note issuing banks in Hong Kong and Macau, respectively. Furthermore, in 1998, the Bank arranged the first U.S. dollar-denominated syndicated loan for a PRC bank as the lead manager and agent. In 2002, BOC Hong Kong (Holdings) Limited was listed on the Hong Kong Stock Exchange after a special restructuring of 12 banks in Hong Kong. The Bank was the sponsor of the 2008 Olympic Games held in Beijing and is the official commercial banking partner of the 2022 Beijing Olympic and Paralympic Winter Games. The Bank was converted into a joint stock company in the PRC in 2004. In 2006, the Bank became listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange. The Bank celebrated its 100th year anniversary in 2012.

On 4 November 2011, the Bank was included by the Financial Stability Board, an international organisation for financial supervision and consultation, in the list of the 29 global systemically important financial institutions, among which the Bank was the first bank from China and emerging economy countries and regions. From 2011 to 2023, the Bank was listed and designated each year as a global systemically important financial institution, making it the sole financial institution from emerging economies to be listed and designated as such for 13 consecutive years.

As at 31 December 2023, the Group's NPLs totalled RMB253.205 billion, representing an increase of RMB21.528 billion compared with the prior year-end. The NPL ratio was 1.27 per cent., a decrease of 0.05 percentage points compared with the prior year-end. The Group's allowance for impairment losses on loans and advances amounted to RMB485.298 billion, an increase of RMB48.057 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 191.66 per cent., an increase of 2.93 percentage points compared with the prior year-end. The NPLs of the Bank's institutions in the Chinese Mainland totalled RMB207.297 billion, an increase of RMB4.893 billion compared with the prior year-end. The NPL ratio of the Bank's institutions in the Chinese Mainland was 1.23 per cent., a decrease of 0.17 percentage points compared with the prior year-end. The Group's outstanding special-mention loans stood at RMB290.238 billion, an increase of RMB54.584 billion compared with the prior year-end, accounting for 1.46 per cent. of total loans and advances, an increase of 0.11 percentage points compared with the prior year end.

For the year ended 31 December 2023, the Group recorded a profit for the year of RMB246.371 billion, an increase of 4.07 per cent. compared with the year ended 31 December 2022. It realised a profit attributable to equity holders of the Bank of RMB231.904 billion, an increase of 2.38 per cent. compared with the year ended 31 December 2022.

As at 31 December 2023, the Group's loans and advances to customers amounted to RMB19,961.779 billion, an increase of RMB2,409.018 billion or 13.72 per cent. compared with the prior year-end. Specifically, the Group's RMB loans and advances to customers totalled RMB16,703.660 billion, an increase of RMB2,360.690 billion or 16.46 per cent. compared with the prior year-end, while its foreign currency loans amounted to USD460.011 billion, a decrease of USD0.861 billion or 0.19 per cent. compared with the prior year-end. As at 31 December 2023, the Group's capital adequacy ratio, tier 1 capital adequacy ratio and common equity tier 1 capital adequacy ratio (calculated in accordance with the Capital Rules for Commercial Banks (Provisional)) were 17.74 per cent., 13.83 per cent. and 11.63 per cent., respectively.

THE BANK'S STRENGTHS

The Bank's principal strengths include:

Well-Recognised Brand Name

The Bank is one of the most well-known commercial banks in the PRC. In the Bank's over 100 years history, the Bank has successfully built one of the most recognised brand names in the PRC through its contributions to the evolution of the PRC commercial banking industry.

Largest and Rationally Distributed Overseas Network Complementing an Extensive Domestic Network

As at 31 December 2023, the Bank had a total of 11,485 institutions worldwide, including 10,951 institutions in the Chinese Mainland and 534 institutions in Hong Kong, Macau, Taiwan and other countries and regions. Its commercial banking business in the Chinese Mainland (including Head Office, tier-1 branches, tier-2 branches and outlets) comprised 10,299 institutions, including 38 tier-1 and direct branches, 372 tier-2 branches and 9,888 outlets.

The Bank's extensive domestic and overseas network enables it to structure and deliver products and services to serve its customers on a global basis and allows it to capture the business opportunities arising from the increasing integration of the PRC into the global economy.

Solid Customer Base and Strong Presence in Attractive Customer Segments

In the PRC, foreign exchange services tend to be utilised by large corporate customers and affluent individuals. Capitalising on the Bank's position as one of the most experienced foreign exchange banks in the PRC and its extensive global network, the Bank has established and continued to maintain strong relationships with leading domestic and international corporations and financial institutions. The Bank also has a strong presence in the retail customer segment.

Universal Banking Platform

In addition to commercial banking, the Bank provides investment banking, insurance and other services through the Bank's wholly-owned subsidiaries, namely, BOC Wealth Management, BOC Asset Investment, BOC International, BOCG Insurance, BOC Insurance and BOCG Investment and through the Bank's subsidiaries such as BOCL, BOC Aviation, BOC Life and BOCIM.

The Bank fully utilises the advantages in its diversified business platform and its subsidiaries embrace the Group's overall strategy to focus on their specialised business areas, establish business linkage, promote cross-selling and product innovation to enhance the synergy across the Group and provide comprehensive and quality financial services to the customers.

Leader in Non-Interest Income and Treasury Businesses with Strong Product Innovation Capabilities

The Bank believes its diversified products and innovation capabilities have enabled it to generate a higher level of non-interest income, thus reducing its reliance on its traditional lending business. The Group's operating income comprises net interest income and non-interest income. In recent years, the Bank has further built upon its strengths in the trade finance business and co-ordinated the development of traditional businesses such as international settlement and issuance of letters of guarantee, and emerging businesses, such as cross-border Renminbi business and supply chain financing. The Bank has also experienced a steady growth in revenue from the letter of credit, letters of guarantee, factoring and trade finance-related businesses. In addition, the accelerated development of the domestic settlement business has promoted the income growth of settlement and clearing businesses. The Bank has also further developed its insurance agency and pension businesses, which resulted in a substantial increase in income related to agency commission fees. For clearing services, the Bank continuously improved its cross-border Renminbi clearing capabilities and further consolidated its position at the leading edge of international payments. After holding an opening ceremony on 17 April 2019, the Bank's Tokyo Branch formally commenced business as the Renminbi clearing bank in Japan. The Bank also received authorisation to serve as the Renminbi clearing bank in the Philippines, which means that it now accounts for 13 of the world's 27 authorised Renminbi clearing banks and continues to lead its peers. It also ranked first in terms of the number of the Cross-border Inter-bank Payment System (the "**CIPS**") indirect participants. In 2023, the Group's cross-border RMB clearing transactions totalled RMB938.11 trillion, an increase of more than 26.55 per cent. compared with the same period of the prior year, maintaining the leading position in the global market. The Bank's global markets department offers a broad range of treasury products and services for different customer groups, as well as conducts settlement and related quotation, and 24-hour daily treasury activities through its five trading centres located in Hong Kong, London, New York, Beijing and Shanghai.

The Bank believes its ability to offer innovative financial solutions to its customers, which provides it with a competitive advantage over other PRC commercial banks.

Experienced Senior Management Team

The Bank's senior management team has extensive experience in the banking and financial services. The Bank's Chairman, Mr. Ge Haijiao, has served as Chairman of the Board since April 2023. Mr. Ge joined the Bank in 2023. He served as a member of the Standing Committee of Hebei Provincial Committee of the Communist Party of China and Vice Governor of Hebei Province from November 2021 to March 2023, Vice Governor of Hebei Province from September 2019 to November 2021, Executive Director of China Everbright Group Ltd. from November 2018 to September 2019, and Executive Director and President of China Everbright Bank from January 2019 to September 2019. From October 2016 to November 2018, he served as Deputy General Manager of China Everbright Group Ltd. Prior to that, Mr. Ge had worked in Agricultural Bank of China for many years, serving as Deputy General Manager of Dalian Branch, General Manager of Singapore Branch, Deputy General Manager (department general manager level) of the International Banking Department of the Head Office and

General Manager of Heilongjiang Branch. Mr. Ge graduated from Liaoning University in 1993 and Nanjing Agricultural University in 2008 with a Doctor's Degree in Management. He holds the title of Senior Economist.

PRINCIPAL BUSINESS ACTIVITIES

The Group's principal lines of business consist of commercial banking, investment banking and insurance. The following table sets forth the profit before income tax by the Group's principal lines of business for the periods indicated:

Profit before Income Tax by Business Lines

For the year ended 31 December

	2023		2022 (after restatement)		2022 (before restatement)		2021	
	Amount	per cent. of total Amount	Amount	per cent. of total Amount	Amount	per cent. of total Amount	Amount	per cent. of total Amount
	(RMB million, except percentages)							
Corporate banking business	105,718	35.76	85,014	29.97	85,009	29.87	64,493	23.31
Personal banking business	140,925	47.67	123,379	43.50	123,736	43.48	102,996	37.23
Treasury operations	29,059	9.83	69,092	24.36	69,080	24.27	78,812	28.49
Investment banking and insurance	8,493	2.87	3,283	1.16	3,439	1.21	7,820	2.83
Others and elimination	11,413	3.86	2,873	1.01	3,331	1.17	22,499	8.14
Total	295,608	100.00	283,641	100.00	284,595	100.00	276,620	100.00

The Group conducts its business activities in the Chinese Mainland as well as 64 countries and regions. The following table sets forth a geographical breakdown of the profit before income tax of the Group for the periods indicated:

For the year ended 31 December

	2023	2022 (after restatement)	2022 (before restatement)	2021
	(RMB million)			
Chinese Mainland	229,858	230,637	230,644	218,529
Hong Kong, Macau and Taiwan	53,669	38,679	39,156	45,845
Other countries and regions	13,583	14,701	14,700	12,188
Elimination	(1,502)	(376)	95	58
Total	295,608	283,641	284,595	276,620

Commercial Banking in the Chinese Mainland

The Bank earnestly fulfilled its social and economic responsibilities, continually refined its financial supply and enhanced quality and efficiency of services, deeply integrating itself to serving the overall national situation as well as high-quality development of the Bank. For the year ended 31 December 2023, the commercial banking business in the Chinese Mainland achieved an operating income of RMB481.780 billion, an increase in RMB7.399 billion or 1.56 per cent. compared with the year ended 31 December 2022.

Corporate Banking

Upholding the concept of high-quality development, the Bank continuously promoted the transformation of its corporate banking business. It increased credit support in key areas including technological innovation, green credit, inclusive finance, rural revitalisation, strategic emerging industries, the manufacturing industry and the private sector, and enhanced the quality of service support for the construction of industrial systems for advanced manufacturing and the digital economy. Leveraging its financial strength, the Bank served the coordinated development of regions such as the Beijing-Tianjin- Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and Yangtze River Economic Belt, assisting the implementation of national strategies. It built a comprehensive customer segmentation marketing management system so as to consolidate its development foundations. The Bank developed an integrated operational mechanism for marketing services covering the entire product line, and strengthened collaborative synergy, improving responsiveness to customer demands for financial products. In 2023, the Group's corporate banking business in the Chinese Mainland recorded an operating income of RMB206.356 billion, an increase of RMB16.209 billion or 8.52 per cent. compared with the same period in the prior year.

Corporate Deposits

Through scientific classification and precise policy implementation, the Bank built a comprehensive and tiered marketing management system to promote the coordinated development of its deposit business, both in terms of scale and pricing. Focusing on customers' diverse financial needs, it further enhanced its cross-industry services, comprehensive marketing awareness and all-round service capabilities. Moreover, by proactively integrating into the domestic and international dual circulations, the Bank strived to connect its business product channels for domestic settlement and international settlement, increased the flow of payments and settlements, and enhanced fund retention capacity. The Bank highlighted the strategic positioning of administrative business, provided commercial and intelligence services for local governments, strengthened the "head office to head office" docking, continued to promote the construction of a smart government ecosystem, improved the quality of financial services, and built a solid customer base. As at 31 December 2023, RMB corporate deposits of the Bank's commercial banking business in the Chinese Mainland totalled RMB8,734.736 billion, an increase of RMB1,202.022 billion or 15.96 per cent. compared with the prior year-end, and its market share of daily average RMB corporate deposits kept increasing. Foreign currency corporate deposits amounted to USD93.482 billion, an increase of USD3.248 billion or 3.60 per cent. compared with the same period in the prior year, ranking first in market share among peers.

Corporate Loans

The Bank proactively performed its responsibilities, deeply implemented the national development strategy, and effectively improved the quality and efficiency of its services to the real economy. To serve the strategy of innovation-driven development, it actively promoted a shift in service focus from traditional industries to new industries, new business forms and models, increased credit granting to strategic emerging industries, and assisted in promoting the construction of a modern industrial system. To serve the nation's coordinated regional development strategy, the Bank adopted policies tailored to local conditions and supported the development of key regions including the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, and Yangtze River Economic Belt to inject financial momentum into the high-quality development of regional economies. To serve the national strategy of expanding domestic demand, it continuously strengthened its inclusive finance services, accelerated the building of a scenario-based financial services ecosystem, made breakthroughs in online products, and assisted in deepening supply-side structural reform. To serve the national rural revitalisation strategy, the Bank provided services for modern agriculture and consolidated and expanded progress made in poverty alleviation. To serve the nation's ecological conservation strategy, it refined its green credit products and services and expanded its green credit activities. Its green credit growth rate, as well as the proportion of green credit within the Bank's total loans, ranked among the top in the industry. The Bank enhanced its brand reputation for green finance and assisted in sustainable economic and social development. To serve the "win-win" strategy of China's opening up, it focused on strengthening overseas economic and trade cooperation, and provided solid financial services to the Belt and Road Initiative. As at 31 December 2023, RMB corporate loans of the Bank's operations in the Chinese Mainland totalled RMB10,600.051 billion, an increase of RMB2,124.380 billion or 25.06 per cent. compared with the prior year-end. Foreign currency corporate loans totalled USD49.823 billion, an increase of USD7.449 billion or 17.58 per cent. compared with the prior year-end, maintaining the Bank's leading position among peers in terms of market share. Specifically, technology finance loans increased by 30.94 per cent., loans granted to strategic emerging industries increased by 74.35 per cent., and loans granted to manufacturing industries increased by 28.05 per cent. compared with the prior year-end.

Financial Institutions Business

Leveraging on a global and integrated business platform, the Bank provided comprehensive and high-quality financial services to customers around the world, leading the industry in customer coverage rate.

The Bank strengthened collaboration with securities institutions, thoroughly explored market demands, and further increased its market share of third-party custodial funds. The Bank has maintained correspondent relationships with nearly 1,200 institutions around the world and has opened 1,464 cross-border RMB clearing accounts for correspondent banks from 112 countries and regions, thus securing a leading position among domestic banks. It promoted the RMB Cross-Border Interbank Payment System (CIPS) and established partnerships for indirect participants with 626 domestic and overseas financial institutions, ranking first in terms of market coverage. The Bank's custodian service for Qualified Foreign Investors (QFI) and its agency service for overseas central banks and other sovereign institutions held leading positions in the industry in terms of both customer base and business scale. It also ranked first in the amount of custodian bonds acting as an agent for foreign institutions to invest in the China interbank bond market (CIBM).

The Bank provided comprehensive one-stop financial services for multilateral institutions such as the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB), assisting both in issuing Panda bonds as the lead underwriter. Closely monitoring the financial service needs of the Belt and Road Initiative, it supported the Arab Republic of Egypt in successfully issuing RMB sustainability-linked Panda bonds in the CIBM, the first ever Panda bonds from Africa, as the lead underwriter and bookrunner.

The Bank facilitated the official launch of Swap Connect by serving as the sole major participating bank for central counterparty clearing and completed several initial participations across the Group on the first day of launch. It successfully launched an e-CNY programme for spot commodity clearing at Shanghai Clearing House, becoming one of the first spot commodity clearing members to provide digital currency clearing. It also rolled out the first cross-border digital currency settlement business for international members of Shanghai Gold Exchange. The Bank actively supported the construction of Shanghai International Reinsurance Centre, and became one of its first settlement banks. As the main foreign exchange settlement bank under Hong Kong Stock Connect and the sole clearing bank under Shanghai Stock Connect and Shenzhen Stock Connect, the Bank supported the official launch of the optimised trading calendar of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, thus further enhancing stock market connectivity mechanisms between the Chinese Mainland and Hong Kong.

Transaction Banking Business

The Bank deeply implemented national development strategies, and properly leveraged domestic and international markets and resources in order to foster steady progress in transaction banking and contribute to the new development pattern.

The Bank issued a series of action plans, including the Action Plan for Serving Import and Export Enterprises and the Action Plan for Strengthening Credit Support to Foreign Trade Customers, and continued to increase financial support to stabilise foreign trade. By expanding financial supply, the international settlement volume of the Group and its institutions in the Chinese Mainland reached USD8 trillion and USD3.4 trillion in equivalent respectively, further sharpening the Bank's competitive advantages. Acting as a high-level strategic partner, the Bank provided high-quality services for the organisation of major exhibitions such as the China International Import Expo (CIIE), China Import and Export Fair (Canton Fair), China International Fair for Trade in Services (CIFTIS), China International Consumer Products Expo (CICPE) and China International Fair for Investment and Trade (CIFIT) and helping enterprises to expand their market reach and strengthen their competitive positions. It continued to consolidate its competitive advantages in core products, with international trade settlement, cross- border RMB settlement, foreign currency trade finance, cross-border letter of guarantee and cross-border cash management all leading the industry in terms of market share.

The Bank has developed an online service system for comprehensive supply chain financing, covering bills, factoring, L/C and other products to meet customers' all-round service needs. Focusing on national strategies and key areas, the Bank increased its industry coverage, introduced services for the electronic information chain and the food and beverage chain, and upgraded the "BOC Smart Chain" service system. It accelerated the online transformation of its factoring business, with its online factoring financing volume increasing by 90 per cent. year-on-year in 2023.

As the sole financial institution to participate in the Alliance for Digital Cooperation and Innovation in Shipping Trade, the Bank co-created a national public service platform for the digitalisation of shipping. Utilising its next-generation commercial billing system, the Bank introduced new functions while successfully integrating with the Shanghai Commercial Paper Exchange Corporation's new system. It launched its "BOC Digital Confirmation" service, offering full-process intelligent electronic confirmation solutions and realising fully automated processing and one-click customer engagement. The Bank also upgraded its "BOC Cross-border Remittance Express" product, launching a whole-process online connection service for cross-border collection and payment in multiple currencies across all channels. As one of the first batch of pilot banks in advancing the foreign exchange banking reform, the Bank successfully launched the related systems, achieving systematic management of cross-border customer ratings and transaction monitoring, continuously enhancing the customer service experience.

The Bank won the "Outstanding Participating Institution of Digital Supply Chain Financial Service Platform Award" from the General Clearing Centre of the People's Bank of China, "Outstanding Comprehensive Business Institution" from the Shanghai Commercial Paper Exchange Corporation, "Best RMB Bank" from The Asset, "Best Supply Chain Finance Bank" and "Best Cash Management Bank" from Trade Finance magazine, etc., demonstrating its professional advantages in transaction banking.

Inclusive Finance

The Bank proactively provided services to ensure people's livelihood, continued to improve financial services for micro and small-sized enterprises, enhanced service precision in key areas, hence playing its due role in supporting industrial development.

The Bank established a long-acting mechanism to stabilise and promote employment, organised the "Inclusive Loan for Employment Promotion" themed event, and granted special loans to enterprises which have made outstanding contributions to stabilising and expanding employment. It also provided credit support for agriculture-related fields. As at 31 December 2023, the balance of the Bank's agriculture- related loans stood at RMB2.66 trillion, an increase of 28.53 per cent. compared with the prior year-end, outpacing the average growth rate of the Bank's total loans.

The Bank optimised technology finance business, established financial service systems for micro and small-sized enterprises working in technological innovation, and continued to promote its intellectual property pledge financing business. Focusing on the lifecycle development stages of specialised and sophisticated SMEs, it provided a comprehensive package of investment, loan, bond, securities, leasing and insurance services, etc. More than RMB260.0 billion of credit facilities were granted to over 15,000 specialised and sophisticated SMEs at national and provincial levels. The Bank continued to develop scenarios based on "circles, chains and groups", provide batch services for inclusive finance customers, and implement the national strategy of expanding supply chains while safeguarding their stability.

The Bank increased and improved the online supply of financial resources and constantly refined the "BOC Quick Loan" product system to cover diversified customer groups and major scenarios. It optimised online channel service functions and improved the "BOC Inclusive Finance" and "BOC E-Cooperation" apps. The "BOC Inclusive Finance" app was honoured with "Innovation Model Award" in the selection of "2023 Excellent Cases of Inclusive Finance" by people.cn, and was awarded "Typical Cases of Inclusive Finance in China (2023)" by the China Banking Association. The Bank also optimised the intelligent and inclusive business operation platform and continuously improved the efficiency of business management.

In 2023, the Bank successfully held 19 supply-demand matchmaking events. It has provided high-quality services for the CIIE for six consecutive years. It actively contributed to such major national exhibitions as the China International Fair for Trade in Services (CIFTIS), China International Fair for Investment and Trade (CIFIT) in Xiamen, China-South Asia Expo, and China-Arab States Expo, thus consolidating effectiveness and outcome of matchmaking. Leveraging the "BOC E-Cooperation" platform, it established a cross-border matchmaking ecosystem backed by comprehensive worldwide services, built multiple featured sections, and helped numerous local governments to attract more foreign investment. As at 31 December 2023, it had provided "financing + intelligent" value-added services to more than 50,000 enterprises from 126 countries and regions. Letters of intent totalled more than 10,000, with the intended amount exceeding USD54.0 billion.

Pension Business

The Bank adhered to the national strategy of actively responding to the aging population. Focusing on establishing the national elderly care security system, the Bank developed and improved pension products and services for the elderly and continued to provide a range of products including enterprise annuities, occupational annuities and personal pensions, etc., thus satisfying customers' demands for pension finance. It also fully supported the development of the silver economy. As at 31 December 2023, pension funds held in trust by the Bank reached RMB209.886 billion, an increase of RMB39.643 billion or 23.29 per cent. compared with the prior year-end. Enterprise annuity individual accounts held by the Bank reached 4.1237 million, an increase of 0.2249 million or 5.77 per cent. compared with the prior year-end. Pension assets under custody amounted to RMB992.390 billion, an increase of RMB85.788 billion or 9.46 per cent. compared with the prior year-end. The Bank provided enterprise annuity services for more than 18,200 institutional clients.

Personal Banking

The Bank adhered to customer-oriented and technology-driven strategies to foster the systematic aggregation of its business offerings and the integration of products and services, with a view to establishing itself as a leading bank in full-stack personal banking. As at 31 December 2023, the Bank's commercial banking business in the Chinese Mainland had more than 525 million personal customers, an increase of 3.80 per cent. compared with the prior year-end, outpacing its comparable peers in terms of year-on-year growth rate. In 2023, the Bank's personal banking business in the Chinese Mainland realised an operating income of RMB244.640 billion, an increase of RMB17.371 billion or 7.64 per cent. compared with the prior year.

Account Management Business

The Bank continued to offer inclusive and high-quality account management services. It enhanced its personal pension services, comprehensively upgraded the personal pension sections of its mobile banking platform and optimised related systems and functions, and provided a one stop comprehensive pension scheme covering pension account opening, contribution and asset management, etc. The Bank maintained a leading market position among its comparable peers in terms of the number of personal pension mutual funds. The Bank actively reduced fees and made profit concessions, providing fee waivers on personal debit card annual fees and management fees for petty accounts. It continued to promote "the Chinese mainland personal account opening witness service" (known as the "Greater Bay Area Account Opening" service), facilitating the opening of Chinese Mainland personal bank settlement accounts for residents of Hong Kong (China) and Macao (China).

The Bank was recognised as a "Top Ten Elderly Care Financial Institution of the Year" in the 2023 China Financial Value Ranking of CBN.

Wealth Finance Business

The Bank consistently implemented the national strategy of "common prosperity", striving to enhance customers' financial well-being and satisfaction by improving the customer coverage and quality of its wealth management business. It established a diversified investment product shelf based on a "Market- wide and Group-wide" approach to select high-quality products, dynamically optimised the product range according to market conditions, continuously improved its multi-term, multi-strategy product system, and steadily expanded cooperation with wealth management companies. As at 31 December 2023, the Bank had established partnerships with 13 wealth management companies, maintaining a leading market position among its comparable peers. To provide personalised asset allocation advice, it upgraded its specialised asset allocation services and optimised the "allocation among four asset classes" module in the asset analysis section of its mobile banking platform. It expedited the shift to a comprehensive, whole process customer support model that covers pre-investment, investment and post-investment. Combining the professional research efforts across the Group, the Bank optimised "BOC Investment Strategy", a global investment strategy information service system covering major asset categories and different time intervals. It further improved the online operating ecosystem of its mobile banking "On-line Wealth Community" with 43 financial institution participants covering funds, insurance, brokerage, wealth management and other businesses, strengthening investment education and service support throughout customer investment. As at 31 December 2023, the financial assets of the Group's personal customers under management exceeded RMB14.29 trillion, with a steady increase in both the customer base and assets under management of medium and high-end customers. The Bank established 8,162 wealth management centres and 1,109 prestigious wealth management centres in the Chinese mainland.

The Bank was awarded the "Best Fund Sales Bank for Mutual Funds in 25 Years (Major State- Owned Banks)" in the China Fund Yinghua Awards organised by *China Fund News* and the "Capital Securities Cup – 4th Golden Bull Award for Banking Wealth Management – Golden Bull Award for Agent Sales of Wealth Management Products" from *China Securities Journal*.

Consumer Finance Business

The Bank intensified its efforts to expand its consumer finance business to serve the high-quality development of the real economy. As at 31 December 2023, the RMB personal loan balance of the Group's commercial banks in the Chinese Mainland totalled RMB5,827.122 billion, an increase of RMB146.012 billion or 2.57 per cent. compared with the prior year-end.

The Bank made timely adjustments to its housing credit policy and provided differentiated housing loan services. It continually increased the intensity of housing loan, and cumulatively granted over RMB600.0 billion of housing loans in 2023, leading its peers in year-on-year growth. The Bank implemented regulatory requirements for interest rate adjustments for existing first-home loans and made every effort to embed policies and adjust interest rates for customers.

The Bank continuously improved services for key consumer areas, built diversified scenarios and accelerated online transformation. It reinforced its advantages in traditional strengths such as auto instalment loans, deepened collaboration with key private and corporate brands, expanded channel coverage and improved the digital service experience. The Bank vigorously promoted the development of home decoration instalment loans tailored to local conditions to boost home furnishing purchases. Furthermore, it gave full play to the flexible features of its instalment business through the "Family Consumption Reserve Fund", serving different customer groups. The Bank also promoted whitelist precision marketing to serve consumption demand in various lifestyle scenarios.

The Bank grew its non-housing consumer loan business in terms of both customer coverage and scale, and continued to accelerate the pace of digital transformation. The Bank actively implemented the policy of interest exemption and deferred repayment for government-sponsored student loans, launched the first commercial student loans for postgraduates in the Chinese mainland, and promoted the coordinated development of government-sponsored student loans by campus and place of origin, thereby expanding the scope of its business services.

Private Banking Business

The bank adhered to the concept of "private banking driven by the Group's strength", leveraging the Group's diversified resources to create full-cycle, multi-scenario and customised wealth management service. It improved its "BOC All-round Investment Strategy" information service system based on daily, weekly, monthly, quarterly, and annual investment strategy reports, built a "Market-wide, Group-wide and round-the-clock" private banking products shelf available, iterated its customised services and asset allocation capabilities according to customer needs, and provided comprehensive services to clients throughout the investment process. It promoted its "Entrepreneur Office" service, creating a multi-layer, multi-class comprehensive service system to support the development of entrepreneurs. Moreover, it accelerated the development of its family trust business, with the number of family trust service customers increasing by 72.95 per cent. compared with the prior year-end. It set up charitable family trusts for art and education purposes, and assisted corporate clients set up charitable trust. It offered business financing credit service for entrepreneurs, assisted customers in launching several Employee Stock Ownership Plans (ESOP), and organised several sessions of "GBIC (Government, Banks, Investment Banks and Insurance, Clients) Development Forum". The Bank fulfilled its social responsibilities by providing a variety of products with public welfare features. It also deepened coordination between its domestic and overseas institutions and sharpened the advantages of its globally integrated services. It optimised the network of its private banking centres by establishing 191 private banking centres in the Chinese mainland. As at 31 December 2023, the Group had over 173,700 private banking customers with RMB2.69 trillion of financial assets under management.

In 2023, the Bank was honoured with numerous awards including "Best Mega Private Bank in China" from The Asian Banker, "Best Private Bank – National (Gold Award)", "Best Private Bank – Ultra-High Net Worth (Gold Award)" and "Best Private Bank – Investment Services and Research (Gold Award)" from *Asian Private Banker*, "Best Private Bank for Entrepreneurs" from *Global Finance*, "2023 Excellent Case of Family Trust Management Innovation" from The Banker. A total of 15 private banking centres of the Bank were listed in the Top 100 Private Banking Centres by *Retail Banking* magazine.

Personal Foreign Exchange Business

To promote the national strategy of high-level opening up, the Bank continued to optimise its personal foreign exchange services with a view to consolidating its leading market position. It successfully digitalised traditional business service processes and supported the conversion of several foreign currencies into e-CNY via self-service exchange machines, a service that has now been expanded to cover Indonesian rupiah, Philippine peso and Saudi riyal. It delivered foreign exchange services in eight languages covering 21 currencies and 169 denominations. Its foreign exchange cash reservation service was available in major cities in the Chinese Mainland and via multiple channels such as mobile banking, WeChat banking and online banking, and its appointment service was integrated into platforms such as China's online government affairs service platform and the JegoTrip app. As at 31 December 2023, the Bank outperformed peers in terms of personal cross-border business income, business volume of foreign currency exchange volume and market share of foreign currency personal deposits. It offered personal foreign currency deposit and withdrawal services in 25 currencies and personal foreign exchange services in 39 currencies, securing a leading position among domestic peers.

Bank Card Business

Focusing on customers' all-round needs, the Bank fully explored the business development potential of its bank card business and continuously enhanced its brand competitiveness.

The Bank adopted an integrated online and offline service mode for social security card business, enhanced physical social security card services and promoted electronic social security cards. As at 31 December 2023, the Bank had cumulatively issued 121.9701 million physical social security cards and 33.9121 million electronic social security cards. To support the nation's rural revitalisation strategy, the Bank enthusiastically promoted rural revitalisation themed debit cards, with a total of 3.1911 million cards issued.

The Bank fulfilled green finance requirements, expanded channel coverage, strengthened full-process business support and contributed to the growth of the new energy vehicle market. It has established Head Office-to-headquarters cooperation relationships with several new energy vehicle enterprises. Leveraging its merchant instalment payment business, the Bank launched the "Hundred Cities and Thousand Stores" green home appliance instalment promotion campaign in cooperation with national home appliance chain enterprises and online shopping websites, thus stimulating consumption of green home appliances and electronic products. Emphasising digital card products, it introduced or upgraded a number of digital card products suitable for business travel, supermarkets, sports, entertainment, women and new urban citizens, as well as issuing physical cards according to customer needs. To improve the digital experience of credit card application and use, it also rolled out functions such as source card binding, post-activation card binding of payment institution, and online application for supplementary cards. Focusing on people's livelihood consumption scenarios, the Bank carried out marketing campaigns with mainstream payment institutions to promote card binding and discounts for mobile payment. During peak consumption periods, it collaborated with merchants in the catering, shopping, hotel, air travel, tourism and other sectors to carry out marketing campaigns offering discounts for credit card payment. The Bank enabled the rapid redemption of reward points for purchases, thus realising closed-loop marketing based on earning and redeeming reward points from purchases. Robustly supporting the nation's key strategic projects, the Bank delivered marketing campaigns at the CIIE. To bolster the development of cities as international consumption centres, it also offered discounts for purchases made in key business districts designated by local governments. The Bank supported the development of business districts in the Yangtze River Economic Belt, cooperated with China UnionPay on campaigns in business districts in the Yangtze River Delta and Chengdu-Chongqing region, expanded coverage of high-quality merchants and created more consumption scenarios. The Bank intensified efforts to improve its intelligent risk control capabilities, strengthened disposal of non-performing assets by various means, and maintained stable credit card asset quality.

As at 31 December 2023, the Bank had issued a total of 676.5517 million debit card and 144.1019 million credit cards, a year-on-year increase of 4.50 per cent. and 4.22 per cent. respectively. The balance of credit card loans reached RMB551.366 billion, a year on year increase of 8.38 per cent. In 2023, debit card and credit card transaction volume amounted to RMB9,411.964 billion and RMB1,393.235 billion, respectively. The total instalment volume of credit cards stood at RMB354.848 billion.

Financial Markets Business

The Bank closely tracked global financial market dynamics, leveraged its unique advantages in financial markets business, stepped up efforts to ensure prudent operations and compliance with regulatory requirements, and continually adjusted its business structure, thus advancing the high quality development of its financial markets business.

Securities Investment

The Bank strengthened its professional forecasting and analysis of macroeconomic and financial market trends, dynamically optimised its investment structure, and effectively balanced market risk and investment opportunities. It supported the development of the real economy, increased investment in Chinese government bonds, local government bonds, green bonds and other key fields, and retained its position as a leading investor in green financing instruments. To cope with a challenging market environment, the Bank capitalised on its specialist advantages, optimised the product and currency structure of its investment portfolios, and seized market opportunities to significantly increase its foreign currency portfolio yield while properly controlling risks.

Trading

The Bank refined its financial markets service system, enhanced its comprehensive customer service capabilities and consolidated the foundations of its high-quality development.

The Bank provided 40 currencies available for exchange, outperforming the domestic market in terms of the total number of tradable foreign currencies, and expanded its leading market share in foreign currency exchange against RMB. The Bank performed its duties as a core market maker in various fields. It was awarded "Best RMB Foreign Exchange Market Maker" and multiple annual market influence awards in the interbank foreign exchange market ratings; "Leading Institution in the Bond Market" by China Central Depository & Clearing Co., Ltd. in 2023; and "Northbound Top Market Maker" for serving the country's two-way opening up. The Bank was one of the first batch of domestic market makers for "Swap Connect" business, and led the market in volumes of bond custody for overseas institutions. It also remained the leading market maker for precious metals of Shanghai Gold Exchange and Shanghai Futures Exchange. In addition, the Bank consolidated its leading position in uncleared initial and variation margin fields, improved its collateral management mechanisms and infrastructure, and was awarded "Outstanding Pioneer Institution in Collateral Business" issued by China Central Depository & Clearing Co., Ltd. in 2023.

The Bank actively publicised the concept of FX risk neutrality and made comprehensive use of financial market trading instruments to assist enterprises in managing their FX risk. By innovating its service model for micro, small and medium-sized enterprises (MSMEs), it helped them prevent FX risk under extreme market circumstances, as well as enhancing the quality and efficiency of its FX hedging services for inclusive finance clients.

The Bank enriched its product system, improved its product management structure, and accomplished several groundbreaking regulatory or infrastructure innovation initiatives with the successful launch of the "first deals" and the "initial batch". It steadily carried out derivatives business based on the new benchmark interest rates, continuously optimising its product lineup.

The Bank continuously improved its risk control rules and risk management mechanisms, and conducted more forward-looking, proactive and professional analysis and judgement of financial markets. It responded quickly and effectively to market changes, ensured stable operations, and continuously improved its risk control capability.

Investment Banking

Fully leveraging the advantages arising from its globalised operations and diversified business platform, focus on the diversified financing needs of customers with comprehensive, professional and customised "onshore + offshore" and "financing + intelligence" integrated financial services plans, including financial products and services such as bond underwriting and distribution, asset-backed securitisation (ABS), and professional M&A financial advisory services, etc.

The Bank supported customers' direct financing needs, the amount of bond underwriting volume of the Bank ranked among the top in China's interbank bond market, and the sales volume of credit bonds of the National Association of Dealers continued to rank first in the market. It actively promoted the development of green finance, maintaining a leading market position in both green bond and asset-backed securitisation (ABS) underwriting. The Bank continually enhanced the effectiveness and efficiency of its professional financial advisory services. Leveraging a comprehensive "online + offline" multi-scenario approach, it delivered a range of services including financial market analysis, industry analysis, investment and M&A case analysis, as well as domestic and overseas regional research. In addition, the Bank offered project-specific financial advisory services, with a special focus on M&A, equity investment and financing, project financing, debt restructuring, asset divestiture, and other strategic initiatives, thus offering dedicated support to assist clients with their industrial chain expansion goals and high-quality development strategies.

It helped overseas issuers including the Arab Republic of Egypt, Asian Infrastructure Investment Bank and New Development Bank to issue Panda bonds, maintaining its leading position in Panda bonds in terms of market share. The Bank continued to top the offshore China bond underwriting league table, helping to channel international investment to support the real economy, and underwrote the first sovereign Panda bond from Africa. Serving as global coordinator, the Bank helped the Ministry of Finance of the People's Republic of China to issue an RMB5.0 billion sovereign bond in Macao. As lead underwriter, the Bank assisted the Shenzhen, Guangdong and Hainan local governments to successfully issue offshore RMB local government bonds. This promoted the development of Hainan Free Trade Port, facilitated the integration of Hainan and the Guangdong-Hong Kong-Macao Greater Bay Area, and contributed to financial market growth in Hong Kong and Macao.

In 2023, the Bank issued eight NPL asset-backed securitisations with a total issuance volume of RMB4.854 billion.

During the year, the Bank won the Bond Connect's "Primary Market Innovation Award (Underwriter)", continuing to enhance its brand influence in debt capital markets.

Asset Management

With a focus on major national priorities, the Bank contributed to the overall management and top-level design of the asset management sector through the Asset Management Business Committee. It seized market opportunities arising from the new development stage, such as continuous growth in residents' wealth and the construction of the third pillar of elderly care, advanced the high-quality development of its asset management business by comprehensively improving its investment and research capabilities, strengthening the foundations of its customer base and accelerating digital transformation.

Actively serving the real economy and managing the people's wealth. The Bank conducts asset management business through institutions such as BOC Wealth Management, BOCIM, BOCI China, BOC Asset Investment, BOC Hong Kong Asset Management and BOCI-Prudential Asset Management Co., Ltd. Together, these institutions provide individual and institutional investors with local and foreign currency products across a full range of asset categories, as well as diversified investment strategies and services across the entire investment cycle. This includes constantly innovating, enriching and issuing new products with various characteristics and themes, such as "green", "elderly care" and "technology". At the same time, all of the Bank's asset management businesses are committed to implementing regulatory requirements, adhering to the compliance "bottom line", strengthening comprehensive risk management, maintaining smooth business operations during market fluctuations and effectively safeguarding investors' interests. As at 31 December 2023, the scale of the Group's asset management business reached RMB3 trillion, achieving continued growth in market influence.

Custody Business

Focusing on providing high-quality financial services to support economic and social development, the Bank comprehensively improved the service quality and operational efficiency of its asset custody business. It actively promoted pension finance, with pension funds under custody reaching RMB1.72 trillion, an increase of RMB239.7 billion over the prior year-end. In 2023, the Bank established eight pension funds of funds (FOFs), ranking among the market leaders, and provided custody services for a number of exclusive commercial pension insurance schemes and commercial pension products. It supported the development of green finance and provided custody services for green industry funds, green bond issuance funds and other products. Its scale of green assets under custody exceeded RMB75.0 billion, achieving a growth rate of over 30 per cent. for the third consecutive year. To control risk in its custody operations, the Bank carried out emergency drills and stress-tested its off-site disaster recovery continuity plans, thus continuously improving its emergency response capability. As at 31 December 2023, the Group's assets under custody reached RMB17.37 trillion, up 5.19 per cent. from the prior year-end, while its custody fee income continued to lead the market.

Village Bank

As an important platform for implementing the nation's rural revitalisation strategy, BOC Fullerton Community Bank is committed to providing modern financial services to county-level micro and small-sized enterprises, individual merchants, wage earners and farmers with the aim of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". As at 31 December 2023, BOC Fullerton Community Bank had established 134 village banks with 189 sub-branches in 22 provinces (including municipalities directly under the Central Government). Its registered capital amounted to RMB10.585 billion, with total assets and net assets standing at RMB109.298 billion and RMB15.379 billion respectively. In 2023, BOC Fullerton Community Bank achieved a profit for the year of RMB481 million.

BOC Fullerton Community Bank continually improved its product and service system, further expanding its customer base and business scale. Serving the real economy, BOC Fullerton Community Bank increased support for micro and small-sized enterprises and individual merchants. It also boosted rural revitalisation and improved the quality and efficiency of services to agriculture-related entities such as large-scale planting and breeding households and family farms. It delivered financial services to households and villages and pressed ahead with digital transformation, thus unblocking "last mile" barriers to county-level financial services. It also set up and optimised a comprehensive risk management system for business lines that supports farmers and small-sized enterprises, thus maintaining good asset quality. The NPL ratio was 1.77 per cent., and the ratio of allowance for loan impairment losses to NPLs was 205.29 per cent. As at 31 December 2023, the balances of the total deposits and loans of its banks stood at RMB72.962 billion and RMB79.520 billion, respectively.

Globalised Operation

As the most globalised Chinese bank, the Bank continued to leverage its unique advantages, supported the nation's high-level opening up, and boosted the domestic economy while contributing to the new "dual-circulation" development pattern.

The Bank continued to explore market opportunities, with a focus on cross-border finance, green finance, the high-quality joint development of the Belt and Road, RMB internationalisation, the development of international financial centres in Shanghai and Hong Kong, and overseas personal banking services. It also deepened Group-level governance, focused on its main businesses, tapped the potential of overseas markets and continuously enhanced market competitiveness. It continued to globally strengthen its risk compliance and safe operation capabilities to achieve sustainable development.

As at 31 December 2023, the Bank's overseas commercial banking business realised customer deposits and loans of USD552.134 billion and USD434.702 billion respectively, an increase of 6.28 per cent. and 0.88 per cent. compared with the prior year-end. In 2023, the Bank's overseas commercial banking business achieved a profit before income tax of USD8.084 billion, an increase of 5.89 per cent. compared with the same period of the prior year, contributing to 19.21 per cent. of the Group's total profit before income tax.

As at 31 December 2023, the Bank had 534 overseas institutions in 64 countries and regions, including 44 countries along the Belt and Road. The BOC Papua New Guinea Representative Office and BOC Riyadh Branch were opened for business in June 2023 and September 2023, respectively.

The Bank steadily pushed forward the development of its overseas regional headquarters. Specifically, BOCHK continuously deepened the regional management of its branches in Southeast Asia. Bank of China (Europe) S.A. effectively enhanced its regional management and intensive operations capability in the EU, the BOC (Europe) Shared Service Centre was inaugurated, thus improving its service quality and efficiency. A regional coordination mechanism for BOC institutions in Latin America, South Asia and the South Pacific was put into operation, further strengthening regional collaboration and leveraging synergy among the institutions.

The Bank reviewed and revised its market-by-market growth strategies in order to further consolidate its stable development foundations and enhance service synergies across the Group. In this way, it refined its ability to provide world-class financial services for customers' high-quality "Bringing In" and "Going Global" efforts.

Corporate Banking

The Bank gave full play to its globalised and integrated advantages, closely tracked global market dynamics, strengthened research on market trends, bolstered risk management and took effective measures in line with local conditions in order to maintain continued stable growth in its overseas institutions' financial business, support the construction of the new "dual-circulation" development pattern, and make positive contributions to China's economic development and the global economic recovery.

It has followed up on more than 1,000 corporate credit projects along the Belt and Road, and provided various credit facilities that cumulatively exceed USD316.0 billion. Attending the Third Belt and Road Forum for International Cooperation, the Bank signed contracts for eight projects during the on-site Belt and Road CEO Conference, with 13 deliverables being incorporated in the List of Practical Cooperation Deliverables of the Third Belt and Road Forum for International Cooperation.

With the "Chinese Element" in mind, the Bank continuously improved its bilateral trade information sharing mechanism as well as its product system for new cross-border e-commerce businesses, providing such enterprises with cross-border settlement services amounting to RMB580.0 billion, representing year-on-year growth of 118 per cent. It forged links with 28 market procurement platforms, covering most of the pilot provinces for market procurement trade and leading the industry in terms of platform coverage. Operating at the vanguard of cross-border trade and investment facilitation reform, the Bank leveraged its global cash management product strengths to provide multinational enterprises with centralised cross-border fund management services, maintaining its leading market share. It continued to refine its overseas cash management functions and constantly enhanced its integrated service capabilities. The number of contracted accounts in overseas cash management business increased by 24.47 per cent. compared to the end of the previous year.

The Bank engaged in comprehensive cooperation with a diverse array of financial institutions in such areas as clearing, settlement, lending, investment, custody, treasury operations and capital market services, further expanding its customer base. Responding nimbly to market fluctuations, it provided market advice to overseas institutional clients and promoted the investment value of RMB to medium and long-term investors around the world. As a result, it enjoyed steady growth in its overseas institutional investor customer base. Furthermore, the Bank capitalised on its international partnership network, drew on its advanced global expertise and established a peer communication and cooperation mechanism to continually strengthen its participation in ESG-related initiatives worldwide. The Bank helped to deepen and expand the interconnection and cooperation between the capital market and overseas markets, and actively participated in the construction of financial factor market platforms and business innovation in the areas of "Swap Connect" and "Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect"; supported the construction of Shanghai International Reinsurance Centre, actively integrated into the design and marketing of the international reinsurance board and became the main cooperative bank of the platform. The Bank gave full play to the characteristics of global operation, and provided a package of integrated financial services such as cross-border fund settlement, foreign currency exchange, exchange rate hedging and other comprehensive financial services for the new institutions of the reinsurance platform.

Personal Banking

Leveraging its advantages in globalised operations, the Bank continued to enrich its overseas personal banking products and services. With a focus on meeting local and cross-border financial service needs, the Bank provided customers with comprehensive services including account management, savings, settlement and electronic banking, as well as wealth management and private banking services in countries and regions such as Hong Kong (China), Macao (China) and Singapore. As at 31 December 2023, the Bank had established its overseas personal banking presence in over 30 countries and regions, serving over 7.00 million customers and recording consistent growth in customer scale.

The Bank actively promoted the "Cross-boundary Wealth Management Connect" services, amassing over 44,700 subscribers as at 31 December 2023 and maintaining a market-leading position. It continued to promote

"Greater Bay Area Account Opening" service, meeting the demand of residents from Hong Kong (China) and Macao (China) for opening Chinese Mainland personal bank settlement accounts, continuously consolidating the product's advantages.

With an emphasis on compliance and steady growth, the Bank promoted the differentiated development of overseas sub-regional classifications, and continued to improve the ability of refined risk management. In 2023, positive growth was achieved in the scale of its overseas personal loan business.

The Bank established a cross-border rights and interests system covering overseas study, tourism and commerce, and optimised the cross-border card usage experience for customers. Underscoring the distinctive characteristics of its cross-border offering, it carried out cashback offers for cross-border consumption under the "Global Wonderful" theme as well as a "reward points for overseas consumption" campaign with Zhuo Jun Card. It offered preferential deals at merchants in Hong Kong and Macao in collaboration with BOCHK Card Co., Ltd., and organised cashback promotions for popular stores in the UK, Australia and other countries. The Bank created "Zhuo Jun Card" branded products to provide secure and convenient card services for overseas students, launching Zhuo Jun Card products in currencies such as the Canadian Dollar and Australian Dollar in 2023. It also actively enhanced its overseas branches' merchant acquiring business, delivering high-quality payment acceptance services to both domestic and overseas cardholders.

Financial Markets Business

Taking a global perspective, the Bank leveraged the advantages of its globalised network to proactively anticipate changes in international financial markets. It placed equal emphasis on growth and stability, robustly delivered overseas financial market services, and enhanced the international brand influence of its financial markets business.

The Bank strengthened its international market analysis and investment strategy research, seized opportunities in overseas markets, and steadily developed its overseas institutions' bond investment business. It strived to elevate liquidity levels and asset returns in its investment portfolio, carried out active management of scale and duration, and continuously strengthened risk prevention and control.

The Bank provided clients worldwide with 5×24 round-the-clock quotation services from its operations in Hong Kong (China), London and New York. Its overseas institutions continued to compete in local markets by harnessing their respective resource endowments, promoting coordinated regional development and enhancing market competitiveness. The Bank actively provided RMB market-making and quotation services and RMB futures business in Singapore, South Korea and other countries and regions, thus serving national strategies and economic development. The Hong Kong Offshore RMB Trading Centre continued to expand its product coverage, thus facilitating RMB internationalisation. The London Trading Centre continuously strengthened business support for the Bank's branches in Europe, Middle East and Africa, including supporting the branches' use of its electronic transaction platform, and thus enhanced quotation efficiency. In 2023, the Bank underwrote Panda bonds with a total volume of RMB32.875 billion, ranking first in the market. It underwrote offshore China bonds with a total volume of USD2.562 billion, also ranking first in the market, and underwrote USD3.379 billion of Asia (excluding Japan) G3 currency bonds, ranking first among Chinese institutions.

In line with national strategy, the Bank steadfastly implemented the high-level opening up of financial markets, endeavoured to improve the service capacity of its overseas custody products, and maintained a leading position in both domestic and overseas cross-border custody markets. As at 31 December 2023, the Bank's cross-border custody scale exceeded RMB810.0 billion, ranking first among Chinese peers. The Bank was awarded "Best QDII Custodian Bank" in 2023 by *The Asset*.

Clearing Business

The Bank prudently and robustly implemented key priorities in RMB internationalisation, thus further consolidating its leading edge in cross-border RMB payments. As at 31 December 2023, the Bank accounted for 15 of the world's 33 authorised RMB clearing banks, continuing to lead its peers. It continually supported the global coverage expansion of CIPS, and ranked first in the number of CIPS direct participant and indirect participant relationships.

Online Service Channels

The Bank strived to optimise its online service channel to enhance customer experience, giving new impetus to its global development.

The Bank continuously promoted the new version of overseas enterprise online banking, focused on improving the localisation ability and compliance management goals of overseas institutions, optimised more than 40 functions, strengthened the local market competitiveness of overseas enterprise online banking and the service capabilities of "Going Global" Chinese enterprises. As of the end of 2023, corporate online banking has covered 56 countries and regions, supporting 14 languages.

The Bank launched version 6.0 of BOC International Mobile Banking app. This version improved user interface and function navigation, allowing customers to seamlessly switch from the classic version to a new simplified version, accommodating diverse customer needs. It enriched its mobile banking functions, encompassing online account application and investment services, significantly enhancing customers' overall experience. As at 31 December 2023, BOC International Mobile Banking app was available in 30 countries and regions around the world, providing services in 12 languages.

BOCHK

As a Hong Kong-listed banking group controlled by the Bank, BOCHK capitalised on the Group's globalised and integrated advantages to continuously cultivate the Hong Kong market, actively tap into opportunities from cross-border businesses and expedite regional development in Southeast Asia. It maintained its leading position in major businesses, continuously sharpened its competitive edges and helped strengthen Hong Kong's status as a leading international financial centre. As at 31 December 2023, BOCHK's issued share capital was HKD52.864 billion, total assets were HKD3,868.783 billion and net assets were HKD323.429 billion. Its profit for the year was HKD34.857 billion.

BOCHK provided green and low-carbon financial products and services to satisfy customers' demand for transformation towards sustainable development. To facilitate customer access to new green investment opportunities, it launched the "BOCHK Greater Bay Area Climate Transition ETF", the first exchange- traded fund in the Hong Kong market to track an ESG index with investments in the Guangdong-Hong Kong-Macao Greater Bay Area. It also added a sustainable income strategy fund to its platform. BOCHK further promoted its Green Mortgage Plan to encourage home buying clients to choose green buildings. To capture opportunities from the transformation of "brown" industries, it created a full suite of differentiated green and sustainability-linked financial service solutions for its corporate clients, assisting them to adopt sustainable business models and accomplish green development targets. In addition, BOCHK enhanced innovation in its offshore RMB-denominated green finance, and successfully executed its first green RMB reverse repo transaction. In line with the HKSAR Government's proposals for green finance development, BOCHK served as custodian for the HKSAR Government's first tokenised green bond issuance. BOCHK remained committed to achieving its carbon neutrality targets in an orderly manner, providing momentum towards its goal of carbon-neutral operations by 2030. Fulfilling its responsibilities in climate-related information disclosure, BOCHK published its first Climate-related Financial Disclosures Report, with a view to playing a key role in coping with climate changes.

BOCHK enhanced support to corporate banking services. Working with blue-chip enterprises, high-quality commercial firms and SMEs in Hong Kong, BOCHK leveraged collaborative mechanisms among its integrated business platforms and rendered professional services to fulfil customers' business needs. As at 31 December 2023, it outperformed the local market in terms of total customer deposit and loan growth while maintaining its non-performing loan ratio at below the market average. It continued its support to several key projects and expanded its supply chain finance business, maintaining its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market and as an IPO receiving bank. It strengthened the development of its key businesses, which included cash pooling, trade financing, payment and settlement as well as treasury centre services. It promoted the development of inclusive finance services, expanding the use of transactional data in the credit approval process for SMEs with a view to alleviating their financing pain points, and optimised e-collection and e-payment solutions for the Fast Payment System (FPS), thus stimulating constant growth in local business and commercial activities. It continually expanded the breadth and depth of its wealth management business and sharpened its leading edge in core products. To further expand its high-end and younger customer portfolio, it refined exclusive products and complementary services for high-end customers, including the launch of investment and wealth management solutions to Private Wealth and Wealth Management customers respectively, while actively promoting a targeted brand for the younger customer segment through innovative service channels and products. BOCHK proactively capitalised on opportunities arising from improvement in consumer demand, recording growth in consumer finance businesses such as credit cards, BoC Pay and BoC Bill. BoC Pay payment services now cover various daily consumption and transport scenarios in Hong Kong. It continued to expand its mortgage portfolio and secured the top market share in Hong Kong residential mortgages.

Seizing business opportunities from financial services policies in the Guangdong-Hong Kong-Macao Greater Bay Area as well as improvement in consumer demand, BOCHK strengthened internal and external collaboration to explore key industries' and target customers' cross-border financing needs within the context of deeper integration in the Greater Bay Area. It rolled out a series of cross-border financial service solutions to allow corporate customers to capture development opportunities in the area. It kept pace with business opportunities arising from the HKSAR Government's development plan for the Northern Metropolis area in order to actively provide corresponding financial support. Through its new "BOCHK Cross-Border GO" brand, it made every effort to provide one-stop cross-border financial products and services to customers travelling around the globe, with a focus on customers in the Chinese mainland, Southeast Asia and overseas countries. It continually improved its RMB service capabilities and steadily pushed forward the opening up of the financial sector. In addition, it optimised the product and service suite of "Bank of China Cross-Boundary Wealth Management Connect", with the aggregate number of accounts opened and amount of funds remitted or transferred under both Northbound and Southbound services ranking among the top tier in Hong Kong. It assisted the People's Government of Hainan Province and the Shenzhen Municipal People's Government in the issuance of offshore RMB bonds in Hong Kong. Meanwhile, it facilitated the enhancement of cross-border financial infrastructure so as to widen mutual access, including supporting Northbound trading of "Swap Connect", "Shanghai Stock Connect" and "Shenzhen Stock Connect". In alignment with the "HKD-RMB Dual Counter Model" launched by Hong Kong Exchanges and Clearing Limited, BOCHK introduced a dual counter securities trading service on its mobile banking platform, with BOCHK itself being designated among the first batch of dual counter listed companies under the model. It supported the cross-border remittance service of the new RMB FPS introduced by the Hong Kong Monetary Authority, further enriching cross-border fund clearing channels. It improved regional RMB financial infrastructure, optimised the offshore RMB clearing network and actively cultivated the offshore RMB market, including expanding the service coverage of the Cross-border Interbank Payment System (CIPS) and promoting RMB usage, with Bank of China (Thai) Public Company Limited, BOCHK Jakarta Branch, Phnom Penh Branch, Vientiane Branch and Yangon Branch each being granted a direct participating bank qualification by CIPS. BOCHK also actively fulfilled the duties and solicited the assignment of RMB clearing banks, with BOCHK Phnom Penh Branch being appointed as the RMB clearing bank in Cambodia.

BOCHK remained focused on integrated regional development, adopting the organic combination of market-by-market strategies as its template for a differentiated management approach across its regional entities. By offering a diversified product suite, it leveraged its synergies and captured opportunities from the Regional Comprehensive Economic Partnership to focus on the development of Belt and Road and "Going Global" projects as well as large corporate customers in the region. It remained committed to promoting the regional development of green finance, with BOCHK Manila Branch, Jakarta Branch and Phnom Penh Branch launching BOCHK's first bilateral green loan, social responsibility loan and sustainability-linked syndicated loan respectively in Southeast Asia. As part of its development strategy for implementing digital transformation and a mobile-first approach, BOCHK Phnom Penh Branch and Vientiane Branch launched online RMB direct payroll remittance services. Bank of China (Thai) Public Company Limited, Bank of China (Malaysia) Berhad, BOCHK Ho Chi Minh City Branch, Phnom Penh Branch and Vientiane Branch successively rolled out e-Mortgage platforms, providing customers with online reservation, consultation and real-time mortgage application services, thereby further improving customer experience. It enriched the service quality of its intelligent Global Transaction Banking (iGTB) platform, with Bank of China (Thai) Public Company Limited and Bank of China (Malaysia) Berhad each launching an iGTB regional e-commerce service. In addition, BOCHK continuously refined its regional risk management mechanism by regularly monitoring and optimising the structure and quality of its credit portfolio, so as to ensure synergy between regional business development and risk management to continuously enhance risk management capabilities.

BOCHK comprehensively promoted digital transformation with the utilisation of data, business intelligence and ecological approaches throughout its product design and service operations to ensure continuous and effective business operations and to support its ambition of rendering seamless and high-quality digital services and customer experiences through omni-channel services. BOCHK fostered product and service integration, and was endeavoured to the research and development of high-quality financial products and services. It consolidated its open banking ecosystems by drawing on different customer segments and ecologies, to provide customers with diversified e-payment service channels for daily spending and travel convenience. In collaboration with other market players, BOCHK explored the potential applications of artificial intelligence in the financial industry as well as development of digital currencies. It regularly brought the fintech sector together to exchange ideas and perspectives, with a view to integrating financial services and innovative technology. In a bid to enhance operational efficiency across all aspects of its businesses, BOCHK deepened technological empowerment, enhanced intelligent operations, and expanded the use of intelligent technology to automate and integrate its operations. It refined its policies and systems for digital transformation, nurtured digital-savvy talent and fostered an innovative culture, thus laying a solid foundation for its long-term development.

BOCHK was named "Bank of the Year in Hong Kong" by *The Banker*; "Strongest Bank in Hong Kong and Asia Pacific", "Second Strongest Bank in the World" and "Best Retail Bank in Hong Kong" by *The Asian Banker*; "Digital Transformation of the Year – Hong Kong", "Mobile Banking & Payment Initiative of the Year – Hong Kong" and "SME Bank of the Year – Hong Kong" by *Asian Banking & Finance*; "Best Chinese Bank for the Greater Bay Area 2023" by *Asiamoney*; "Best Renminbi Bank" in Hong Kong and the Philippines by *The Asset*; and "Best ESG Impact – Hong Kong SAR" by *FinanceAsia*.

COMPREHENSIVE OPERATION

As the first major commercial bank in the Chinese Mainland to develop comprehensive operations, the Bank engages in such fields as investment banking, asset management, insurance, direct investment, leasing, consumer finance, and financial technology. With a focus on serving the real economy, the Bank pursued progress in "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance. Giving full play to its traditional business strengths, it advanced the high-quality development of its comprehensive operation companies according to the guidelines of Group-wide coordination, risk control, commercial sustainability, and market competitiveness.

In 2023, the Bank further optimised the synergistic mechanisms between the Bank and its comprehensive operation companies, and consolidated the regional coordination platform for comprehensive operations. It formulated the Group's comprehensive business coordination mechanism, established a process for prioritising potential collaborative projects, and carried out a comprehensive series of collaborative matchmaking activities. It also launched an internal competition to identify and realise collaborative business opportunities between the Bank and its comprehensive operation companies, in order to stimulate synergistic vitality. The Bank refined the Group-wide management and control mechanism of its comprehensive operations, established a "full-chain" performance management system for its comprehensive operation companies, and strengthened risk penetration management. It standardised and optimised the corporate governance structure of its comprehensive operation companies, strengthened performance management of the directors and supervisors assigned to those companies, and continuously improved the quality and efficiency of Group-wide management.

Investment Banking Business

BOC International

The Bank is engaged in investment banking business through BOC International. As at 31 December 2023, BOC International had an issued share capital of HKD3.539 billion, total assets of HKD68.969 billion and net assets of HKD22.326 billion. In 2023, BOC International realised a profit for the year of HKD1.400 billion.

Proactively integrating into the new "dual-circulation" development pattern, BOC International promoted the high-quality development of investment banking, wealth management and asset management. It successfully facilitated the listing of 14 IPOs on the Main Board of Hong Kong Stock Exchange (HKEX), raising over HKD14.3 billion. It underwrote green and sustainable bonds with an aggregate value of USD4.215 billion, helping the Bank to maintain a leading position among Hong Kong peers in terms of total underwriting volume. Furthermore, acting as the sole ESG rating advisor, it assisted a client in successfully obtaining its first ever low-risk ESG rating from Sustainalytics, setting an industry benchmark. In terms of product innovation, it was the first Chinese financial institution in Hong Kong to issue RMB digital structured notes using blockchain, issuing a total of approximately HKD1.701 billion of such notes in 2023. It accelerated the transformation of its traditional brokerage business into a wealth management business, meeting clients' wealth management needs through diversified asset classes. BOC International supported the development of the real economy by strengthening ESOP services for listed companies, serving more than 200 corporate clients with over 140,000 employees from more than 40 countries and regions, managing more than 120 ESOP related trusts. It continued to promote digitisation and improved the functionality of its mobile securities services, as well as establishing its competitive capabilities as an HKD/RMB dual counter securities market maker. BOC International enhanced its asset management capabilities. BOCI-Prudential Asset Management Limited, a subsidiary of BOC International, ranked fifth and second respectively in the Hong Kong Mandatory Provident Fund (MPF) and Macao Pension Fund markets. It also had 16 fund products eligible for the Cross-boundary Wealth Management Connect Scheme in Hong Kong and cooperated with BOCHK to launch the HKEX-listed BOCHK Greater Bay Area Climate Transition ETF. It continued to facilitate the internationalisation of the onshore commodity futures market and assisted with the low-carbon transformation of energy enterprises.

During the year, BOC International was awarded "Best Bond Advisor – Global (China)" by *The Asset*, "China Bond House of the Year" by *IFR Asia*, and "Commodity Dealer of the Year, Asia" by *Risk.net*, an authoritative media publication in the global commodity industry. It was also selected as a top ten "Research Team Leaders Table (All China)" by *Institutional Investor* and *Caixin*. In addition, BOCI- Prudential Asset Management Limited's RMB Fixed Income Fund won the "Best Fund over 3 Years – Bond Asia Pacific (Local Currency)" award at the Hong Kong 2023 Lipper Fund Awards.

BOCI China

The Bank is engaged in securities-related business in the Chinese Mainland through BOCI China. As at 31 December 2023, the registered capital of BOCI China was RMB2.778 billion.

BOCI China deepened its synergistic advantages in areas such as "investment banking + commercial banking", "investment banking + investment" and "domestic + overseas". It targeted key client groups and key industries, fully implemented national strategies, promoted business transformation through technological empowerment to help building of a nation with a strong financial sector. BOCI China made breakthroughs in the IPO business of specialised and sophisticated SMEs. In 2023, BOCI China sponsored the IPOs of two specialised and sophisticated SMEs, and acted as the sole underwriter for China's first AA+ corporate bond issued by a technology innovation company (incubator). It also acted as the sole underwriter for sci-tech innovation corporate bonds issued by central state-owned enterprises to promote innovation and tackle development bottlenecks, and assisted in the issuance of China's first corporate bond of benchmark market-making in the private sector. In terms of asset management, BOCI China made efforts to strengthen its proactive management capabilities. It ranked second in the securities industry in terms of mutual funds scale, and continued to improve its customer service capabilities. The company focused on the wealth management needs of individual clients and constructed a customer-centric product system, refined its comprehensive service process for wealth management, and improved the service capability of its investment advisors. In addition, the brand reputation of its research products was further enhanced.

BOCI China received numerous awards during the year, including "Best Local Investment Bank" and "Best Bond Underwriting Investment Bank" from *New Fortune* and "Best A-share Bond Underwriting Team" from *National Business Daily* for its investment banking business; the "Junding Award for Comprehensive Wealth Management institution in China" from *Securities Times* and "Model Asset Management Securities Company" from *ChinaFund* for its asset management business; "Golden Bull Growth Wealth Management Team" from *China Securities Journal* for its retail brokerage business; and "Junding Award for Investment Advisory Teams in China" from *Securities Times* for its "Thinktank" advisory team. In addition, BOCI China Shenzhen Central Road No. 4 Branch received the "Junding Award for Top 20 Securities Business Outlets in China" from *Securities Times*. BOCI Futures, a subsidiary of BOCI China, received Gold Medal in "Comprehensive Award for Excellent Members" from China Financial Futures Exchange.

Asset Management Business

BOCIM

The Bank is engaged in fund management business in the Chinese Mainland through BOCIM.

As at 31 December 2023, BOCIM had registered capital of RMB100 million, total assets of RMB6.299 billion and net assets of RMB5.229 billion. In 2023, its profit for the year reached RMB702 million.

BOCIM steadily expanded its asset management business, maintained sound internal control and risk management, and constantly improved its brand and market reputation. By rigorously focusing on investors' interests, BOCIM strengthened its investment and research capabilities, refined product management and enhanced marketing and post-investment support. BOCIM optimised new fund issuance and launched 13 funds during the year, including enhanced index funds like BOC MSCI China A50, BOC CSI 1000, BOC CSI 500, etc. In addition, BOCAM (Singapore) obtained approval from the China Securities Regulatory Commission (CSRC) for a QFII qualification, building BOCIM's brand as a "Global Manager of Global Assets". As at 31 December 2023, BOCIM's assets under management ("**AUM**") stood at RMB574.813 billion. Specifically, its public-offered funds were RMB484.628 billion and its public-offered funds excluding money market funds were RMB285.802 billion.

BOCIM won six prestigious honours in the industry's three most authoritative awards, including the "Golden Bull Award" from *China Securities Journal*, "Golden Fund Award" from *Shanghai Securities News* and "Star Funds Award" from *Securities Times*. Specifically, BOCIM's equity funds won honours in all three of these awards.

BOC Wealth Management

The Bank is engaged in wealth management business in the Chinese Mainland through BOC Wealth Management. BOC Wealth Management's business includes wealth management products for the general public, wealth management products for qualified investors, advisory and consulting, and other asset management-related business. As at 31 December 2023, BOC Wealth Management had a registered capital of RMB10.000 billion, total assets of RMB17.269 billion and net assets of RMB16.614 billion. Its profit for the year reached RMB1.628 billion.

BOC Wealth Management actively promoted the high-quality development of wealth management while serving the real economy. In the product and service aspects, BOC Wealth Management implemented the national rural revitalisation strategy, rolled out themed wealth management products, and continued to allocate more assets to key areas such as new rural infrastructure construction. It served the development of "third pillar" of China's pension insurance system by introducing five personal pension wealth management products as part of the first batch of private pensions. It constantly innovated "public welfare + wealth management" products and supported the development of vocational education. Moreover, it strengthened its unique advantages in foreign currency and cross-border products, maintained a market-leading position in terms of product diversification, and ranked first among peers in terms of wealth management scale. In the investment aspect, BOC Wealth Management actively promoted China's modernisation and established an investment research system to serve the real economy.

Adapting to the emergence of new economic development drivers, BOC Wealth Management increased investment in key areas such as advanced equipment manufacturing, new power system and electronic information, and guided fund allocation towards areas of policy focus. In the customer aspect, BOC Wealth Management continuously expanded its sales channels, realising product sales through 22 external institutions and 30 channels. In the risk management aspect, BOC Wealth Management reinforced its comprehensive risk management system, enhanced technological empowerment within its business activities, and firmly adopted bottom line thinking. As at 31 December 2023, its AUM stood at RMB1,631.063 billion.

Insurance

BOCG Insurance

The Bank is engaged in general insurance business in Hong Kong through BOCG Insurance. As at 31 December 2023, BOCG Insurance had an issued share capital of HKD3.749 billion, total assets of HKD9.654 billion and net assets of HKD4.625 billion. In 2023, BOCG Insurance recorded insurance revenue of HKD2.140 billion and its profit for the year reached HKD277 million.

Pursuing progress amid stability and ensuring stability through progress, BOCG Insurance leveraged its advantages and implemented national strategies. It strived to build a high-tech, market-leading regional property insurance company with commercial banking characteristics. It outperformed the market in terms of income growth, increasing its market share. Supporting key national strategies, it deepened bank-insurance coordination and actively participated in services such as Northbound travel insurance for Hong Kong vehicles and Greater Bay Area cross-border business. BOCG Insurance also made diverse contributions to the development of the real economy. It established a sound basis by constantly improving structure, quality and efficiency, and optimising its business structure and insurance product portfolio. It made comprehensive efforts to promote digital transformation, upgraded online insurance sales and customer service platforms to deliver unique online services, and initiated implementation of IFRS 17. Embracing ESG concepts, BOCG Insurance promoted green office practices, supported green finance initiatives, and played an active role in aiding Hong Kong's recovery from extreme weather events.

BOC Life

The Bank is engaged in life insurance business in Hong Kong through BOC Life. As at 31 December 2023, BOC Life's issued share capital was HKD3.538 billion, total assets were HKD187.069 billion and net assets were HKD6.099 billion. Its profit for the year was HKD1,127 million.

BOC Life continually strived to improve the quality and efficiency of its business. It maintained its leading position in Hong Kong's life insurance sector and consistently outperformed industry peers in terms of RMB insurance business and online insurance transactions. BOC Life continued to strengthen its multi-channel development strategy by deepening its collaboration with BOCHK to foster cooperation among different customer segments, expanding its brokerage channel by forming partnerships with brokers with Chinese Mainland banking experience, and growing its tied agent workforce through new financial support programmes to recruit agents with Chinese Mainland banking and professional backgrounds. A full suite of cross-border business activities was launched to capture related opportunities, boosting its business volumes above pre-pandemic levels. Collaborating with other industry players, BOC Life played a pivotal role in the preparatory work for establishing insurance service centres in the Guangdong-Hong Kong-Macao Greater Bay Area that will promote insurance market connectivity in the region. Striking a balance between growth quality and scale, BOC Life continued to enrich its product range with the aim of increasing both the volume and value of new business. BOC Life also advanced the development of its featured retirement scenario-based ecosystem to push forward the transformation of elderly care. To refine its wellness ecosystem, it deepened cross-industry collaboration around the "Live Young Rewards" app, which now boasts over 90,000 users and 70 third-party partners.

BOC Insurance

The Bank is engaged in property insurance business in the Chinese Mainland through BOC Insurance.

As at 31 December 2023, BOC Insurance had registered capital of RMB4.535 billion, total assets of RMB12.076 billion and net assets of RMB5.321 billion. In 2023, it realised insurance revenue of RMB6.042 billion and a profit for the year of RMB205 million.

BOC Insurance actively served national strategies, and supported the development of the real economy. It supported enterprises' "Going Global" efforts, served 173 Belt and Road projects, and provided insurance coverage of more than RMB81.7 billion. It served the "dual-circulation" of domestic and international markets, innovated scenario-based services, and supported the integrated development of domestic and overseas trade with insurance coverage exceeding RMB347.6 billion. It increased the supply of liability insurance products in emergency management, production safety and other fields, and provided insurance services for major natural disasters. Furthermore, focusing on digital transformation, BOC Insurance promoted the transformation towards online, intelligent and platform-based business model. It also advanced the in-depth development of its comprehensive risk management system, improved the long-acting mechanism for internal control and compliance management, and made risk prevention more initiative and forward-looking. In 2023, it provided RMB35 trillion of insurance coverage and over 1.59 million transactions of claim settlement, and paid compensation of over RMB3.7 billion.

BOC Insurance maintained an "A-" credit rating and "stable" outlook from Standard & Poor's for the ninth consecutive year. It won the "20th People's Inventive Award – Inventive Service Award" from people.cn, the "Benefitting the People Award" in the selection of "2023 Excellent Cases of Inclusive Finance", also sponsored by people.cn, the "2023 Excellent Corporate ESG Green Finance Case" award from Xinhuanet and the China Enterprise Reform and Development Society, and the "2023 Excellent Property Insurance Company" for excellent examples of financial development in the 21st century from *21st Century Business Herald*.

BOC-Samsung Life Ins. Co., Ltd. ("BOC-Samsung Life")

The Bank is engaged in life insurance business in the Chinese Mainland through BOC-Samsung Life.

As at 31 December 2023, BOC-Samsung Life's registered capital was RMB2.467 billion, total assets were RMB86.811 billion and net assets were RMB954 million. In 2023, BOC-Samsung Life recorded gross written premiums and premium deposits of RMB27.639 billion and a profit for the year of RMB2.044 billion.

Upholding its customer-centric approach, BOC-Samsung Life achieved stable business growth and steadily improved its market competitiveness. It proactively integrated itself into the Group's wealth management system and promoted premium trust services. BOC-Samsung Life strived to improve the quality of its services, achieving a significant drop in customer complaint and cancellation rates, a remarkable improvement in claim settlement time, and a notable rise in the Insurance Service Quality Index. It rebuilt its product system, improved the quality of its liabilities, increased the supply of whole life insurance, annuities insurance and health insurance, and launched "BOC Enjoying Life No. 2 Whole Life Insurance", "BOC Tiancai Annuities Insurance", "BOC Health Life Critical Illness Insurance" and other featured products. To make finance serve the real economy, BOC-Samsung Life invested a total of RMB5.964 billion in inclusive finance, technology finance and green finance. Leveraging technological empowerment in its operations, it offered such intelligent services as intelligent dual recording, intelligent outbound calling, intelligent claim settlement, and online collection of insurance proceeds, all of which improved the customer experience. In 2023, BOC-Samsung Life recorded first-year premiums of RMB9.258 billion in its protection and long-term savings businesses, a year-on-year increase of 65 per cent.

BOC-Samsung Life was named "Excellent Life Insurance Company" for the fifth consecutive year in the Golden Censer Prize organised by National Business Daily. It featured in the "Annual Customer Service Ranking" of China's Insurance Industry Ranking 2023, was awarded "2023 Excellent Corporate ESG Green Finance Case" and "2023 Excellent Corporate ESG Rural Revitalisation Case" by Xinhuanet and China Enterprise Reform and Development Society; and was listed in the "Annual Life Insurance Coverage Product" and "Annual Critical Illness Insurance Coverage Product" categories in the Gold Reputation Awards by China Banking and Insurance Media.

Investment Business

BOCG Investment

The Bank is engaged in direct investment and investment management business through BOCG Investment. BOCG Investment's business scope includes private equity investment, fund investment and management, real estate investment and management, and special situation investment. As at 31 December 2023, BOCG Investment had issued share capital of HKD34.052 billion, total assets of HKD137.135 billion and net assets of HKD75.153 billion. In 2023, it reported a profit for the year of HKD535 million.

In line with the Group's 14th Five-Year Plan, BOCG Investment gave full play to the advantages of the Bank's comprehensive operation platform, accelerated the transformation and development, and pursued progress in both investment scale and quality. Based in Hong Kong, BOCG Investment tracked investment opportunities in Southeast Asia, integrated into the development of the Guangdong-Hong Kong-Macao Greater Bay Area, and supported Chinese "Going Global" enterprises to explore overseas markets and cross-border M&A. It expedited the implementation of the new development pattern, served the national Belt and Road strategy, and steadily invested in high-quality funds with a primary focus on Europe and Southeast Asia. It also continued to strengthen post-investment management and exited from mature projects in various ways. It refined the routine monitoring of investment asset quality and enhanced its risk response capability. Furthermore, BOCG Investment expanded its funding sources through multiple channels, completed registration as a mature issuer with NAFMII for the first time, and issued a three-year RMB Panda bond. It also launched its first green loan and improved its green financing system.

BOC Asset Investment

The Bank is engaged in debt-for-equity swap and related business in the Chinese Mainland through BOC Asset Investment. As at 31 December 2023, the registered capital of BOC Asset Investment was RMB14.500 billion, total assets were RMB87.917 billion and net assets were RMB23.133 billion. In 2023, its profit for the year reached RMB2.711 billion.

Committed to the national strategy of expanding domestic demand and deepening supply-side structural reform, BOC Asset Investment conducted market-oriented debt-for-equity swap business in support of the high-quality development of the real economy. Offering increasing support to green and technology finance investment, it implemented projects in new energy vehicles, clean energy, new energy storage and energy saving technologies, and environmental protection industries, to meet enterprises' diverse financial needs. Debt-for-equity swap investment funds and asset management plans were established to raise socially responsible funds for developing the real economy, including an RMB10 billion investment fund in collaboration with other investors. As at 31 December 2023, the Bank's cumulative market-oriented debt-for-equity swap business reached RMB234.476 billion, representing an increase of RMB21.633 billion during the year.

Leasing Business

BOC Aviation

The Bank is engaged in the aircraft leasing business through BOC Aviation. It is one of the world's leading aircraft operating leasing companies and is the largest aircraft operating leasing company headquartered in Asia, as measured by value of owned aircraft. As at 31 December 2023, BOC Aviation had issued share capital of USD1.158 billion, total assets of USD24.170 billion and net assets of USD5.748 billion. In 2023, it achieved a profit for the year of USD764 million, a new record for the Company. There was significant improvement in earnings as compared to the previous year.

BOC Aviation continued to implement its proactive business strategy and steadily promoted its standing in the aircraft leasing industry, achieving sustainable growth. Actively supporting the Belt and Road Initiative, it had leased 57 *per cent.* of its aircraft to Belt and Road countries and regions as at 31 December 2023. Continuing to closely track customer demand, the Company took delivery of 65 new aircraft, as it rapidly expanded its owned fleet. These aircraft were all delivered on long-term leases. During 2023, BOC Aviation signed 142 leases for aircraft while steadily expanding its business. Its fleet is currently on lease to a total of 91 customers in 45 countries and regions. The Company consistently sought to optimise its asset structure and improve its sustainable development. It sold 20 owned aircraft and one owned engine during 2023, leaving it with an average owned fleet age of 4.6 years (weighted by net book value) as at 31 December 2023, one of the youngest aircraft portfolios in the aircraft leasing industry.

BOC Financial Leasing Co., Ltd. ("BOCL")

The Bank is engaged in financial leasing, transfer and receiving of financial leasing assets and other related businesses through BOCL. As at 31 December 2023, BOCL had registered capital of RMB10.800 billion, total assets of RMB57.344 billion and net assets of RMB11.915 billion. It recorded a profit for the year of RMB704 million.

BOCL was fully committed to serving the country's major strategies, key areas and weak links. As at 31 December 2023, BOCL transacted a total of RMB88.569 billion in financial leasing business, with leasing assets in key industries such as smart transportation, renewable energy, advanced manufacturing and new materials accounting for 81.95 per cent. of the total. Its green financial leasing in green travel, new energy power generation, solid waste disposal, and air quality management accounted for 43.79 per cent. of total leasing. BOCL grew the footprint of its aviation and shipping business segment, gave full play to its advantages in asset financing, and contributed to the high-quality development of the real economy.

BOCL was awarded the "Leading Enterprise in Supporting Major Strategies" in the "2023 China Financial Leasing Taking Off Award" selection at the 6th Global Leasing Competitiveness Forum.

Consumer Finance

BOC Consumer Finance Co., Ltd. ("BOC Consumer Finance")

The Bank is engaged in consumer loan business in the Chinese Mainland through BOC Consumer Finance. As at 31 December 2023, BOC Consumer Finance's registered capital was RMB1.514 billion, total assets were RMB74.299 billion and net assets were RMB9.040 billion. In 2023, it recorded a profit for the year of RMB537 million.

Comprehensively adopting a people-centric development philosophy in its business development and customer service, BOC Consumer Finance accelerated the in-depth transformation of its business model and fully supported the recovery in consumption. It steadily expanded its business scale and achieved positive results in online transformation, with online business volumes continuously increasing as a proportion of the whole. As at 31 December 2023, its outstanding loans stood at RMB71.948 billion, up 16.42 per cent. from the end of the previous year, and the balance of online loans accounted for 62.49 per cent., up 10.25 percentage points from the prior year-end.

Financial Technology

Bank of China Financial Technology Company Limited (“BOC Financial Technology”)

The Bank is engaged in financial technology innovation, software development, platform operation and technical consulting services through BOC Financial Technology. As at 31 December 2023, the registered capital of BOC Financial Technology was RMB600 million, total assets were RMB1.405 billion and net assets were RMB851 million.

BOC Financial Technology deeply integrated itself into the Group’s comprehensive service system and focused on anti-money laundering, credit risk control and other key areas to boost the Group’s digital finance development. It focused on the development of scenario ecosystem-based non-financial products, improved its digital services for industries, and built the only treasury product with completely independent intellectual property rights among large state-owned banks. It empowered the Group’s comprehensive operations, rolled out the Group’s industry-leading asset management technology platform, and independently developed and successfully applied end-to-end IFRS 17 solutions. It linked internal and external innovation channels, and continued to maintain its leading position in emerging areas such as privacy computing. It participated in the formulation of six industry standards, which significantly enhanced the influence of the Group’s “finance + technology” brand in technology innovation.

BOC Financial Technology was included in the International Data Corporation’s (IDC) IDC China FinTech 50 list for the third consecutive year and passed the test maturity model integration (TMMi) Level 5 certification. It also won “Best Integrated Business and Financial Service Provider” at the 2023 China Treasury Awards. In addition, its IFRS 17 product won first prize in the 2023 FinTech Innovation Competition of “Innovation China” and second prize in the “Financial Innovation Awards” of the Shanghai Municipal People’s Government.

SERVICE CHANNELS

Focusing on customer experience and leveraging digital transformation as the key driver, the Bank accelerated the transformation and upgrading of all service channels, building online channels with stronger scenario integration capabilities and offline channels with greater value creation capacity. It cultivated an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

Online Channels

Tapping in the potential of technological empowerment and adhering to the path of digitalisation, mobility, and intelligence, the Bank vigorously expanded its online channels and continuously upgraded its mobile banking services so as to rapidly develop its online businesses. In 2023, its e-channel transaction volume reached RMB374.62 trillion, an increase of 10.31 per cent. compared with the prior year.

For corporate banking customers, the Bank continuously improved the functions of its electronic channels and built a comprehensive Group-wide financial e-portal. The new version of the Bank’s corporate online banking platform introduced multiple cross-border financial products such as FX forward trading, foreign exchange purchase and direct cross-border remittance, as well as 28 new products such as online transfer of certificates of deposit and next-generation commercial drafts. Corporate mobile banking functions were improved, with the cross-border financial zone of mobile banking enhanced via three new panels for “cross-border one-stop pass”, “cross-border treasure box” and “cross-border selection column”, realising the integration of foreign exchange receipt, foreign exchange purchase, settlement and payment. The Bank also continued to enhance its corporate WeChat banking channel, adding more than 10 new functions across four categories, such as account transfer notification, receipt verification, and WeChat customer manager business cards.

For personal banking customers, the Bank constantly optimised its mobile banking service capabilities. The Bank optimised basic service functions, integrated registration and login processes, supported online appointment and replacement of expired debit cards, and launched remote video interview for credit card customers to provide greater convenience. It also strengthened its wealth management services, launched the "Products Position Inquiry" service, added fund screening tools such as "Data-Driven Fund Selection", "Popular Sections", "Self-Service Toolbox", "Featured Automatic Investment Plan", and "Index Zone". It improved the quality and efficiency of characteristic businesses, increased the number of currencies supporting for salary exchange settlement to 19, and optimised the cross-border remittance process. It upgraded key customer services, added functions such as appointment for personal pension account opening, pension tax calculator, and pension information, and optimised the "Salary Butler" section to aggregate high-frequency financial and non-financial services. It improved service accessibility and launched mobile banking services in Tibetan, supporting account inquiries and transfers to meet basic financial needs of customers. It optimised the "Beautiful Countryside" version of mobile banking, launched exclusive loan products for farmers, increased "Rural School" information services, and achieved full coverage of 160 national key counties for rural revitalisation through mobile banking. It continuously improved the digital risk control and anti-phishing monitoring capabilities of online channels. In 2023, the bank identified and shut down 816 phishing websites and application download links, and its "Cyber Defence" smart risk control and prevention system monitored 8.621 billion online transactions, up by 8.27 per cent. year-on-year. In 2023, the transaction amount of personal mobile banking reached RMB54.88 trillion, a year-on-year increase of 17.46 per cent.; the number of signed customers and monthly active customers in mobile banking reached 274.62 million and 87.76 million, respectively, making it the most active trading channel for the Bank.

The Bank's mobile banking was awarded "Mobile Banking with Best User Experience" in the 2023 China Financial Value Ranking of CBN, and received the "Most Trusted Mobile Banking by Customers" and "Best Digital Risk Control" awards in the 19th (2023) Digital Finance Joint Publicity Year. The Bank's "Lucky Travel" service was honoured with the "Glory Award" and "Most Popular Award" at the 6th (2023) Digital Financial Innovation Competition.

Offline Channels

The Bank continually optimised outlet layout and pushed forward outlet transformation and upgrading. It continuously improved its differentiated outlet management system. Based on local situations, it constructed featured outlets focused on technology finance, green finance, inclusive finance and pension finance, etc. It also refined featured outlets' products, services, business models, and software/hardware resource allocation so as to stimulate outlets' vitality through featured businesses and enhance the financial service capabilities of its offline channels with regard to the "five major tasks" of promoting technology finance, green finance, inclusive finance, pension finance, and digital finance. The Bank increased investments in intelligent equipment in county areas, realised full coverage of tablet-version smart counters in county-area operating institutions, expanded the coverage of financial services and enhanced their convenience and accessibility. It expanded the "finance + government affairs" service scenarios of smart counters to better serve the people's livelihood. It also expanded its business services for foreigners working in China, and enhanced the convenience of payment services. In addition, the Bank introduced smart screen system in lobbies to support the coordinated publication and full-process digital management of marketing and promotional information at outlets, achieved the goal of connecting "as many existing electronic screens with the smart screen system as possible", building a digital lobby-based marketing and promotional system that is green, tidy, safe and efficient.

As at 31 December 2023, the Bank's commercial banking institutions in the Chinese Mainland (including Head Office, tier-1 branches, tier-2 branches and outlets) totalled 10,299. The number of other institutions in the Chinese Mainland totalled 652, and the number of its institutions in Hong Kong (China), Macao (China), Taiwan (China) and other countries and regions totalled 534.

Fintech Innovation

The Bank persistently enhanced its value creation capabilities, accelerated digital transformation and innovation, and promoted the integration and mutual reinforcement of business models, technological capabilities and data elements, so as to provide customers with accurate, accessible and intelligent financial services. In 2023, the number of employees in the IT line of the Bank stood at 14,541, accounting for 4.74 per cent. of the total, of which 10,299 were employees of domestic commercial banks, accounting for 3.86 per cent. of the total. The Bank invested RMB22.397 billion in information technology during the year, accounting for 3.60 per cent. of its operating income.

Consolidating scientific and technological support for business. To implement the national strategy of "channelling computing resources from the east to the west", the Bank accelerated the construction of information infrastructures characterised by "multiple centres in multiple places", and completed the first phase of the Horinger Fintech Park in Inner Mongolia, with an additional 30,000 servers deployed. It also commenced the construction of the second phase of Hefei Park. The total number of servers on its cloud platform reached 26,500. The Bank advanced a special campaign to boost network security, and drove the effective operation of the safe operation centre (SOC), experiencing no significant network security accidents over the year, and securing the sound development of business across the Group. It further stepped up support for work safety, with no significant work safety accidents occurring during the year.

Cultivating engines for technological innovation. The Bank sped up the construction of new technological platforms related to privacy computing, IoT, blockchain and AI, covering 1,800 business scenarios. The Bank pushed forward the pilot application of computer vision technology in smart security, outlet operation and other scenarios, and tapped into the application of Large Model technology in scenarios such as internal knowledge services and auxiliary coding. In 2023, five of its technological achievements won PBOC Financial Technology Development Awards, of which the BOC enterprise-level data platform development project won the first prize. During the year, more than 4,122 new patent applications were submitted of which 1,056 were approved.

Accelerating the building of an enterprise-level framework. The Bank accelerated the building of enterprise-level public basic capabilities, included more than 2,700 salable products into the product factory for assembly, and put into operation accounting engines, basic pricing, customer-specific bargaining and other enterprise-level capabilities, and further enhanced its quick product assembling capability. It also completed the restructuring and service upgrade of basic financial products such as debit card, credit card, pension and bills, and supported a daily processing volume of hundreds of millions of transactions, providing more diversified, secure, and comfortable financial products and service experience for customers. It assisted in preventing and mitigating financial risks, reconstructed and upgraded the Group's integrated in-process AML system, connected the whole process and enhanced the capability of precise risk prevention and control with data empowerment.

Building a product scenario innovation ecosystem. The Bank enhanced the quality and effectiveness of products, put into operation 16 new products in key areas, strengthened the marketing capability within the internet ecosystem, and actively promoted the BOC All-Staff Marketing System. It deepened the open competition mechanism, and stimulated the initiativeness of innovative entities, with 26 outstanding achievements made in the fields of green finance, inclusive finance, and scientific and technological innovation. It carried out innovation replication campaigns, with 28 outstanding frontline achievements being put in storage and six of them were popularised in an acute manner, realised batch customer acquisition and attraction, contributed to steady business growth, and effectively enhanced management efficiency.

MAJOR CONTRACTS

Material Custody, Sub-contracts and Leases

In 2023, the Bank did not take, or allow to subsist any significant custody of, sub-contract or lease assets from other companies, or allow its material business assets to be subject to such arrangements, in each case that is required to be disclosed.

Material Guarantee Business

As approved by the PBOC and NFRA, the Bank's guarantee business is an off-balance sheet item in the ordinary course of its business. The Bank operates its guarantee business in a prudent manner and has formulated specific management measures, operational processes and approval procedures in respect of the risks of guarantee business and carries out this business accordingly. In 2023, save as disclosed above, the Bank did not enter into or allow to subsist any material guarantee business that is required to be disclosed.

The Bank's guarantee business principally comprises letters of guarantee. For details of the outstanding amount of letters of guarantee issued by the Bank as at 31 December 2023, please refer to Note V.41.7 of the Consolidated Financial Statements.

During the reporting period, there was no violation of laws, administrative regulations or rules of the CSRC in the Bank's guarantee business.

EMPLOYEES

As at 31 December 2023, the Bank had a total of 306,931 employees. There were 281,827 employees in the Bank's operations of the Chinese Mainland, of which 267,016 worked in the Bank's domestic commercial banking operations. As at 31 December 2023, there were 25,104 employees in the Bank's operations in Hong Kong, Macau, Taiwan and other countries and regions. As at 31 December 2023, the Bank bore costs for a total of 4,934 retirees.

The following table sets forth the total number of employees by geographic distribution as at 31 December 2023:

	Number of employees	**per cent. of total**
Northern China	63,696	20.75
Northeastern China	22,812	7.43
Eastern China	92,155	30.02
Central and Southern China	65,914	21.48
Western China	37,250	12.14
Hong Kong, Macau and Taiwan	18,807	6.13
Other countries and regions	6,297	2.05
Total	306,931	100.00

Intellectual Property

The Bank owns various intellectual property rights including trademarks, patents, domain names, and copyrights. The Bank conducts business under the "Bank of China", "BOC", "中國銀行", "中銀", "中行" and " ", and other brand names and logos.

DESCRIPTION OF BANK OF CHINA LIMITED, LONDON BRANCH

In November 1929, the Bank established a branch office in London. This was the first branch of the Bank to be set up overseas and has continued to expand steadily in the United Kingdom ("**UK**").

Bank of China Limited is authorised and regulated by China Banking Regulatory Commission. The registered office of the Issuer in the UK is at 1 Lothbury, London EC2R 7DB, United Kingdom (telephone: +44 (0) 20 7282 8888), and its registration number is FC002851. The Issuer is also authorised by the Prudential Regulation Authority (the "**PRA**"). The Issuer is subject to regulation by the Financial Conduct Authority (the "**FCA**") and limited regulation by the PRA.

Regulated Activities

The Issuer is authorised by the PRA to carry out the following activities in the UK in respect of certain financial instruments and categories of customers:

- accepting deposits;
- advising on investments (except on pension transfers and pension opt outs);
- advising on P2P agreements;
- agreeing to carry on a regulated activity;
- arranging (bringing about) deals in investments;
- arranging safeguarding and administration of assets;
- safeguarding and administration of assets (without arranging);
- assisting in the administration and performance of a contract of insurance;
- dealing in investments as agent;
- dealing in investments as principal;
- making arrangements with a view to transactions in investments;
- causing dematerialised instructions to be sent; and
- sending dematerialised instructions.

Further details are available on the FCA's website: www.fca.org.uk

Overview of the UK Regulatory Framework

Prudential Regulatory Authority

As part of the Bank of England (the "**BoE**"), the PRA is the UK's prudential regulator of deposit-takers, insurers and major investment firms. These firms are referred to as PRA-authorised firms. The PRA supervises around 1,500 firms and groups. This includes over 700 banks, building societies, credit unions and designated investment firms and over 600 insurers of all types (general insurers, life insurers, friendly societies, mutuals, the London market and insurance special purpose vehicles). Reflecting this role in international finance, the PRA also supervises a number of branches and subsidiaries of foreign banks from other jurisdictions.

The PRA's general objective is to promote the safety and soundness of PRA-authorised firms. The PRA's supervisory approach is forward-looking and judgement-based and key to enabling the PRA to meet its strategy. The PRA adopts a proportional approach which focuses on the harm that firms can cause to the stability of the UK financial system. Also, the PRA's specific objective in relation to insurance firms is to contribute to the securing of an appropriate degree of protection for those who are or may become insurance policyholders. The

PRA's secondary objective is to, so far as is reasonably possible, act in a way which facilitates effective competition in the markets for services provided by PRA-authorised persons in carrying on regulated activities.

The Prudential Regulation Committee (the "**UK PRC**") is the body within the BoE responsible for exercising the BoE's functions as the PRA. The UK PRC has twelve members, consisting of five BoE Governors and officials, the Chief Executive of the Financial Conduct Authority and at least six members appointed by the Chancellor of the Exchequer. The UK PRC is independent in all its decision-making functions, including making rules and the PRA's most important supervisory and policy decisions.

Financial Conduct Authority

The FCA was created by Parliament in 2013 as the regulator of the conduct of financial services in the UK. Its remit is broad. The FCA is the conduct regulator for around 50,000 financial services firms and financial markets in the UK and the prudential regulator for 46,000 firms, setting specific standards for around 17,000 firms.

The FCA:

- is responsible for the conduct of business regulation of all firms, including those regulated for prudential matters by the PRA;
- is responsible for the prudential regulation of firms not regulated by the PRA. These firms are sometimes referred to as FCA-only firms or FCA-authorised firms; and
- has market conduct regulatory functions, with the exception of responsibility for systemically important infrastructure which is the responsibility of the BoE.

The FCA's strategic objective is to ensure that the relevant markets function well and its three operational objectives are to:

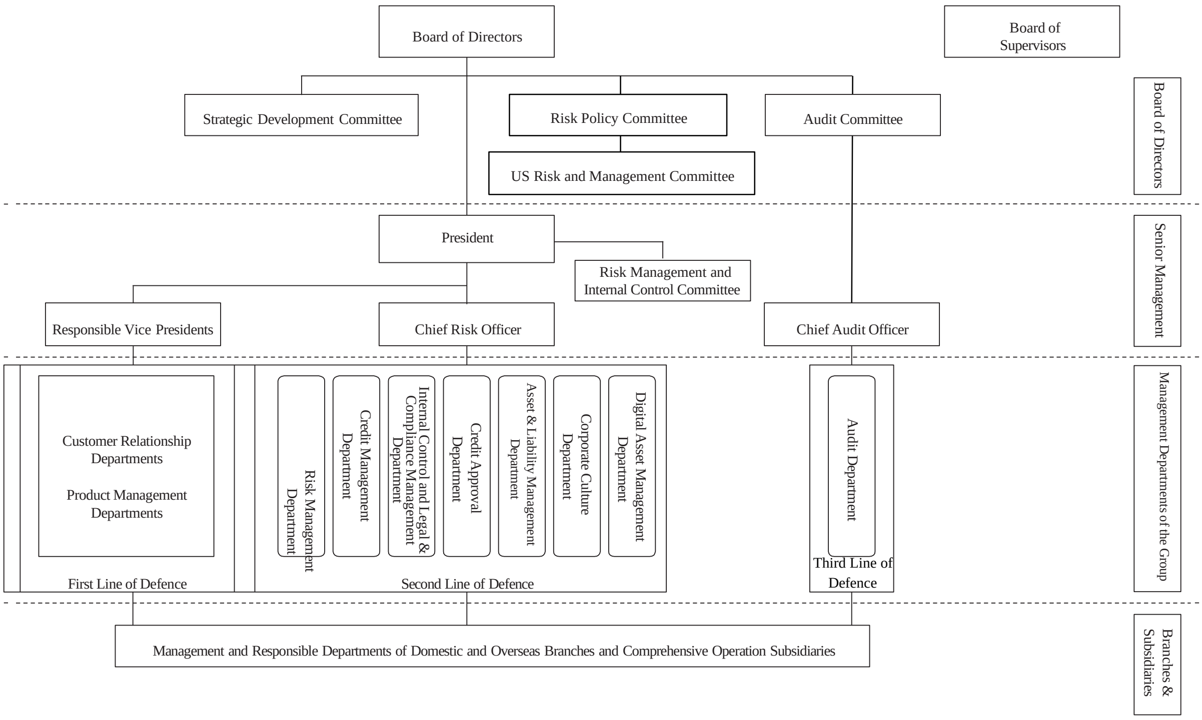
- to secure an appropriate degree of protection for consumers;
- to protect and enhance the integrity of the UK financial system; and
- to promote effective competition in the interests of consumers.

The FCA is also obliged to discharge its general functions in a way that promotes competition. A memorandum of understanding between the FCA and the PRA describes how the two regulators co-ordinate their duties in a way that supports each regulator's ability to advance its own objectives. A key principle for this co-operation, given the regulators' separate mandates for prudential and conduct regulation of PRA-authorised firms, is that each authority should focus on the key risks to its own objectives, while being aware of the potential for concerns of the other.

RISK MANAGEMENT

The Bank has established a sound and effective organisational structure for risk management that comprises the Board of Directors, the Board of Supervisors, the Senior Management, risk management departments, business departments, and internal audit departments. Adhering to the principles of "proactive, forward-looking, adaptive and applicable", the Bank continued to promote the development of a comprehensive risk management system, identified risks in non-traditional areas such as data security, social, environmental and climate risks, and fraud, incorporated them into the Group's risk management policies and risk appetite for continuous monitoring, and prevented various risks from the source. It established two closed-loop management mechanisms, namely risk judgment and investigation and emergency risk event response, to properly address impact from risk events of foreign banks. The Bank established a rolling risk inspection mechanism for overseas institutions, promoted risk management at home and abroad, on- and off-balance sheet in an integrated manner, and prevented cross-region, cross-market and cross-border transmission and resonance of risks. It actively mitigated risks in key areas such as real estate and local debt risks, and firmly defended the bottom line of no occurrence of systemic financial risk. It thoroughly followed the five major regulatory requirements, enhanced rectification accountability, and steadily advanced the implementation of new capital management regulations so as to ensure compliant operations. Furthermore, the Bank rolled out risk data governance in an orderly manner and accelerated the digital transformation of risk management. It achieved rapid progress in the development of an intelligent risk control system, and enhanced its capabilities in identifying, warning, exposing and disposing of risks at an earlier stage.

The risk management framework of the Bank is set forth below:



RISK APPETITE

The risk appetite stands as the clarification of the overall risk and maximum level of each type of risk that the Bank is willing to undertake in order to achieve its strategic objectives and business plans for the current year. It is subjected to the approval of the Board of Directors and implementation of the Senior Management.

The Bank remained committed to prudent risk appetite. We actively support national strategies, serve the overall interests of the country, and assume due social responsibilities, with the aim of securing high-quality development with high-level of security and enforcing our capability of value creation and risk prevention and control.

The risk appetite applies to all institutions under the Bank, including its domestic branches and overseas institutions and comprehensive operation companies. It incorporates qualitative and quantitative indicators for each type of risk, highlights the connection between its operation project, capital planning, performance evaluation and other activities, and enlarges the application of stress test tools, reflecting the overall expectations of main interested parties of the Bank.

It emphasised both unified and differentiated criteria in its implementation. That requires unified management of risks of all types facing overseas institutions and comprehensive operation companies and meanwhile the attention paid to peculiar risks confronting the latter to better drive the global and comprehensive operation of the Bank.

CREDIT RISK MANAGEMENT

Closely monitoring changes in macroeconomic and financial conditions, the Bank pushed forward the optimisation of its credit structure, improved its credit risk management policies, strengthened credit asset quality management and took a more proactive and forward-looking stance on risk management.

Focusing on national strategies and strictly adhering to regulatory requirements, the Bank continuously optimised its credit structure by fully taking into account the market environment and its business characteristics. It revised industry guidelines for credit granting and improved the management of its asset portfolios. Committed to aligning financial supply to needs of the real economy, the Bank improved the precision of its capital investment and offered effective services to support key areas and weak links in the economy, with a focus on the modern industrial system, infrastructure construction, the virtuous cycle of "technology – industry – finance", green credit, the energy industry, people's livelihood consumption, new-type urbanisation, rural revitalisation and other priority areas.

The Bank strengthened its unified credit granting management and further centralised its comprehensive credit risk management. It continuously improved its long-acting credit management mechanism, optimised its control mechanism for credit concentration risk, and enhanced its "full coverage and penetration" asset quality screening and monitoring system. Furthermore, it improved the screening and monitoring of key risk areas and the effectiveness of potential risk identification, early warning, recognition and mitigation. The Bank refined supervision and guidance on asset quality control in key regions, and intensified efforts in the guidance, inspection and post-evaluation of its business lines. In addition, it constantly identified, measured and monitored large exposures in line with related large-exposure management requirements.

Balancing growth with stability to support high-quality development in credit business. In corporate banking, the Bank constantly optimised the industry structure of its credit portfolio through refined limit management. It carried out proper credit management of industries with high energy consumption and high emission, and industries with overcapacity. It also promoted the steady and healthy development of the real estate market by meeting the sector's reasonable financing needs, promoting a smooth transition towards a new industrial development model, and preventing and mitigating local debt risks. In personal banking, the Bank acted in accordance with regulatory requirements and business development needs arising from new situations, and facilitated the steady growth of its personal credit business.

The Bank stepped up efforts to mitigate NPAs, and prevented and resolved financial risks. It adopted the refined management of NPA projects, conducting differentiated strategies and making breakthroughs in key areas so as to improve the quality and efficiency of NPA disposal. The Bank expanded its NPA disposal channels and carried out the securitisation of non-performing bank card and personal credit assets.

Accurately and reasonably assessing credit risk to truthfully reflect the quality of financial assets. In accordance with the requirements of the Measures for Risk Classification of Financial Assets of Commercial Banks and according to the degree of risk, the Bank classifies its financial assets into five categories: pass, special mention, substandard, doubtful and loss, with the last three categories collectively referred to as NPLs. For non-retail assets, risk classification is determined according to the Bank's evaluation of the level of risk involved, based on assessments of the customers' contract performance ability, financial position, willingness to repay and repayment records, financial assets' overdue days, risk mitigation status and the probability of default, among other factors. For retail assets, risk classification is determined by the days overdue method, alongside a comprehensive consideration based on qualitative and quantitative factors such as customers' contract performance ability, the transaction characteristics, guarantee status, etc.

As at 31 December 2023, the Group's NPLs totalled RMB253.205 billion, an increase of RMB21.528 billion compared with the prior year-end. The NPL ratio was 1.27 per cent., a decrease of 0.05 percentage points compared with the prior year-end. The Group's allowance for impairment losses on loans and advances was RMB485.298 billion, an increase of RMB48.057 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 191.66 per cent., an increase of

2.93 percentage points compared with the prior year-end. The NPLs of the Bank's institutions in the Chinese Mainland totalled RMB207.297 billion, an increase of RMB4.893 billion compared with the prior year-end. The NPL ratio of the Bank's institutions in the Chinese Mainland was 1.23 per cent., a decrease of 0.17 percentage points compared with the prior year-end. The Group's outstanding special-mention loans stood at RMB290.238 billion, an increase of RMB54.584 billion compared with the prior year-end, and accounted for 1.46 per cent. of total loans and advances, an increase of 0.11 percentage points compared with the prior year-end.

The Group identifies credit risk collectively based on industry, geography and customer type. This information is monitored regularly by the management.

The following table sets forth, at the dates indicated, the Group's loans and advances to customers categorised by geographical area:

	As at 31 December							
	2023		2022 (after restatement)		2022 (before restatement)		2021	
	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total
	(RMB million, except percentages)							
Chinese Mainland............	16,836,884	84.57	14,500,783	82.83	14,500,783	82.83	12,953,259	82.64
Hong Kong (China), Macau (China) and Taiwan (China)................	2,011,421	10.11	1,936,288	11.07	1,937,844	11.07	1,752,527	11.18
Other countries and regions............................	1,059,682	5.32	1,068,722	6.10	1,068,722	6.10	969,208	6.18
Total loans and advances to customers	19,907,987	100.00	17,505,793	100.00	17,507,349	100.00	15,674,994	100.00

The following table sets forth, at the dates indicated, the Group's loans and advances to customers categorised by industry sectors of the borrowers:

	As at 31 December					
	2023		2022		2021	
	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total
	(RMB million, except percentages)					
Corporate loans and advances						
Commerce and services	3,237,900	16.26	2,476,528	14.15	2,043,199	13.04
Manufacturing	2,638,582	13.25	2,177,432	12.44	1,888,582	12.05
Transportation, storage and postal services	2,139,206	10.75	1,898,333	10.84	1,729,701	11.03
Real estate	1,468,347	7.38	1,359,650	7.77	1,212,336	7.73
Production and supply of electricity, heating, gas and water	1,293,581	6.50	952,035	5.44	836,651	5.34
Financial services	904,582	4.54	851,117	4.86	704,486	4.49
Water, environment and public utility management	469,720	2.36	370,531	2.12	302,591	1.93
Construction	449,451	2.26	369,618	2.11	296,668	1.89
Mining	305,992	1.54	283,411	1.62	268,158	1.71
Public utilities	235,130	1.18	218,706	1.25	170,548	1.09
Other	155,531	0.78	141,462	0.80	128,324	0.82
Subtotal	13,298,022	66.80	11,098,823	63.40	9,581,244	61.12
Personal loans						
Mortgages	4,786,255	24.04	4,916,707	28.09	4,826,412	30.79
Credit cards	563,994	2.83	520,390	2.97	507,107	3.24
Other	1,259,716	6.33	969,873	5.54	760,231	4.85
Subtotal	6,609,965	33.20	6,406,970	36.60	6,093,750	38.88
Total loans and advances to customers	19,907,987	100.00	17,505,793	100.00	15,674,994	100.00

The table below sets forth, as at the dates indicated, the Group's loan concentration by asset quality categories.

	As at 31 December					
	2023		2022		2021	
	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total
	(RMB million, except percentages)					
Pass	19,364,544	97.27	17,038,462	97.33	15,255,389	97.32
Special-mention	290,238	1.46	235,654	1.35	210,813	1.35
Substandard	67,246	0.34	104,331	0.60	61,790	0.39
Doubtful	105,261	0.53	60,569	0.35	60,718	0.39
Loss	80,698	0.40	66,777	0.37	86,284	0.55
Total	19,907,987	100.00	17,505,793	100.00	15,674,994	100.00
Non-performing Loans[(1)]	253,205	1.27	231,677	1.32	208,792	1.33

Note:

(1) Non-performing loans refer to loans classified as substandard, doubtful and loss.

In accordance with IFRS 9, the Bank assesses expected credit losses with forward-looking information and makes relevant allowances. In particular, it makes allowances for assets classified as stage 1 and assets classified as stage 2 and stage 3 according to the expected credit losses over 12 months and the expected credit losses over the entire lifetime of the asset, respectively. As at 31 December 2023, the Group's Stage 1 loans totalled RMB19,265.099 billion, accounting for 96.79 per cent. of total loans; Stage 2 loans totalled RMB386.045 billion, accounting for 1.94 per cent. of total loans; and Stage 3 loans totalled RMB253.168 billion, accounting for 1.27 per cent. of total loans.

As at 31 December 2023, the Group's credit-impaired loans totalled RMB253.205 billion, an increase of RMB21.528 billion compared with the prior year-end. The credit-impaired loans to total loans ratio was 1.27 per cent., a decrease of 0.05 percentage points compared with the prior year-end. Credit-impaired loans of the Bank's institutions in the Chinese Mainland totalled RMB207.297 billion, an increase of RMB4.893 billion compared with the prior year-end. The credit-impaired loans to total loans ratio of the Bank's institutions in the Chinese Mainland was 1.23 per cent., a decrease of 0.17 percentage points compared with the prior year-end. The Bank's operations in Hong Kong, Macao, Taiwan and other countries and regions reported credit-impaired loans of RMB45.908 billion and a credit-impaired loans to total loans ratio of 1.49 per cent., an increase of RMB16.635 billion and 0.52 percentage points compared with the prior year-end respectively.

The Bank continued to focus on controlling borrower concentration risk and was in full compliance with regulatory requirements on borrower concentration. The following table sets forth, as at the dates indicated, the impaired loans and advances of the Group categorised by geographical area:

	As at 31 December								
	2023			**2022**			**2021**		
	Amount	**per cent. of total**	**Impaired loan ratio (per cent.)**	**Amount**	**per cent. of total**	**Impaired loan ratio (per cent.)**	**Amount**	**per cent. of total**	**Impaired loan ratio (per cent.)**
	(RMB million, except percentages and ratios)								
Chinese Mainland									
Hong Kong (China), Macau (China) and Taiwan (China)................	207,297	81.87	1.23	202,404	87.36	1.40	193,030	92.45	1.49
Other countries and regions..............................	30,985	12.24	1.54	15,572	6.73	0.80	6,084	2.91	0.35
Total................................	253,205	100.00	1.27	231,677	100.00	1.32	208,792	100.00	1.33

The following table sets forth, as at the dates indicated, the impaired loans and advances of the Group categorised by customer type:

	As at 31 December								
	2023			2022			2021		
	Amount	per cent. of total	Impaired loan ratio (per cent.)	Amount	per cent. of total	Impaired loan ratio (per cent.)	Amount	per cent. of total	Impaired loan ratio (per cent.)
	(RMB million, except percentages and ratios)								
Corporate loans and advances	206,760	81.66	1.55	190,190	82.09	1.71	179,526	85.98	1.87
Personal loans	46,445	18.34	0.70	41,487	17.91	0.65	29,266	14.02	0.48
Total	253,205	100.00	1.27	231,677	100.00	1.32	208,792	100.00	1.33

MARKET RISK MANAGEMENT

The Bank actively responded to changes in the market environment, continuously optimised the market risk management system, and steadily controlled market risk. The objective of the Group's market risk management is to effectively manage market risk and improve market risk capital allocation in light of the overall risk appetite determined by the Board of Directors, control market risk within a reasonable level acceptable to the Bank, achieving a reasonable balance between risk and return.

The Bank has developed sound market risk management policies and procedures, properly integrated quantitative and qualitative methods, and performed effective identification, measurement, assessment, monitoring, reporting, control and mitigation of market risk. It has established a multi-layered market risk limit system to effectively transmit market risk appetite, and formulated contingency plans for market risk within its comprehensive risk emergency management system. In accordance with regulatory requirements, the Bank measured regulatory capital for market risk, incorporated indicators such as risk-adjusted return, and applied them in internal capital allocation and performance evaluation, thus striking an effective balance between market risk and corresponding profitability. Please refer to Note VI.3 to the Consolidated Financial Statements for more details of market risk.

The Bank ensured the timely implementation of new regulations on market risk capital by further optimising its business process and system measurement functions. In response to a complex and severe external situation, the Bank refined its cross-border risk research and analysis mechanisms. Adhering to bottom line thinking and worst-case scenario thinking, the Bank intensified efforts in emergency drills and stress testing. It strengthened the specialised management of market risk, continuously optimised relevant rules and control procedures, and comprehensively improved its market risk management effectiveness.

The Bank improved the market risk limit system for bond investment. It bolstered early warning systems for domestic bond market default risks, reinforced the tracking of US treasury bond yield trends, enhanced its post-investment monitoring and early warning capabilities, and consolidated the asset quality of its bond investment business.

It controlled its foreign exchange exposure through currency conversion and hedging, thus maintaining its exchange rate risk at a reasonable level.

MANAGEMENT OF INTEREST RATE RISK IN THE BANKING BOOK

Based on the principles of "matching, comprehensiveness and prudence", the Bank strengthened the management of interest rate risk in the banking book ("**IRRBB**"). Through effective management, control risks within an acceptable level by comprehensively considering factors such as the Bank's risk appetite and risk profile, as well as macroeconomic and market conditions, so as to achieve a reasonable balance between risk and return and thus maximise shareholder value.

The Bank assessed the interest rate risk in the banking book mainly through the analysis of interest rate repricing gaps. Based on changes in the market situation, it made timely adjustments to the structure of its assets and liabilities, optimised its internal and external pricing strategy or implemented risk hedging. It strengthened the management of IRRBB of business lines and branches through risk limits, performance appraisal and other methods.

For the purpose of market risk management in the trading book, the Group monitors trading book Value at Risk ("**VaR**") limits, stress testing results and exposure limits and tracks each trading desk and dealer's observance of each limit on a daily basis.

VaR is used to estimate the largest potential loss arising from adverse market movements in a specific holding period and within a certain confidence level.

VaR is performed separately by the Bank and its major subsidiaries that are exposed to market risk, BOCHK (Holdings) and BOC International. The Bank, BOCHK (Holdings) and BOC International used a 99 per cent. level of confidence (therefore 1 per cent. statistical probability that actual losses could be greater than the VaR estimate) and a historical simulation model to calculate the VaR estimate. The holding period of the VaR calculations is one day. To enhance the Group's market risk management, the Group has established the market risk data mart, which enabled a group level trading book VaR calculation on a daily basis.

Accuracy and reliability of the VaR model is verified by daily back-testing on the VaR results in the trading book. The back-testing results are regularly reported to senior management.

The Group utilises stress testing as an effective supplement to the trading book VaR analysis. Stress testing scenarios are performed based on the characteristics of trading transactions to simulate and estimate losses in adverse and exceptional market conditions. To address changes in the financial markets, the Group enhances its market risk identification capabilities by continuously modifying and improving the trading book stress testing scenarios and measurement methodologies in order to capture the potential impact on transaction market prices stemming from changes in market prices and volatility.

For the years ended 31 December 2023, 2022 and 2021, the VaR of the Bank's trading book by type of risk was as follows:

The Bank's VaR for Trading Book

	For the year ended 31 December 2023			For the year ended 31 December 2022			For the year ended 31 December 2021		
	Average	High	Low	Average	High	Low	Average	High	Low
	(U.S.$ million)								
Interest rate risk................	12.29	18.48	9.23	13.84	27.08	6.80	17.84	24.53	11.24
Foreign exchange risk.......	31.66	51.03	11.83	35.49	72.70	11.30	32.99	42.56	9.75
Volatility risk....................	0.68	1.60	0.23	1.11	3.18	0.52	3.02	11.41	0.30
Commodity risk................	0.22	0.74	0.01	1.63	7.17	0.17	3.66	10.77	0.57
Total of the Bank's trading VaR	30.25	51.09	15.21	39.99	75.79	13.75	42.22	52.57	19.49

The banking book is exposed to interest rate risk arising from mismatches in maturities, repricing periods and inconsistent adjustments between the benchmark interest rates of assets and liabilities. The Group assesses interest rate risk in the banking book primarily through an interest rate repricing gap analysis.

The Group conducts a substantial portion of its business in RMB, with certain transactions denominated in USD, HKD and, to a much lesser extent, other currencies. The major subsidiary, BOCHK Group, conducts the majority of its business in HKD, RMB and USD. The Group endeavours to manage its sources and uses of foreign currencies to minimise potential mismatches.

The Bank manages its exposure to currency exchange risk through management of its net foreign currency position and monitors its foreign currency risk on trading books using VaR. Meanwhile, the Group performs currency risk sensitivity analysis to estimate the effect of potential exchange rate changes of foreign currencies against RMB on profit before income tax and equity.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 31 December 2023, 2022 and 2021:

	As at 31 December 2023							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Assets								
Cash and due from banks and other financial institutions	362,047	123,898	23,991	27,005	7,663	4,432	19,819	568,855
Balances with central banks	2,357,156	279,250	24,695	101,258	45,242	57,641	75,898	2,941,140
Placements with and loans to banks and other financial institutions	860,582	267,619	21,444	8,021	1,885	1,396	72,941	1,233,888
Derivative financial assets	65,988	43,462	3,596	3,681	8,323	11,133	10,567	146,750
Loans and advances to customers, net	16,269,917	1,011,438	1,399,632	277,488	14,021	102,739	401,636	19,476,871
Financial investments – financial assets at fair value through profit or loss	344,681	102,755	92,701	9,805	452	27	–	550,421
– financial assets at fair value through other comprehensive income	2,166,348	580,401	258,080	46,738	38,654	4,282	153,610	3,248,113
– financial assets at amortised cost	2,930,748	339,996	21,539	26,528	–	747	40,625	3,360,183
Other	356,029	175,908	248,623	3,075	1,201	1,988	119,121	905,945
Total assets	25,713,496	2,924,727	2,094,301	503,599	117,441	184,385	894,217	32,432,166
Liabilities								
Due to banks and other financial institutions	1,644,498	396,589	29,123	44,605	34,081	9,022	87,444	2,245,362
Due to central banks	1,140,227	63,749	24,489	3,982	–	–	2,873	1,235,320
Placements from banks and other financial institutions	129,880	295,787	15,877	16,973	726	4,145	11,589	474,977
Derivative financial liabilities	64,969	37,234	4,269	2,539	4,639	11,216	11,107	135,973
Due to customers	18,282,470	2,131,110	1,475,624	273,757	172,048	91,981	480,060	22,907,050

	As at 31 December 2023							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Bonds issued....................	1,555,318	216,639	3,629	21,267	401	–	5,192	1,802,446
Other	364,971	127,919	344,662	3,868	483	9,449	22,871	874,223
Total liabilities.................	23,182,333	3,269,027	1,897,673	366,991	212,378	125,813	621,136	29,675,351
Net on-balance sheet position............................	2,531,163	(344,300)	196,628	136,608	(94,937)	58,572	273,081	2,756,815
Net off-balance sheet position............................	(129,268)	336,974	64,381	(126,020)	111,695	(53,863)	(196,093)	7,806
Credit commitments	5,240,210	873,046	256,198	197,222	15,638	70,590	141,301	6,794,205

	As at 31 December 2022 (after restatement)							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Assets								
Cash and due from banks and other financial institutions.......................	477,597	207,623	22,075	65,273	11,106	7,622	23,767	815,063
Balances with central banks	1,737,083	296,306	30,073	99,011	22,904	55,090	73,392	2,313,859
Placements with and loans to banks and other............								
financial institutions	734,047	342,698	27,930	12,478	313	609	56,022	1,174,097
Derivative financial assets.	61,922	50,154	5,487	3,947	4,363	12,612	13,548	152,033
Loans and advances to customers, net..................	13,946,960	1,151,760	1,232,302	274,598	12,765	103,135	394,485	17,116,005
Financial investments – financial assets at fair value through profit or loss	403,513	103,051	72,243	30,753	471	27	47	613,105
– financial assets at fair value through other comprehensive income	1,658,273	431,838	190,417	25,557	82,002	3,273	108,856	2,500,216
– financial assets at amortised cost..................	2,941,392	297,868	32,686	10,614	2,101	2,627	34,635	3,321,923
Other	324,674	168,803	238,655	1,726	1,322	1,274	150,793	887,247
Total assets......................	22,288,461	3,051,101	1,851,868	523,957	137,347	186,269	855,545	28,893,548
Liabilities								
Due to banks and other financial institutions	1,532,330	438,382	35,698	38,597	20,304	14,547	160,465	2,240,323
Due to central banks........	836,061	42,280	18,293	13,503	–	–	5,721	915,858
Placements from banks and other financial institutions.......................	244,813	176,616	13,449	20,864	733	6,774	3,086	466,335
Derivative financial liabilities..........................	57,399	41,587	5,193	2,451	4,230	12,137	12,841	135,838
Due to customers............	15,879,434	2,028,393	1,360,104	279,291	74,585	68,771	511,247	20,201,825
Bonds issued....................	1,287,690	219,528	2,584	24,498	417	2,435	3,783	1,540,935
Other	354,364	109,251	326,137	3,074	607	8,038	27,662	829,133

	As at 31 December 2022 (after restatement)							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Total liabilities.................	20,192,091	3,056,037	1,761,458	382,278	100,876	112,702	724,805	26,330,247
Net on-balance sheet position............................	2,096,370	(5,936)	90,410	141,679	36,471	73,567	130,740	2,563,301
Net off-balance sheet position............................	97,664	52,426	187,224	(132,610)	(37,279)	(69,976)	(84,133)	13,316
Credit commitments	4,678,365	870,947	248,335	169,853	8,139	53,986	128,314	6,157,939

	As at 31 December 2022 (before restatement)							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Assets								
ash and due from banks and other financial institutions.......................	477,597	207,623	22,075	65,273	11,106	7,622	23,767	815,063
Balances with central banks	1,737,083	296,306	30,073	99,011	22,904	55,090	73,392	2,313,859
Placements with and loans to banks and other financial institutions	734,047	342,698	27,930	12,478	313	609	56,022	1,174,097
Derivative financial assets	61,922	50,154	5,487	3,947	4,363	12,612	13,548	152,033
Loans and advances to customers, net	13,947,417	1,152,685	1,232,483	274,598	12,765	103,135	394,483	17,117,566
Financial investments – financial assets at fair value through profit or loss	403,716	66,266	70,695	30,753	471	27	32	571,960
– financial assets at fair value through other comprehensive income	1,656,567	402,385	189,746	25,557	82,002	3,273	108,845	2,468,375
– financial assets at amortised cost.................	2,945,826	374,473	35,103	10,614	2,101	2,627	34,664	3,405,408
Other	326,625	169,061	244,718	1,726	1,322	1,274	150,770	895,496
Total assets......................	22,290,800	3,061,651	1,858,310	523,957	137,347	186,269	855,523	28,913,857
Liabilities								
Due to banks and other financial institutions	1,532,330	438,382	35,698	38,597	20,304	14,547	160,465	2,240,323
Due to central banks........	836,061	42,280	18,293	13,503	–	–	5,721	915,858
Placements from banks and other financial institutions.......................	244,813	176,616	13,449	20,864	733	6,774	3,086	466,335
Derivative financial liabilities..........................	57,399	41,587	5,193	2,451	4,230	12,137	12,841	135,838
Due to customers............	15,879,434	2,028,393	1,360,104	279,291	74,585	68,771	511,247	20,201,825
Bonds issued....................	1,287,690	219,528	2,584	24,498	417	2,435	3,783	1,540,935
Other	357,735	110,950	337,427	3,074	607	8,038	27,341	845,172
Total liabilities.................	20,195,462	3,057,736	1,772,748	382,278	100,876	112,702	724,484	26,346,286
Net on-balance sheet position............................	2,095,338	3,915	85,562	141,679	36,471	73,567	131,039	2,567,571

	As at 31 December 2022 (before restatement)							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
Net off-balance sheet position	97,664	52,426	187,224	(132,610)	(37,279)	(69,976)	(84,133)	13,316
Credit commitments	4,678,365	870,947	248,335	169,853	8,139	53,986	128,314	6,157,939

	As at 31 December 2021							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
	(RMB million)							
Assets								
Cash and due from banks and other financial institutions	329,908	206,607	25,262	35,395	8,371	12,453	26,820	644,816
Balances with central banks	1,495,927	441,169	37,244	99,077	26,565	83,179	45,565	2,228,726
Placements with and loans to banks and other financial institutions	691,140	475,833	24,126	16,139	341	910	48,924	1,257,413
Derivative financial assets	46,853	23,782	2,533	2,594	3,017	6,908	10,112	95,799
Loans and advances to customers, net	12,418,293	1,219,684	1,060,054	213,634	9,455	69,951	331,413	15,322,484
Financial investments – financial assets at fair value through profit or loss	431,627	61,017	64,443	3,405	874	31	245	561,642
– financial assets at fair value through other comprehensive income	1,451,346	492,925	183,066	29,173	140,349	3,842	89,129	2,389,830
– financial assets at amortised cost	2,893,923	247,294	12,571	9,631	5,291	3,406	889,342	3,213,199
Other	311,401	174,209	220,831	2,728	1,091	2,188	41,083	1,008,499
Total assets	20,070,418	3,342,520	1,630,130	411,776	195,354	182,868	296,051	26,722,408
Liabilities								
Due to banks and other financial institutions	1,614,433	649,129	48,540	34,472	12,083	27,625	296,457	2,682,739
Due to central banks	880,695	36,232	19,606	13,329	–	86	5,609	955,557
Placements from banks and other financial institutions	151,620	220,939	11,267	14,686	4,987	2,066	7,499	89,151
Derivative financial liabilities	48,915	20,620	2,054	2,433	344	7,286	7,499	89,151
Due to customers	14,148,220	1,765,005	1,311,343	304,900	49,367	77,964	486,088	18,142,887
Bonds issued	1,135,020	205,952	3,833	28,889	–	3,486	11,498	1,388,678
Other	297,041	111,860	265,626	2,191	345	588	27,425	705,076
Total liabilities	18,275,944	3,009,737	1,662,269	400,900	67,126	119,101	836,778	24,371,855
Net on-balance sheet position	1,794,474	332,783	(32,139)	10,876	128,228	63,767	52,564	2,350,553
Net off-balance sheet position	161,015	(214,771)	264,127	1,674	(124,423)	(61,853)	(10,169)	15,600

As at 31 December 2021

	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
Credit commitments	3,835,534	820,586	244,161	148,553	8,275	54,606	109,439	5,221,154

LIQUIDITY RISK MANAGEMENT

Liquidity risk refers to the risk that the commercial banks cannot timely obtain sufficient funds at reasonable costs to pay due debts, fulfil other payment obligations and meet other funding needs for normal operations.

The liquidity risk management system of the Bank includes the following basic elements: effective governance structure for liquidity risk management; sound liquidity risk management strategies, policies and procedures; effective identification, measurement, monitoring and control of liquidity risks; complete management information system.

The Board of Directors of the Bank shall bear the ultimate responsibilities for liquidity risk management, examine and approve liquidity risk preference and liquidity risk management strategies. The Senior Management shall perform the implementation of the liquidity risk tolerance level, liquidity risk management strategies approved by the Board of Directors and carry out liquidity risk management. The Board of Supervisors shall supervise and evaluate the performance of the Board of Directors and Senior Management in the liquidity risk management. The Risk Management Department and the Asset and Liability Management Department of the Head Office shall jointly perform the duties of liquidity risk management. Other functional departments of the Head Office and each branch shall cooperate and fulfil their obligations. Each subsidiary shall undertake the duty of their own liquidity management.

The Bank endeavoured to develop a sound liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk at the institution and Group level, including that of branches, subsidiaries and business lines, thus ensuring that liquidity demand is met in a timely manner and at a reasonable cost.

Adhering to the principal of appropriate balance of safety, liquidity and profitability, and following regulatory requirements, the Bank improved its liquidity risk management in a forward-looking and scientific manner. It enhanced liquidity risk management at the institution and Group level, including that of branches, subsidiaries and business lines. It formulated sound liquidity risk management policies and contingency plans, periodically re-examined liquidity risk limits, further upgraded the early warning system for liquidity risk, and strengthened the management of high-quality liquid assets in order to strike an appropriate balance between risk and return.

The tables below analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at the financial reporting date to the contractual maturity date:

As at 31 December 2023

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions.....	–	238,970	267,081	33,110	25,798	3,896	–	568,855
Balances with central banks...........................	1,691,309	1,001,820	219,292	8,555	18,514	1,650	–	2,941,140

As at 31 December 2023

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Placements with and loans to banks and other financial institutions	412	–	602,580	145,395	367,085	113,165	5,251	1,233,888
Derivative financial assets...........................	–	14,286	21,314	27,845	39,778	32,029	11,498	146,750
Loans and advances to customers, net	78,145	312,850	721,128	1,277,791	4,490,884	5,854,905	6,741,168	19,476,871
Financial investments – financial assets at fair value through profit or loss..............................	212,915	–	11,506	42,659	89,599	90,924	102,818	550,421
– financial assets at fair value through other comprehensive income	30,843	–	211,452	228,473	407,850	1,470,822	898,673	3,248,113
– financial assets at amortised cost.............	658	–	58,972	120,659	324,230	1,350,444	1,505,220	3,360,183
Other...........................	368,379	327,177	33,726	13,254	22,587	87,727	53,095	905,945
Total assets	2,382,661	1,895,103	2,147,051	1,897,741	5,786,325	9,005,562	9,317,723	32,432,166
Liabilities								
Due to banks and other financial institutions.....	–	1,221,270	62,895	174,764	699,492	86,941	–	2,245,362
Due to central banks	–	50,487	344,398	108,408	731,609	418	–	1,235,320
Placements from banks and other financial institutions	–	–	267,240	51,538	152,160	4,039	–	474,977
Derivative financial liabilities	–	10,025	24,513	25,549	38,079	28,811	8,996	135,973
Due to customers	–	9,575,443	2,077,958	2,129,883	3,939,723	5,183,834	209	22,907,050
Bonds issued................	–	–	36,833	92,660	893,356	609,072	170,525	1,802,446
Other...........................	349	287,111	74,296	46,734	135,259	113,030	217,444	874,223
Total liabilities.............	349	11,144,336	2,888,133	2,629,536	6,589,678	6,026,145	397,174	29,675,351
Net liquidity gap	2,382,312	(9,249,233)	(741,082)	(731,795)	(803,353)	2,979,417	8,920,549	2,756,815

As at 31 December 2022 (after restatement)

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks institutions.........	–	331,760	342,056	85,238	53,202	2,807	–	815,063
Balances with central banks	1,558,207	705,042	41,961	3,561	3,750	1,338	–	2,313,859

As at 31 December 2022 (after restatement)

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Placements with and loans to banks and other financial institutions..................	1,021	–	558,600	166,308	379,767	64,289	4,112	1,174,097
Derivative financial assets.	–	12,946	23,843	25,807	35,944	38,330	15,163	152,033
Loans and advances to customers, net	56,170	287,819	645,085	977,680	3,798,603	4,939,625	6,412,023	17,116.005
Financial investments – financial assets at fair value through profit or loss	217,298	–	10,463	43,639	103,930	63,704	174,071	613,105
– financial assets at fair value through other comprehensive income	25,621	–	130,701	209,712	372,822	1,159,645	601,715	2,500,216
– financial assets at amortised cost.............	501	–	59,418	137,208	409,332	1,360,225	1,355,239	3,321,923
Other	361,294	333,464	19,641	11,162	21,035	87,015	53,636	887,247
Total assets.................	2,220,112	1,670,031	1,831,768	1,660,315	5,178,385	7,716,978	8,615,959	28,893,548
Liabilities								
Due to banks and other financial institutions	–	1,386,565	95,609	172,592	561,760	23,797	–	2,240,323
Due to central banks....	–	85,516	128,656	70,089	627,119	4,478	–	915,858
Placements from banks and other financial institutions..................	–	–	325,381	53,022	86,377	1,404	151	466,335
Derivative financial liabilities.....................	–	8,784	20,740	26,685	34,904	33,494	11,231	135,838
Due to customers.........	–	9,319,736	1,848,444	1,748,246	3,758,947	3,525,575	877	20,201,825
Bonds issued...............	–	–	14,993	279,100	593,878	573,853	79,111	1,540,935
Other	1,241	320,233	567,222	22,722	142,761	139,056	145,898	829,133
Total liabilities............	1,241	11,120,834	2,491,045	2,372,456	5,805,746	4,301,657	237,268	26,330,247
Net liquidity gap.........	2,218,871	(9,450,803)	(659,277)	(712,141)	(627,361)	3,415,321	8,378,691	2,563,301

As at 31 December 2022 (before restatement)

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
Assets								
Cash and due from banks and other financial institutions	–	331,760	342,056	85,238	53,202	2,807	–	815,063
Balances with central banks	1,558,207	705,042	41,961	3,561	3,750	1,338	–	2,313,859
Placements with and loans to banks and	1,021	–	558,600	166,308	379,767	64,289	4,112	1,174,097

	As at 31 December 2022 (before restatement)							
	Overdue/ Undated	**On demand**	**Less than 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
other financial institutions								
Derivative financial assets	–	12,946	23,843	25,807	35,944	38,330	15,163	152,033
Loans and advances to customers, net	56,168	287,928	645,162	977,912	3,798,742	4,939,631	6,412,023	17,117,566
Financial investments – financial assets at fair value through profit or loss	215,486	–	10,241	43,470	102,860	56,404	143,499	571,960
– financial assets at fair value through other comprehensive income	26,327	–	130,154	209,291	371,045	1,148,619	582,939	2,468,375
– financial assets at amortised cost.............	1,700	–	60,187	137,799	412,363	1,379,513	1,413,846	3,405,408
Other	361,810	348,345	20,464	12,745	25,232	90,248	36,652	895,496
Total assets	2,220,719	1,686,021	1,832,668	1,662,131	5,182,905	7,721,179	8,608,234	28,913,857
Liabilities....................								
Due to banks and other financial institutions	–	1,386,565	95,609	172,592	561,760	23,797	–	2,240,323
Due to central banks	–	85,516	128,656	70,089	627,119	4,478	–	915,858
Placements from banks and other financial institutions	–	–	325,381	53,022	86,377	1,404	151	466,335
Derivative financial liabilities.....................	–	8,784	20,740	26,685	34,904	33,494	11,231	135,838
Due to customers	–	9,319,736	1,848,444	1,748,246	3,758,947	3,525,575	877	20,201,825
Bonds issued................	–	–	14,993	279,100	593,878	573,853	79,111	1,540,935
Other	1,241	388,504	56,757	21,304	148,293	131,184	97,889	845,172
Total liabilities............	1,241	11,189,105	2,490,580	2,371,038	5,811,278	4,293,785	189,259	26,346,286
Net liquidity gap..........	2,219,478	(9,503,084)	(657,912)	(708,907)	(628,373)	3,427,394	8,418,975	2,567,571

	As at 31 December 2022 (before restatement)							
	Overdue/ Undated	**On demand**	**Less than 1 month**	**Between 1 and 3 months**	**Between 3 and 12 months**	**Between 1 and 5 years**	**Over 5 years**	**Total**
				(RMB million)				
Assets								
Cash and due from banks and other financial institutions	–	269,794	162,489	66,998	141,348	4,187	–	644,816
Balances with central banks	1,488,390	717,908	15,952	5,258	273	945	–	2,228,726

As at 31 December 2022 (before restatement)

	Overdue/ Undated	On demand	Less than 1 month	Between 1 and 3 months	Between 3 and 12 months	Between 1 and 5 years	Over 5 years	Total
				(RMB million)				
Placements with and loans to banks and other financial institutions	863	–	721,152	159,065	309,098	67,235	–	1,257,413
Derivative financial assets	–	9,765	12,558	15,998	27,189	24,500	5,789	95,799
Loans and advances to customers, net	36,911	236,595	648,963	968,575	3,176,279	4,236,421	6,018,740	15,322,484
Financial investments – financial assets at fair value through profit or loss	195,025	–	26,323	27,647	90,475	52,874	169,298	561,642
– financial assets at fair value through other comprehensive income	24,515	–	118,945	288,848	369,793	1,057,866	529,863	2,389,830
– financial assets at amortised cost	2,794	–	32,492	44,163	382,282	1,466,314	1,285,154	3,213,199
Other	362,964	479,476	24,765	10,745	19,233	78,603	32,713	1,008,499
Total assets	2,111,462	1,713,538	1,763,639	1,587,297	4,515,970	6,988,945	8,041,557	26,722,408
Liabilities								
Due to banks and other financial institutions	–	1,755,054	86,387	256,824	570,040	14,176	258	2,682,739
Due to central banks	–	60,448	110,267	247,523	515,964	21,355	–	955,557
Placements from banks and other financial institutions	–	–	274,022	58,425	72,598	2,566	156	407,767
Derivative financial liabilities	–	6,235	10,648	13,846	27,073	25,003	6,346	89,151
Due to customers	–	9,147,933	1,575,342	1,446,767	2,946,788	2,993,520	32,537	18,142,887
Bonds issued	–	–	26,122	237,121	572,062	483,716	69,657	1,388,678
Other	–	330,167	45,234	12,783	111,628	117,853	87,411	705,076
Total liabilities	–	11,299,837	2,128,022	2,273,289	4,816,153	3,658,189	196,365	24,371,855
Net liquidity gap	2,111,462	(9,586,299)	(364,383)	(685,992)	(300,183)	3,330,756	7,845,192	2,350,553

As at 31 December 2023, the Group's liquidity risk indicator met regulatory requirements. The Group's liquidity ratio as at 31 December 2023, 2022 and 2021 is shown in the table below (in accordance with relevant provisions of regulatory authorities in the Chinese Mainland):

Indicator		Regulatory Standard	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
Liquidity ratio[1]	RMB	2.25	55.0	49.0	49.6
	Foreign Currency	2.25	70.2	72.6	69.9

Note:

(1) Liquidity ratio is the indication of the Group's liquidity. Liquidity ratio = current assets/current liabilities. Liquidity ratio is calculated in accordance with the relevant provisions of the NFRA.

REPUTATIONAL RISK MANAGEMENT

The Bank earnestly implemented regulatory requirements on reputational risk management, and continued to enhance its reputational risk management mechanisms. It pressed ahead with the routine development and whole-process management of reputational risk, so as to enhance its reputational risk management capabilities. Placing great importance on prevention, the Bank intensified risk source control and governance and dealt appropriately with reputational risk events, thus effectively protecting its brand reputation. In addition, it stepped up reputational risk management training so as to enhance employees' risk prevention awareness and foster a strong culture of reputational risk management.

INTERNAL CONTROL AND OPERATIONAL RISK MANAGEMENT

Internal Control

The Bank's Board of Directors, senior management and their special committees earnestly performed their duties regarding internal control and supervision while emphasising risk warning and prevention thus improving the Group's level of operational compliance.

The Bank continued to adopt the Basic Standard for Enterprise Internal Control and its supporting guidelines and implemented the Guidelines for Internal Control of Commercial Banks by following the basic principles of "complete coverage, checks and balances, prudence and correspondence", so as to promote internal control governance and an organisational structure characterised by reasonable delegation of work, well-defined responsibilities and clear reporting lines.

The first line of defence consists of business departments and all banking outlets. They are the owners of, and are accountable for, local risks and controls. They are the owners of, and are accountable for risks and controls. They undertake self-directed risk control and management functions in the course of their business operations, including the formulation and implementation of policies, business examination, the reporting of control deficiencies and organising rectifications. The internal control and risk management departments of the Bank's institutions at all levels form the second line of defence. They are responsible for the overall planning, implementing, examining and assessment of risk management and internal control, as well as for identifying, measuring, monitoring and controlling risks, and they actively organised Bank-wide usage of the Group's operational risk monitoring and analysis platform, and are responsible for handling employee violations and management accountability.

Through regular monitoring of material risks, the Bank identified and mitigated risks in a timely manner and promoted the optimisation of business processes and systems.

The third line of defence rests in the Audit Department of the Bank. The Audit Department is responsible for performing internal audits of the Bank's internal control and risk management in respect of its adequacy and effectiveness. Emphasising key problems and upholding a risk-oriented principle, it made great efforts to improve the foresight of its work. Focusing on the implementation of national policies, regulatory requirements and the Group's strategies, the Audit Department concentrated its efforts on its main responsibilities of audit supervision, closely monitored material potential risks and weak links, and carried out audit inspections as scheduled. The Audit Department attached equal importance to problem discovery and rectification supervision. It conducted independent evaluation of the quality and effectiveness of both audit findings and the rectification mechanism, and continuously promoted the application of audit results and the improvement of rectification quality and effectiveness. It established and promoted a coordination and connection mechanism with other supervisory bodies, and improved the capabilities of the first and second lines of defence.

The Bank further improved its mechanism for internal control over case prevention, consolidated the liabilities of primary responsible parties and took multiple control measures. It consistently improved internal control rules, processes and systems, and carried out a special campaign regarding case prevention in high-risk areas, thereby continuously improving its internal control and case prevention management. The Bank also focused on internal control inspection and the rectification of findings, established a notification mechanism for warning and education activities on a regular basis, raised employees' compliance awareness and fostered an internal control compliance culture.

The Bank established a sound financial accounting policy framework. Strictly abiding by the requirements of various accounting laws and regulations, the Bank continued to consolidate the accounting foundation, as such, the level of standardisation and refinement of its financial accounting management was continuously improved. The Bank also insisted on strengthening the quality management of accounting information and further improving basic accounting work, so as to establish a long-term mechanism for basic accounting work.

In 2023, the Bank succeeded in preventing 114 external cases and RMB219.9007 million.

Operational Risk Management

The Bank continuously improved its operational risk management system. It promoted the application of operational risk management tools, including Risk and Control Assessment, Key Risk Indicators and Loss Data Collection, etc., carried out the identification, assessment and monitoring of operational risks and further standardised its operational risk reporting mechanism, and improved its risk management measures, in order to steadily and robustly advance the implementation of new capital rules for operational risk. The Bank enhanced its IT system support capabilities by optimising its operational risk management information system. It strengthened its business continuity management system, optimised its operating mechanism, enhanced its business continuity policies, and performed business impact analysis. The Bank also refined contingency plans and carried out business continuity drills, thus improving the Group's business continuity capacity.

Compliance Management

The Bank continuously improved its compliance risk governance mechanism and management process to ensure the Group's sound operation and sustainable development.

The Bank continued to streamline due diligence mechanism, enhanced control of high-risk customers and transactions, and strengthened inspection and supervision; optimised methodology and implementation of money laundering risk assessment; advanced suspicious transaction monitoring procedures and models, and improved monitoring and analysing capabilities; upgraded anti-money laundering-related IT systems which promoted digitalisation level. It continued to carry out various forms of compliance training, so as to enhance all employees' compliance awareness and abilities; continued to develop its long-acting management framework for its overseas institutions' compliance and consolidated management foundations, thus enhancing the compliance management capabilities.

The Bank implemented new regulatory rules on connected transactions, improved its connected transactions management mechanism, strengthened management of connected parties, reinforced data governance of connected transactions, and consolidated the foundations of its connected transactions management. It stepped up efforts in the identification, monitoring, disclosure and reporting of connected transactions, standardised the management of internal transactions, and strictly controlled transaction risks. It also pushed forward system optimisation and enhanced the automatic management of connected transactions.

COUNTRY RISK MANAGEMENT

The Group incorporates country risk into its comprehensive risk management system in strict accordance with regulatory requirements. It manages and controls country risk through a series of management tools, including country risk rating, country risk limit, statistics and monitoring of country risk exposures, and provisioning of allowances.

In 2023, facing an extremely complicated international political and economic situation, the Bank continued to strengthen country risk management in strict accordance with regulatory requirements based on business development needs. It amended country risk management policies, re-examined country risk ratings and limits, and strengthened the monitoring and early warning of limit implementation. It also stepped up efforts in the monitoring and reporting of country risk, conducted stress testing on country risk, and enhanced its country risk management system. The Bank actively implemented the provisioning of country risk allowances and enhanced its ability to mitigate country risk. As at 31 December 2023, country risk exposures were mainly concentrated in countries and regions with low and relatively low country risk, and the Group's overall country risk was controlled at a reasonable level.

CAPITAL MANAGEMENT

The Bank's capital management objectives are to ensure reasonable capital adequacy, support the implementation of the Group's strategies, resist various risks including credit risk, market risk and operational risk, ensure the compliance of the Group and related institutions with capital regulatory requirements, promote the Group's transformation towards capital-light business development and improve its capital use efficiency and value creation capabilities.

The Bank implemented the "14th Five-Year" capital management plan, focused on the requirements of high-quality development, adhered to the principle of attaching equal importance to endogenous accumulation and external supplementation, increased the cohesion of strategic planning, capital replenishment and performance assessment, continuously optimised management measures, continuously enhancing its risk resilience, and better supporting the development of the real economy. It enhanced its economic capital budget and assessment mechanism, strengthened the application of value creation indicators in resource allocation, and heightened the Group's awareness of capital saving and value creation in order to enhance its capability for endogenous capital accumulation. The Bank expanded the application of advanced approaches of capital measurement, optimised its on and off-balance sheet asset structure, strived to reduce capital consumption, actively developed capital-light businesses, and reasonably controlled the risk weighting of assets. It regularly carried out and continuously optimised its internal capital adequacy assessment process, improved risk assessment methods and stress tests, and optimised its capital management governance structure. The Bank made prudent use of external financing channels in order to replenish and consolidate its capital base, and advanced its preparations for meeting total loss-absorbing capacity (TLAC) requirements and the Capital Rules for Commercial Banks.

In 2023, the Bank successfully issued RMB30.0 billion of undated capital bonds and RMB220.0 billion of tier 2 capital bonds, further enhancing its capital strength. It reinforced the management of existing capital instruments and redeemed RMB80.0 billion of domestic tier 2 capital bonds, effectively reducing the cost of capital. A capital replenishment plan of RMB450.0 billion capital instruments and RMB150.0 billion of total loss-absorbing capacity non-capital debt instruments supplement have been approved by the Shareholders' Meeting. The Bank continually reinforced internal management, with RWA growing at a slower pace than that of total assets. As at 31 December 2023, the Group's capital adequacy ratio reached 17.74 per cent., an increase of 0.22 percentage points compared with the prior year-end, remaining at a robust and reasonable level in compliance with the objectives of the Group's 14th Five-Year Plan.

The capital adequacy ratios as at 31 December 2023, 2022 and 2021 separately calculated in accordance with the Capital Rules for Commercial Banks (Provisional) are listed below:

Items	Group					Bank
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021	As at 31 December 2023	As at 31 December 2022	As at 31 December 2021
	(RMB million, except percentages)					
Net common equity tier 1 capital..........	2,161,825	1,991,342	1,843,886	1,811,259	1,667,405	1,563,789
Net tier 1 capital	2,570,272	2,372,990	2,173,731	2,210,766	2,036,912	1,883,294
Net capital..	3,297,408	2,946,471	2,698,839	2,928,122	2,590,185	2,391,365
Common equity tier 1 capital adequacy ratio..	11.63 per cent.	11.84 per cent.	11.30 per cent.	10.96 per cent.	11.37 per cent.	11.06 per cent.
Tier 1 capital adequacy ratio.................	13.83 per cent.	14.11 per cent.	13.32 per cent.	13.38 per cent.	13.89 per cent.	13.32 per cent.
Capital adequacy ratio	17.74 per cent.	17.52 per cent.	16.53 per cent.	17.72 per cent.	17.67 per cent.	16.91 per cent.

CORPORATE SOCIAL RESPONSIBILITIES

Guided by its corporate mission of "Bridge China and the World for the Common Good", the Bank focused on the key areas of economic and social development, continuously innovated financial business models, optimised the supply of finance, and served to build the new development pattern featuring dual circulations with financial power, so as to meet the people's growing needs for a better life. At the same time, the Bank assumed its share of responsibility for building an inclusive and happy society, deepened its efforts in paired assistance and public charity, and worked with relevant parties to build a better home for all.

Serving the real economy

Firmly committed to its role in serving the real economy, the Bank streamlined channels for investing funds and providing greater benefits to a wider array of real economy enterprises. It supported the implementation of China's innovation-driven development strategy, allocating more financial resources to key areas such as technological innovation, advanced manufacturing, and industrial chain and supply chain, and helped accelerate the development of new productive forces and the building of a modern industrial system through high quality technology finance. To support the national coordinated regional development strategy and its major regional strategies, the Bank focused on the construction of key regions and cities, strengthened top-level planning for supporting key regions with financial services, enhanced regional coordination and support capabilities, and provided high-quality financing, intelligent and commercial support for building a regional economic layout characterised by complementary advantages and high-quality development. It consolidated the advantages of its globalised operations, actively promoted links between domestic and international markets and resources, continuously served high-level "Going Global" and high-quality "Bringing-in" initiatives, and contributed to the development of China's new dual circulation development pattern.

As at 31 December 2023, the balance of strategic emerging industry loans, loans granted to manufacturing industries, and technology finance loans increased by 74.35 per cent., 28.05 per cent. and 30.94 per cent., respectively. It granted more than RMB260.0 billion in credit lines to more than 15,000 state-level and province-level "specialised, refined, featured and innovative" enterprises. It helped to stabilise the scale and optimise structure of foreign trade, with its domestic institutions cumulatively handling USD3.4 trillion of international settlement business in 2023. At the same time, the Bank made prudent and orderly advances in RMB internationalisation, served as the main channel for cross-border RMB circulation, and provided diversified products and services such as RMB settlement, investment, financing and transaction for domestic and overseas customers. The Group recorded cross-border RMB settlement of RMB57.35 trillion for the year, up over 80 per cent. year-on-year.

Advancing Inclusive Finance

As a significant contributor and practitioner to inclusive finance development, the Bank implemented the decisions and plans of the State, provided accurate and effective financial services to a wide range of inclusive finance customers, and enhanced their satisfaction with inclusive financial services. It promoted the comprehensive recovery and innovative progress of market entities, striving to push forward high-quality development in the field of inclusive finance. The Bank deepened its long-acting mechanism for job stabilisation and creation, initiated the Bring Jobs to Families campaign to stabilise and expand employment opportunities, and provided comprehensive inclusive financial services for micro and small-sized enterprises as well as a vast array of employees and entrepreneurs, covering credit services, employment matchmaking, people's livelihood financial needs, skills training, and policy publicity. The Bank Coordinating its products and services in inclusive finance, consumer credit, payment and settlement, and savings and investment, rolled out a special service plan, "Benefitting Merchants Promoting Consumption", to meet the financial needs of individual industrial and commercial households. The Bank also formulated the "Micro and Small Foreign Trade Services Inclusive Finance Solutions", carried out special marketing activities based on its eight-pronged service model and gave full play to its unique advantages in cross-border finance, in order to help micro and small-sized foreign trade enterprises achieve steady growth. It introduced ten initiatives to promote financing for micro, small and medium-sized enterprises through the "one chain, one policy and one batch" strategy, and pressed ahead establishing a sound financing ecosystem for those enterprises through such measures as increasing support for chain-enterprise financing, flexibly executing bank-enterprise connections, optimising its chain-enterprise financing policy and reducing chain-enterprise financing costs, promoting the construction of a favorable ecosystem for the financing of micro, small and medium-sized enterprises and boosting their high-quality development.

As at 31 December 2023, the Bank's outstanding inclusive finance loans granted to micro and small-sized enterprises stood at RMB1,758.543 billion, an increase of 43.17 per cent. year-on-year. The number of loan customers was 1.07 million, also representing a growth rate of 43.21 per cent. year-on-year. The average interest rate of new inclusive finance loans to micro and small-sized enterprises was 3.54 per cent., and the balance of business loans to individual industrial and commercial households was RMB268.9 billion.

Promoting Rural Revitalisation

The Bank strengthened financial support for agriculture, actively responded to national strategies and helped build a strong agricultural country. It strengthened its top-level design and formulated the Guiding Opinions of Bank of China Limited on Supporting Agriculture-based Country Development and Realising Agricultural and Rural Modernisation in the 14th Five-Year Plan Period, the Work Priorities of Bank of China in Supporting Key Counties for Rural Revitalisation in 2023, etc. to serve key customers and regions, continuously innovate products, deepen scenario ecosystem, and promote the quality and efficiency improvement of financial services for rural revitalisation. The Bank provided financial services to enable the stable production and supply of grain and other important agricultural products, and strengthened financial support for key areas such as high-standard farmland construction, seed industry revitalisation, grain production, circulation, storage and processing. It accelerated the innovation of agricultural products and services, promoted its "Farmer-Benefitting Loan" products in line with the actual needs of agriculture, rural areas and farmers, and gave priority to supporting self-employed households in the rural industrial chain, such as crop cultivation, aquaculture, forestry, purchase of agricultural products and processing. 1,013 outlets with special rural revitalisation features have been built, forging a pioneer path to serving rural revitalisation with specialised, characteristic and diversified financial services. 20 specialised outlets were located in nationally-designated key counties for rural revitalisation. Meanwhile, BOC Fullerton Community Bank set up 134 village banks in 22 provinces (including municipalities directly under the central government). As at 31 December 2023, the Bank's balance of agricultural loans amounted to RMB2,656.079 billion, representing a growth rate of 28.53 per cent. year-on-year. The balance of inclusive agricultural loans stood at RMB376.521 billion, with a growth rate of 44.64 per cent. year-on-year.

The Bank comprehensively advanced rural revitalisation and vigorously supported the four counties of Chunhua, Yongshou, Changwu and Xunyi in Xianyang City, Shaanxi Province (the "four counties in Xianyang") in consolidating and expanding their poverty alleviation achievements. It formulated the 2023 Work Plan for Paired Assistance and proposed more than 50 specific tasks in areas such as industry development, talent cultivation, cultural advancement, ecological revitalisation and organisation progress. In 2023, the Bank invested RMB80.57 million in anti-poverty funding to the four counties in Xianyang, introduced RMB7.47 million of voluntary assistance funding, and attracted RMB562 million of investments in local areas. It implemented 101 paired assistance projects in sectors including industry, infrastructure, education, and health, etc., and organised training, attracting 32 thousand participations from local primary-level officials, rural revitalisation leaders and technicians from the four counties in Xianyang. Furthermore, the Bank sold RMB215 million worth of agricultural products from areas lifted from poverty nationwide, directly benefiting 650 thousand people.

Protecting the Rights and Interests of Customers

The Bank attached great importance to the protection of consumers' rights and interests, fully integrated consumer protection into its corporate governance, corporate culture building and business development strategies, and pushed forward the in-depth integration of consumer protection with business development and service management. To strengthen examinations of its consumer protection, the Bank developed the Management Measures for Examination of Consumer Protection of Bank of China Limited, to clarify the examination entities, examination scope, key points of examination, and examination procedures for consumer protection. The Bank raised employees' awareness of their consumer protection responsibilities, and organised thematic training on consumer protection for middle and senior levels of management, frontline employees and new hires. It has taken primary responsibility of popularizing financial knowledge and educating financial consumers, promoted financial literacy at the request of both targeted and regular supervision, and promoted differentiated financial knowledge publicity for key customer groups including seniors, people with disadvantages, new urban residents, and farmers, as an effort to enhance their understanding of financial products and services and improve national financial literacy.

In 2023, the Bank's overall customer satisfaction was 92.1 per cent., with personal and corporate banking customer satisfaction standing at 90.5 per cent. and 96.4 per cent. 276 thousand customer complaint cases were handled, and the completion rate stood at 100 per cent. In addition, the total amount of suspicious transactions intercepted by the Bank's "Cyber Defence" system during the year was RMB56.140 billion. The Bank conducted nearly 75,000 thematic external consumer protection campaigns, recording around 800 million participations.

Contributing to Public Welfare

The Bank remained steadfastly devoted to public welfare. It facilitated people from all walks of life to actively participate in public welfare and charity activities via its "Finance + Public Welfare + Internet" approach, leveraging the Bank of China Philanthropy platform and BOC Charity Foundation. In 2023, 67 organisations were registered on the Bank of China Philanthropy platform, with 124 charitable fundraising activities launched and a total of RMB25 million raised from 778.4 thousand donations. Adhering to the ethos of finance serving the greater good, the Bank amassed resources from both within and outside the Group and deployed them towards public welfare initiatives in flood prevention and disaster relief, education, cultural exchange, environmental protection and other areas. It explored innovative models for elderly care services, built a platform for mutual aid in elderly care, and gave full support to elderly care through public welfare efforts, thus contributing to building a more beautiful society through concrete actions.

Unless otherwise stated, all financial data discussed in this section are consolidated financial data.

ANALYSIS OF LOANS AND ADVANCES TO CUSTOMERS

The following table sets forth analysis of the Group's loans and advances to customers as at 31 December 2023 and 2022, respectively.

	As at 31 December		
	2023	**2022 (after restatement)**	**2022 (before restatement)**
		(RMB million)	
Measured at amortised cost			
– Corporate loans and advances	12,577,901	10,509,864	10,509,864
– Personal loans	6,609,965	6,406,970	6,408,526
– Discounted bills	1,345	1,703	1,703
Measured at fair value through other comprehensive income(1)			
– Corporate loans and advances	4,089	7,936	7,936
– Discounted bills	711,012	575,246	575,246
Subtotal	19,904,312	17,501,719	17,503,275
Measured at fair value through profit or loss(2)			
– Corporate loans and advances	3,675	4,074	4,074
Total	19,907,987	17,505,793	17,507,349
Accrued Interest	53,792	46,968	46,973
Total loans and advances	19,961,779	17,552,761	17,554,322
Less: Allowance for loans at amortised cost	(484,908)	(436,756)	(436,756)
Loans and advances to customers, net	19,476,871	17,116,005	17,117,566

Notes:

(1) As at 31 December 2023, the allowance for impairment losses of loans and advances to customers at fair value through other comprehensive income of the Group amounted to RMB390 million (31 December 2022: RMB485 million) and was credited to other comprehensive income.

(2) During the years ended 31 December 2023 and 2022, there were no significant movements in the fair value and accumulated fair value changes of corporate loans and advances measured at fair value through profit or loss that are attributable to changes in credit risk of these loans.

LOANS AND ADVANCES TO CUSTOMERS BY INDUSTRY

The following table sets forth, as at the dates indicated, an analysis of the Group's loans and advances to customers by industry:

	As at 31 December							
	2023		2022 (after restatement)		2022 (before restatement)		2021	
	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total
	(RMB million, except percentages)							
Corporate loans and advances								
Commerce and services...	3,237,900	16.26	2,476,528	14.15	2,476,528	14.15	2,043,199	13.04
Manufacturing.................	2,638,582	13.25	2,177,432	12.44	2,177,432	12.44	1,888,582	12.05
Transportation, storage and postal services...........	2,139,206	10.75	1,898,333	10.84	1,898,333	10.84	1,729,701	11.03
Real estate	1,468,347	7.38	1,359,650	7.77	1,359,650	7.77	1,212,336	7.73
Production and supply of electricity, heating, gas and water	1,293,581	6.50	952,035	5.44	952,035	5.44	836,651	5.34
Financial services	904,582	4.54	851,117	4.86	851,117	4.86	704,486	4.49
Water, environment and public utility management	469,720	2.36	370,531	2.12	370,531	2.12	302,591	1.93
Construction....................	449,451	2.26	369,618	2.11	369,618	2.11	296,668	1.89
Mining.............................	305,992	1.54	283,411	1.62	283,411	1.62	268,158	1.71
Public utilities..................	235,130	1.18	218,706	1.25	218,706	1.25	170,548	1.09
Other	155,531	0.78	141,462	0.80	141,462	0.80	128,324	0.82
Subtotal	13,298,022	66.80	11,098,823	63.40	11,098,823	63.40	9,581,244	61.12
Personal loans								
Mortgages........................	4,786,255	24.04	4,916,707	28.09	4,916,707	28.08	4,826,412	30.79
Credit cards	563,994	2.83	520,390	2.97	520,390	2.97	507,107	3.24
Other	1,259,716	6.33	969,873	5.54	971,429	5.55	760,231	4.85
Subtotal	6,609,965	33.20	6,406,970	36.60	6,408,526	36.60	6,093,750	38.88
Total loans and advances to customers	19,907,987	100.00	17,505,793	100.00	17,507,349	100.00	15,674,994	100.00

LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHICAL AREA

The following table sets forth, as at the dates indicated, an analysis of the Group's loans and advances to customers by geographical area:

Group

As at 31 December

	2023		2022 (after restatement)		2022 (before restatement)		2021	
	Amount	**per cent. of total**	**Amount**	**per cent. of total**	**Amount**	**per cent. of total**	**Amount**	**per cent. of total**
	(RMB million, except percentages)							
Chinese Mainland............	16,836,884	84.57	14,500,783	82.83	14,500,783	82.83	12,953,259	82.64
Hong Kong (China), Macau (China) and Taiwan (China)................	2,011,421	10.11	1,936,288	11.07	1,937,844	11.07	1,752,527	11.18
Other countries and regions............................	1,059,682	5.32	1,068,722	6.10	1,068,722	6.10	969,208	6.18
Total...............................	19,907,987	100.00	17,505,793	100.00	17,507,349	100.00	15,674,994	100.00

Chinese Mainland

As at 31 December

	2023		2022		2021	
	Amount	**per cent. of total**	**Amount**	**per cent. of total**	**Amount**	**per cent. of total**
	(RMB million, except percentages)					
Northern China	2,405,566	14.29	2,038,727	14.07	1,811,146	13.99
Northeastern China	642,274	3.81	583,632	4.02	548,436	4.23
Eastern China.......................................	6,862,383	40.76	5,905,293	40.72	5,158,395	39.82
Central and Southern China.................	4,740,324	28.15	4,087,906	28.19	3,708,815	28.63
Western China	2,186,337	12.99	1,885,225	13.00	1,726,467	13.33
Total	16,836,884	100.00	14,500,783	100.00	12,953,259	100.00

The following table sets forth, as at the dates indicated, an analysis of the Group's impaired loans and advances by geographical area:

Group

As at 31 December

	2023			2022			2021		
	Amount	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**
	(RMB million, except percentages)								
Chinese mainland	207,297	81.87	1.23	202,404	87.36	1.40	193,030	92.45	1.49
Hong Kong (China), Macau (China) and Taiwan (China)................	30,985	12.24	1.54	15,572	6.73	0.80	6,084	2.91	0.35

	2023			2022			2021		
	Amount	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**
	(RMB million, except percentages)								
Other countries and regions	14,923	5.89	1.41	13,701	5.91	1.28	9,678	4.64	1.00
Total	253,205	100.00	1.27	231,677	100.00	1.32	208,792	100.00	1.33

As at 31 December

Chinese Mainland

As at 31 December

	2023			2022			2021		
	Amount	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**
	(RMB million, except percentages)								
Northern China	35,240	17.00	1.46	37,895	18.72	1.86	38,825	20.11	2.14
Northeastern China	14,134	6.82	2.20	13,239	6.54	2.27	13,939	7.22	2.54
Eastern China	61,761	29.79	0.90	55,168	27.26	0.93	51,633	26.75	1.00
Central and Southern China	63,779	30.77	1.35	72,733	35.93	1.78	73,624	38.14	1.99
Western China	32,383	15.62	1.48	23,369	11.55	1.24	15,009	7.78	0.87
Total	207,297	100.00	1.23	202,404	100.00	1.40	193,030	100.00	1.49

LOANS AND ADVANCES TO CUSTOMERS BY CUSTOMER TYPE

The following table sets forth, as at the dates indicated, an analysis of the impaired loans and advances of the Group categorised by customer type:

Group

As at 31 December

	2023			2022			2021		
	Amount	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**	**Amount**	**per cent. of total**	**Impaired loan ratio**
	(RMB million, except percentages)								
Corporate loans and advances	206,760	81.66	1.55	190,190	82.09	1.71	179,526	85.98	1.87
Personal loans	46,445	18.34	0.70	41,487	17.91	0.65	29,266	14.02	0.48
Total	253,205	100.00	1.27	231,677	100.00	1.32	208,792	100.00	1.33

Chinese Mainland

	As at 31 December								
	2023			2022			2021		
	Amount	per cent. of total	Impaired loan ratio	Amount	per cent. of total	Impaired loan ratio	Amount	per cent. of total	Impaired loan ratio
	(RMB million, except percentages)								
Corporate loans and advances	162,951	78.61	1.48	162,326	80.20	1.84	164,796	85.37	2.20
Personal loans	44,346	21.39	0.76	40,078	19.80	0.71	28,234	14.63	0.52
Total	207,297	100.00	1.23	202,404	100.00	1.40	193,030	100.00	1.49

RECONCILIATION OF ALLOWANCE FOR IMPAIRMENT LOSSES

The following table sets out reconciliation of allowance of impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2023:

	Year ended 31 December 2023			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	205,195	59,062	172,499	436,756
Transfers to Stage 1	9,763	(5,804)	(3,959)	–
Transfers to Stage 2	(4,261)	13,571	(9,310)	–
Transfers to Stage 3	(1,125)	(16,700)	17,825	–
Impairment (reversal)/losses of loans with stage transfers	(9,214)	31,443	49,286	71,515
Charge for the year(1)	99,690	17,345	28,929	145,964
Reversal for the year(2)	(76,299)	(18,155)	(16,812)	(111,266)
Write-off and transfer out	–	–	(72,554)	(72,554)
Recovery of loans and advances written off	–	–	13,889	13,889
Foreign exchange and other movements	314	221	69	604
As at 31 December	224,063	80,983	179,862	484,908

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

The following table sets out reconciliation of allowance of impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2022:

	Year ended 31 December 2023			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	166,358	53,832	169,900	390,090
Transfers to Stage 1	6,481	(5,296)	(1,185)	–
Transfers to Stage 2	(2,234)	5,611	(3,377)	–
Transfers to Stage 3	(1,659)	(11,533)	13,192	–
Impairment (reversal)/losses of loans with stage transfers	(5,969)	18,943	41,851	54,825
Charge for the year(1)	93,067	14,787	22,827	130,681
Reversal for the year(2)	(52,371)	(18,168)	(22,198)	(92,737)
Write-off and transfer out	(64)	–	(61,766)	(61,830)
Recovery of loans and advances written off	–	–	11,837	11,837
Foreign exchange and other movements	1,586	886	1,418	3,890
As at 31 December	205,195	59,062	172,499	436,756

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

The following table sets out reconciliation of allowance of impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2021:

	For the year ended 31 December 2021			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
		(RMB million)		
As at 1 January	134,566	70,712	162,895	368,173
Transfers to Stage 1	6,186	(5,205)	(981)	–
Transfers to Stage 2	(989)	1,786	(797)	–
Transfers to Stage 3	(687)	(14,244)	14,931	–
Charge for the year[(1)]	84,479	15,132	58,502	158,113
Reversal for the year[(2)]	(51,399)	(24,087)	(21,905)	(97,391)

	For the year ended 31 December 2021			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
		(RMB million)		
Impairment (reversal)/losses of loans with stage transfers	(5,245)	10,226	32,586	37,567
Write-off and transfer out	(195)	–	(85,401)	(85,596)
Recovery of loans and advances written off	–	–	11,921	11,921
Exchange differences and other	(358)	(488)	(1,851)	(2,697)
As at 31 December	166,358	53,832	169,900	390,090

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

The following table sets out reconciliation of allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income for the year ended 31 December 2023:

	For the year ended 31 December 2023			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	479	6	–	485
Charge for the year[1]	355	5	–	360
Reversal for the year[2]	(453)	(6)	–	(459)
Foreign exchange and other movements	4	–	–	4
As at 31 December	385	5	–	390

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

The following table sets out reconciliation of allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income for the year ended 31 December 2022:

	Year ended 31 December 2023			
	12-month ECL	Lifetime ECL		Total
	Stage 1	Stage 2	Stage 3	
As at 1 January	374	77	–	451
Charge for the year[1]	469	6	–	475
Reversal for the year[2]	(374)	(77)	–	(451)
Foreign exchange and other movements	10	–	–	10
As at 31 December	479	6	–	485

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

The following table sets out reconciliation of allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income for the year ended 31 December 2021:

	For the year ended 31 December 2021			
	Stage 1 (12-month ECL)	Stage 2 (Lifetime ECL)	Stage 3 (Lifetime ECL)	Total
		(RMB million)		
As at 1 January	441	5	–	446
Charge for the year[1]	276	77	–	353
Reversal for the year[2]	(339)	(5)	–	(344)
Exchange differences and other	(4)	–	–	(4)
As at 31 December	374	77	–	451

Notes:

(1) Charge for the year comprises the impairment losses from new loans, remaining loans without stage transformation, model/risk parameters adjustment, etc.

(2) Reversal for the year comprises impairment losses attributable to loans repaid during the year, loans brought forward without stage transfers and changes to model and risk parameters.

DIRECTORS, MANAGEMENT AND SUPERVISORS

GENERAL

The Bank's Board of Directors currently comprises 13 members. There are two executive directors, six non-executive directors and five independent non-executive directors. The Bank's directors are elected at its shareholder meetings for a term of three years, which is renewable upon re-election. The Chairman of the Bank's Board of Directors is elected by simple majority of its directors.

The business address of each of the directors, supervisors and senior management named below is Bank of China Limited, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, People's Republic of China.

Directors

The following table sets forth certain information concerning the Bank's directors.

Board of Directors

Name	Position
Ge Haijiao	Chairman
Lin Jingzhen	Executive Director and Executive Vice President
Zhang Yong	Non-executive Director
Zhang Jiangang	Non-executive Director
Huang Binghua	Non-executive Director
Liu Hui	Non-executive Director
Shi Yongyan	Non-executive Director
Lou Xiaohui	Non-executive Director
Martin Cheung Kong Liao	Independent Director
Chui Sai Peng Jose	Independent Director
Jean-Louise Ekra	Independent Director
Giovanni Tria	Independent Director
Liu Xiaolei	Independent Director

Ge Haijiao has served as Chairman of the Board since April 2023. Mr. Ge joined the Bank in 2023. He served as a member of the Standing Committee of Hebei Provincial Committee of the Communist Party of China and Vice Governor of Hebei Province from November 2021 to March 2023, Vice Governor of Hebei Province from September 2019 to November 2021, Executive Director of China Everbright Group Ltd. from November 2018 to September 2019, and Executive Director and President of China Everbright Bank from January 2019 to September 2019. From October 2016 to November 2018, he served as Deputy General Manager of China Everbright Group Ltd. Prior to that, Mr. Ge had worked in Agricultural Bank of China for many years, serving as Deputy General Manager of Dalian Branch, General Manager of Singapore Branch, Deputy General Manager (department general manager level) of the International Banking Department of the Head Office and General Manager of Heilongjiang Branch. He has served as Chairman of the Board of Directors of Bank of China Hong Kong (Holdings) Limited since April 2023. Mr. Ge graduated from Liaoning University in 1993 and Nanjing Agricultural University in 2008 with a Doctor's Degree in Management. He holds the title of Senior Economist.

Lin Jingzhen has served as Executive Director of the Bank since February 2019 and Executive Vice President of the Bank since March 2018. Mr. Lin joined the Bank in 1987. He served as Deputy Chief Executive of BOC Hong Kong (Holdings) Limited from May 2015 to January 2018, as General Manager of the Corporate Banking Department of the Bank from March 2014 to May 2015, and as General Manager (Corporate Banking) of the Corporate Banking Unit of the Bank from October 2010 to March 2014. Mr. Lin served as Deputy General Manager of Corporate Banking Department and Corporate Banking Unit of the Bank. Mr. Lin has also been serving as Chairman of BOC International Holdings Limited from April 2018 to December 2020 and Chairman of BOC International (China) Co., Ltd. from May 2018 to April 2022. He has been serving as a Non-executive Director of BOC Hong Kong (Holdings) Limited since August 2018. He graduated from Xiamen University in 1987 and obtained a Master of Business Administration degree from Xiamen University in 2000.

Zhang Yong has served as non-executive Director of the Bank since June 2023. From January 2019 to May 2023, he served as Non-executive Director of China Development Bank. From September 2017 to January 2019, he served as Non-executive Director of China Export & Credit Insurance Corporation. From November 2002 to August 2017, he worked as Deputy General Manager of the Information Management Department and Head of Information Release Division of the Head Office of Industrial and Commercial Bank of China. Mr. ZHANG graduated from Renmin University of China with a Bachelor's Degree of Science in July 1990 and obtained a Master's Degree in Economics from Renmin University of China in January 2000. He holds the title of Senior Economist.

Zhang Jiangang has served as Non-executive Director of the Bank since July 2019. Mr. Zhang served as member of the Party Committee, Secretary of Party Discipline Committee, Deputy Secretary-General, and Chairman of the Financial Evaluation Committee of the China Appraisal Society from May 2016 to July 2019. From August 2014 to May 2016, Mr. Zhang served as Deputy Secretary-General of the China Appraisal Society. From September 2000 to August 2014, he worked in the Department of Personnel and Education of the Ministry of Finance, successively serving as the Principal Staff Member, Deputy Director and Director. From November 1998 to September 2000, Mr. Zhang served as a cadre of the editorial office of the State Assets Management of the Ministry of Finance. From July 1995 to November 1998, he served as a cadre of the former State-owned Assets Administration Bureau. Mr. Zhang graduated from the China Youth University of Political Studies in July 1995 with a Bachelor's Degree in Law and obtained a Master's Degree in Management from the Graduate School of the Chinese Academy of Fiscal Sciences of the Ministry of Finance in December 2002. He holds the title of Senior Economist.

Huang Binghua has served as Non-executive Director of the Bank since March 2022. Mr. Huang has served as Deputy Director of the Department of Asset Management of the Ministry of Finance from August 2018 to March 2022. From September 2015 to August 2018, he served successively as Party Committee Member, Vice Party Secretary, and Deputy Director of the Budget Assessment and Review Center of the Ministry of Finance. From August 2014 to September 2015, he served as Chief of the Comprehensive Division of Department of Asset Management of the Ministry of Finance. From July 2000 to August 2014, he worked at the Department of Enterprises of the Ministry of Finance and successively held the positions of Principal Staff Member, Deputy Chief, Chief of the Third Division of Enterprises, Chief of the State-owned Capital Budget Management Division, Chief of the Enterprise Operation Division, and Chief of the Comprehensive Division. From February 1996 to July 2000, he served at the Department of Property Rights Registration and Asset Statistics of the National State-owned Assets Management Bureau and the Department of Asset Assessment of the Ministry of Finance. He graduated from the School of Government, Peking University majoring in Administrative Management and obtained a Bachelor's Degree in Law.

Liu Hui has served as Non-executive Director of the Bank since August 2023. Since 1995, Mr. LIU worked successively at the Head Office of Agricultural Development Bank of China, Ping An Insurance Beijing Branch (Life Insurance), and the Finance and Private Sector Development Department of the World Bank Office, Beijing. He joined Central Huijin Investment Ltd. in 2007 and successively worked as Senior Deputy Manager, Senior Manager and Division Chief. Mr. LIU served concurrently as a supervisor of China Securities Co., Ltd., and served as a Non-executive Director of China Export & Credit Insurance Corporation. He graduated from Cambridge University with a Ph.D. degree.

Shi Yongyan has served as Non-executive Director of the Bank since September 2023. In 2011, he joined Central Huijin Investment Ltd. From January 2018 to January 2024, he served as Non-executive Director of China Everbright Group. From May 2018 to July 2020, he served as Non-executive Director of China Everbright Bank. From March 2016 to February 2018, he was a member of the Party Work Committee and Deputy Director of the Administrative Committee of Lanzhou New Area, Gansu Province. From March 2013 to March 2016, Mr. SHI served as Non-executive Director of China Export & Credit Insurance Corporation. From September 2011 to March 2013, he was Head of Research Support Division, Banking Department at Central Huijin Investment Ltd. From March 2006 to September 2011, he worked as Deputy Chief and Consultant at the General Office of the Anti-money Laundering Bureau of the People's Bank of China. From March 2003 to March 2006, he served as cadre and Deputy Chief of the Anti-Money Laundering Division of the Supervision and Inspection Department of the State Administration of Foreign Exchange. Mr. SHI graduated from Peking University with a Bachelor's degree and a Master's degree in Economics, and graduated from Nanyang Technological University, Singapore, with an MBA degree and a Ph.D. degree.

Lou Xiaohui has served as a Non-executive Director of the Bank since April 2024. She has served as a non-executive director of China Everbright Group Ltd. since March 2017. She is now serving at Central Huijin Investment Ltd. From 2001 to 2017, she successively worked as Deputy Director and Director of the General Office of the Ministry of Finance, Director of the Information Office (director level) and Deputy Director of the National Comprehensive Agricultural Development Evaluation Center (deputy bureau level). She graduated from the Central Institute of Finance and Banking (currently Central University of Finance and Economics), majoring in finance and holding a master's degree in Economics. She is a non-practicing member of the Chinese Institute of Certified Public Accountants (CICPA).

Martin Cheung Kong Liao has served as Independent Director of the Bank since September 2019. Mr. Liao was called to the Bar in England and Wales in 1984 and was called to the Bar in Hong Kong in 1985 and is a practicing barrister in Hong Kong, and is admitted an Advocate and Solicitor of Singapore since 1992. He has been serving as a Member of the Legislative Council of the Hong Kong Special Administrative Region since 2012. Mr. Liao has also been serving as Deputy Chairman of The Hong Kong Jockey Club in May 2023, following his prior service as a Steward since April 2013, an Independent Non-executive Director of Hang Lung Group Limited since November 2014, and Chairman of the Advisory Committee on Corruption of the Independent Commission Against Corruption since January 2019, and standing committee member of the 14th National Committee of Chinese People's Political Consultative Conference since March 2023. Mr. Liao has been appointed as a Non-Official Member of the Executive Council of the Hong Kong Special Administrative Region since November 2016. He was appointed as Justice of the Peace in 2004, was awarded the Silver Bauhinia Star in 2014 and was awarded the Gold Bauhinia Star in 2019. He has been elected as Deputy of the Hong Kong Special Administrative Region to the 11th, 12th and 13th National People's Congress of the People's Republic of China. Mr. Liao previously served as Chairman of the Anti-Money Laundering and Counter Terrorist Financing Review Tribunal and Chairman of The Hong Kong Council for Accreditation of Academic and Vocational Qualifications. He graduated from University College London with a Bachelor of Economic Science (Hons) Degree in 1982 and a Master of Laws Degree in 1985.

Chui Sai Peng Jose has served as Independent Non-executive Director of the Bank since September 2020. Mr. Chui is currently the President of CAA City Planning & Engineering Consultants Ltd. of Macao, and Da Chang (Zhuhai) Concrete Pile Co., Ltd. He is also the Deputy of the Macao SAR to the 14th National People's Congress, Deputy of Legislative Assembly of the Macao SAR, and member of the Economic Development Committee of the Macao SAR. In addition, he serves as a member of the National Committee of China Association for Science and Technology, Vice-President of Board of Directors of Macao Chamber of Commerce, Vice-President of General Assembly of the Macao Association of Building Contractors and Developers. Mr. Chui served as the President of Hou Kong Junior Chamber in 1994 and President of Junior

Chamber International Macao, China in 1999. He was the President of Committee for Building Appraisal of the Macao SAR from 2002 to 2015. He served as member and Vice-President of the Committee of Cultural Industries of the Macao SAR from 2010 to 2016. Currently he serves as Independent Director of Luso International Banking Ltd. Mr. Chui is a registered Urban Planner and Civil Engineer of Macao. He is also a registered Civil Engineer and Structural Engineer (Senior Engineer Level) of California, USA. Mr. Chui received his Bachelor’s Degree in Civil Engineering from University of Washington in 1981 and received his Master’s Degree in Civil Engineering from University of California, Berkeley in 1983. He graduated from Tsinghua University in 2002 with a Doctor’s Degree in Urban Planning.

Jean-Louis Ekra has served as Independent Director of the Bank since May 2022. Mr. EKRA currently sits on the Board of several institutions including Africa Economic Research Consortium (AERC), the Fund for Export Development in Africa (FEDA). He is the founder of Ayipling Morrison Capital, a venture capital and financial advisory firm. He was until September 2015 President and Chairman of the Board of the African Export-Import Bank (Afreximbank or the Bank) in Cairo, Egypt. He assumed this role in January 2005 after holding successively the positions of Executive Vice-President and Senior Executive Vice-President of Afreximbank. Under his leadership, Afreximbank was assigned an investment grade credit rating by 3 major international rating agencies (Fitch, Moody’s and S&P) and won many awards and Prizes for excellence given by various reputable organisations. Before joining Afreximbank in 1996, he held senior positions in different institutions including: Vice-President in charge of International Financial Institutions at Citibank NA Abidjan; Managing Director of Société Ivoirienne de la Poste et de l’Epargne (SIPE); Country Manager for the West African Economic & Monetary Union (UEMOA) and Partner at DKS Investment, a financial advisory firm in Jersey. He was for 4 years elected Honorary President of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID). In 2011, Mr. EKRA was listed among the 100 most influential people of Africa by “New African”. In 2013, he received the “Lifetime Achievement Award” from “African Bankers”. In 2016, he was awarded the honour of Commandeur de l’Ordre National of Côte d’Ivoire. He holds a Master of Business Administration from Stern School of Business at New York University (NYU) and a Master of Economics from University of Abidjan, Côte d’Ivoire.

Giovanni Tria has served as Independent Director of the Bank since July 2022. Mr. TRIA is an economist with more than 40 years of academic and professional experience in the fields of macroeconomics, price policies, economic development policies, business cycle and growth, public investment assessment and project evaluation, role of the institutions on the process of growth, economics of crime and economics of corruption, service sector and public sector economics. He received his degree in Law from University in Rome “La Sapienza” in 1971, then became associate professor and full professor of Political Economy at Faculty of Economics, the University of Rome Tor Vergata, where he served as Dean of the Faculty from 2016 to May 2018 until he was appointed Minister of Economic and Finance of Italy in the Conte I Cabinet and member of the IMF Board of Governors from June 2018 to September 2019. He was adviser of the Italian Ministry of Economic Development in the Draghi Cabinet from March 2021 to October 2022. Currently he is honorary professor at University of Rome Tor Vergata and since January 2022 he is President of the Foundation Enea Tech Biomedical. His past professional and academic positions include expert at the Department of Treasury and member of the “Evaluation Team of Public Investments” at the Ministry of Budget of Italy from 1987 to 1990, visiting scholar at the Department of Economics at Columbia University in 1986, consultant at the World Bank from 1998 to 2000, consultant at the Ministry of Foreign Affairs (Directorate General for Development Cooperation) from 1999 to 2002, Delegate for the Italian Government at the Governing Body of International Labour Organization from 2002 to 2006 and from 2009 to 2012, Vice Chair of Committee for Information, Computer and Communication Policy (ICCP) and Member of the Innovation Strategy Expert Advisory Group at OECD from 2009 to 2011. He served as Director of Center for Economic and International Studies at University of Rome Tor Vergata from 2000 to 2009 and as President of Italian National School of Administration from 2010 to 2016.

Liu Xiaolei has served as Independent Director of the Bank since March 2024. Ms. LIU currently serves as Professor of Finance and Accounting, as well as the Deputy Director of the Faculty of Economics & Management and Chair of the Finance Department at Guanghua School of Management, Peking University. Ms. LIU has held several positions at Peking University, including Deputy Director of the Faculty of Economics & Management since May 2022, Peking University Boya Distinguished Professor since 2018, Chair of the Finance Department at Guanghua School of Management since November 2015, and Professor of Finance and Accounting at Guanghua School of Management since December 2014. Before joining Peking University, Ms. LIU served as an Assistant Professor and later a tenured Associate Professor at Hong Kong University of Science and Technology between December 2005 and December 2014. Since June 2021, Ms. LIU has been an independent director of First Capital Securities Co., Ltd. Between April 2020 and February 2024, she served as an independent director of FIL Fund Management (China) Company Limited. Between March 2019 and December 2021, she served as an independent director of Chasing Securities Co., Ltd. She also served as an independent director of Tianjin Youfa Steel Pipe Group Co., Ltd. from February 2018 to January 2022 and acted as the convener of the Audit Committee of the Board of Directors. In 1995, Ms. LIU obtained a BA in Economics from Nankai University, followed by an MA in Economics from the University of International Business and Economics in 1998. In 2006, she completed her Ph.D. at the University of Rochester in the USA. Ms. LIU's research interests include corporate finance, accounting, risk management, and financial markets. She was included in the 2022 "Highly Cited Chinese Researchers" list published by Elsevier, and her work has received numerous national and international awards.

There are no potential conflicts of interest between any duties to the Bank of the Directors listed above and their private interests or other duties.

Board of Supervisors

The following table sets forth certain information concerning members of the Bank's Supervisors.

Name	Position
Wei Hanguang	Employee Supervisor
Zhou Hehua...	Employee Supervisor
Jia Xiangsen	External Supervisor
Hui Ping	External Supervisor
Chu Yiyun	External Supervisor

Wei Hanguang has served as the Employee Supervisor of the Bank since November 2021. Ms. Wei currently serves as General Manager of the Human Resources Department of the Head Office of the Bank, and concurrently serves as a director of BOC International Holdings Limited and Bank of China Group Investment Limited. Since joining the Bank in July 1994, she served as Deputy General Manager of the Human Resources Department of the Head Office, Executive Deputy Director of Office of the Leading Group for Comprehensively Deepening Reform and Deputy General Manager of the Human Resources Department of the Head Office of the Bank, and General Manager of the Human Resources Department and Executive Deputy Director of Office of the Leading Group for Comprehensively Deepening Reform of the Head Office of the Bank. She graduated from Tsinghua University and obtained a Master's degree in Business Administration.

Zhou Hehua has served as the Employee Supervisor of the Bank since November 2021. Mr. Zhou currently serves as General Manager of the Credit Approval Department of the Head Office of the Bank. He joined the Bank in August 1997, and used to serve as Assistant to General Manager of Shanghai Branch, Deputy General Manager of Shanghai Branch, and Deputy General Manager of Fujian Branch and General Manager of Xiamen Branch of the Bank. He graduated from China Europe International Business School and obtained a Master's degree in Business Administration.

Jia Xiangsen has served as External Supervisor of the Bank since May 2019. Mr. Jia previously worked in the People's Bank of China ("**PBOC**") and Agricultural Bank of China ("**ABC**"). From December 1983 to April 2008, Mr. Jia served as Deputy Director of the PBOC Fengtai District Office, and held such positions at ABC as Deputy Head of Beijing Fengtai Sub-branch, Deputy Division Chief at Beijing Branch, Head of Beijing Dongcheng Sub-branch, Deputy General Manager of Beijing Branch, General Manager of the Corporate Banking Department of the ABC Head Office, and General Manager of Guangdong Branch. From April 2008 to March 2010, Mr. Jia served as Principal of the Audit Office of ABC. From March 2010 to March 2014, he served as both the Chief Auditor and the Principal of the Audit Office of ABC. Mr. Jia received his Master's Degree in Monetary Banking from the Chinese Academy of Social Sciences. He holds the title of Senior Economist.

Hui Ping has served as External Supervisor of the Bank since February 2022. Mr. Hui had successively worked for the PBOC and the ICBC. Mr. Hui joined and worked for Qingjian County sub-branch of PBOC Shaanxi Branch in December 1980, joined and worked for Qingjian sub-branch of ICBC Shaanxi Branch in August 1986. From May 1994 to December 2010, he held various positions at ICBC Shaanxi Branch, including, among others, secretary at deputy director level of the office, deputy director of the office and director of the office, the head of Shaanxi Xianyang Branch, deputy general manager of Shaanxi Branch, and general manager of Shaanxi Branch of ICBC. From December 2010 to June 2015, Mr. Hui served as general manager of the internal control and compliance department of the ICBC Head Office. From June 2015 to April 2019, Mr. Hui served as deputy secretary of party discipline committee, director of the discipline enforcement department of the ICBC Head Office. From April 2019 to July 2020, Mr. Hui served as deputy head of the discipline inspection and supervision group dispatched to ICBC by the CPC Central Commission for Disciplinary Inspection and the State Committee of Supervisory. From September 2015 to September 2020, Mr. Hui concurrently served as employee supervisor of ICBC. He graduated from Xiamen University with a Doctor's Degree in Finance. He holds the title of Senior Economist.

Chu Yiyun has served as External Supervisor of the Bank since June 2022. Mr. Chu is currently a professor and doctoral supervisor in accounting at Shanghai University of Finance and Economics, a director of the ninth session of the Council of the Accounting Society of China, an accountant specialist recognised by the Ministry of Finance and a member of the second session of the Senior Accounting Professional and Technical Qualification Evaluation Committee of the National Government Offices Administration. Mr. Chu has been serving as the secretary, assistant professor, lecturer, associate professor, postgraduate supervisor, professor, and doctoral supervisor of the Accounting Faculty of Shanghai University of Finance and Economics since 1986. From 2003 to 2005, Mr. Chu served as an expert advisor on accounting standards of the Accounting Standards Committee of the Ministry of Finance. From 2015 to 2021, Mr. CHU served as an independent director of Tellhow Sci-Tech Co., Ltd. From 2016 to 2018, Mr. CHU served as a member of the First Consulting Committee of Corporate Accounting Standards of the Ministry of Finance. From 2006 to 2010, Mr. CHU served as a council member of the sixth session of the Council of the Finance and Cost Subsociety of the Accounting Society of China. From 2010 to 2016, Mr. Chu served as an independent director of Ping An Bank Co., Ltd. From 2016 to 2022, Mr. Chu served as an independent director of Bank of Jiaxing Co., Ltd. From 2017 to 2020, Mr. Chu served as an external supervisor of Ping An Bank Co., Ltd. From 2017 to 2023, Mr. CHU served as an independent director of Huan Xu Electronics Co., Ltd. Mr. CHU has also served as the Executive Secretary-General of the Accounting Education Branch of the Accounting Society of China (formerly known as the Chinese Accounting Professors Association). He currently serves as an independent director of Ping An Insurance (Group) Company of China, Ltd., and an independent director of Bank of Hebei Co., Ltd. Mr. Chu graduated from Shanghai University of Finance and Economics with a Doctor's Degree in Management (Accounting) in 1999.

Senior Management Members

The following table sets forth certain information concerning members of the Bank's senior management.

Name	Position
Lin Jingzhen	Executive Vice President
Liu Jinn	Executive Vice President
Zhang Xiaodong.......................................	Executive Vice President
Cai Zhao	Executive Vice President
Zhao Rong..	Chief Risk Officer
Zhuo Chengwen	Secretary to the Board of Directors and Company Secretary
Meng Qian	Chief Information Officer

Lin Jingzhen – for Mr. Lin Jingzhen's biography, please refer to "*Directors, Management and Supervisors – Lin Jingzhen*".

Liu Jinn has served as Executive Vice President of the Bank since April 2024. Mr. Liu joined the Bank in 2024. Mr. Liu served as Executive Vice President of China Development Bank (CDB) from September 2021 to January 2024. He served successively at CDB as Deputy Director-General of Policy Research Department, Director-General of Education & Training Department and Dean of CDB Institute of Development Finance, Director-General of Policy Research Department, and General Manager of CDB Beijing Branch. Mr. Liu graduated from Peking University in 1997, and obtained a Master's Degree of Economics from Xiamen University in 2000. He holds the title of Senior Economist.

Zhang Xiaodong has served as Executive Vice President of the Bank since March 2023. Mr. Zhang joined the Bank in 2022. Prior to that, Mr. Zhang had worked in Industrial and Commercial Bank of China ("**ICBC**") for many years, and he served as General Manager of the Human Resources Department of its Head Office from April 2021 to December 2022. Mr. Zhang served as General Manager of Executive Office of Head Office of ICBC from April 2020 to April 2021, and General Manager of Private Banking Department of Head Office of ICBC from March 2018 to April 2020. He successively served as Deputy General Manager of Investment Banking Department of Head Office of ICBC and Deputy General Manager of Shanghai Branch of ICBC. He has served as President of Shanghai RMB Trading Unit of the Bank since May 2023. Mr. Zhang graduated from Nankai University in 2000, and then obtained his doctoral degree in Management from Beijing Jiaotong University.

Cai Zhao has served as Executive Vice President of the Bank since September 2023. Mr. CAI joined the Bank in 2023. Prior to that, Mr. CAI worked in Agricultural Bank of China (ABC) for many years, serving as Chief Information Officer of ABC from June 2023 to July 2023. Mr. CAI also served as General Manager of Technology and Product Management Bureau of the Head Office of ABC from December 2019 to July 2023, General Manager of the Research & Development Centre of the Head Office of ABC from October 2018 to March 2020, and General Manager of the Software Research and Development Centre of the Head Office of ABC from September 2015 to October 2018. Prior to that, he served as Deputy General Manager of the Software Research and Development Centre of the Head Office of ABC. Mr. CAI graduated from Shaanxi Institute of Finance and Economics in 1995 and obtained a Master's Degree of Engineering from Sichuan University in 2003. He holds the title of Senior Engineer.

Zhao Rong has served as Chief Risk Officer of the Bank since September 2024. Ms. Zhao joined the Bank in 1998. She served as Chief Business and Management Officer of the Bank since December 2022. She has served as General Manager of Shanghai Branch of the Bank from November 2015 to October 2020, and Executive Vice President of Shanghai RMB Trading Unit from July 2014 to May 2021. Ms. Zhao served as General Manager of the Executive Office and Spokesman of the Bank from October 2009 to March 2014. Prior to that, she served successively as Deputy General Manager of the Executive Office, Director of Personal Banking Department and Deputy General Manager (Wealth Management) of the Personal Banking Unit. Ms. Zhao graduated from the Graduate School of the People's Bank of China in 1998. She obtained a Doctor's Degree in Economics.

Zhuo Chengwen has served as Secretary to the Board of Directors and the Company Secretary of the Bank since March 2024. Mr. Zhuo joined the Bank in 1995. He served as Chief Audit Officer of the Bank from May 2021 to March 2024. Mr. Zhuo served as Chief Risk Officer of BOC Hong Kong (Holdings) Limited from November 2019 to February 2021. Mr. Zhuo served as Chief Executive and Executive Director of BOCG Insurance from June 2016 to November 2019, and as General Manager of the Financial Management Department of the Bank from December 2014 to June 2016. Prior to that, Mr. Zhuo served as Deputy General Manager of New York Branch, Deputy General Manager of the Financial Management Department of the Bank, Chief Financial Officer of BOC Hong Kong (Holdings) Limited. Mr. Zhuo concurrently served as General Manager of the Audit Department of the Bank since January 2022. Mr. Zhuo graduated from Peking University with a Master's Degree in Economics in 1995, and obtained a Master's Degree in Business Administration from the City University of New York in 2005. He holds certified public accountant qualifications in places such as the Chinese Mainland and Hong Kong (China).

Meng Qian has served as Chief Information Officer of the Bank since May 2022. Ms. Meng joined the Bank in 1987. She served as General Manager of Information Technology Department of the Bank from November 2019 to May 2022, and has concurrently served as General Manager of Enterprise Architecture Office since September 2020. From December 2014 to November 2019, Ms. MENG served as General Manager of the Software Center of the Bank. From March 2014 to December 2014, she served as General Manager of the Data Center of the Bank. She served as General Manager of the Information Center of the Bank from September 2009 to March 2014, and also concurrently served as General Manager of the Test Center of the Bank from July 2013 to March 2014. Ms. Meng previously served as Director (technology management) of the Information Center of the Bank, and Deputy General Manager (Person-in-Charge) of the Information Center of the Bank. She graduated from Beijing Computer Science College with a Bachelor's Degree in Engineering in 1987. She holds the title of Senior Engineer.

Board Committees

The Bank's Board of Directors delegates certain responsibilities to various committees. The Bank's Board of Directors has set up the Strategic Development Committee, Corporate Culture and Consumer Protection Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee. These committees are constituted by certain Directors and report to the Board of Directors. In March 2015, the Board of Directors established the U.S. Risk and Management Committee under its Risk Policy Committee to supervise risk management of the U.S. operations of the Bank. As required by the Bank's Articles of Association, each committee must have at least three Directors.

DISCLOSURE OF SHAREHOLDING UNDER H-SHARE REGULATION SUBSTANTIAL SHAREHOLDER INTERESTS

The register maintained by the Bank pursuant to section 336 of the Securities and Futures Ordinance (the "SFO"), recorded that, as at 30 June 2024, the shareholders indicated in the following table were substantial shareholders (as defined in the SFO) having the following interests in shares of the Bank:

Number of shares	**Capacity (types of interest)**	**Number of shares held/Number of underlying shares**	**Type of shares**	**Percentage of total issued A-Shares capital**	**Percentage of total issued H-Shares capital**	**Percentage of total issued ordinary share capital**
		(unit: share)				
Central Huijin Investment Ltd	Beneficial owner	188,791,906,533	A	89.57 per cent.	–	64.13 per cent.
	Interest of controlled corporations	1,810,024,500	A	0.86 per cent.	–	0.61 per cent.
	Total	190,601,931,033	A	90.43 per cent.	–	64.74 per cent.
BlackRock, Inc.	Interest of controlled corporations	4,740,662,257	H	–	5.67 per cent.	1.61 per cent.
		63,935,000 (S)	H	–	0.08 per cent.	0.02 per cent.
CITIC Securities Company Limited	Interest of controlled corporations	665,156,352	H	–	0.80 per cent.	0.23 per cent.
		369,000(S)	H	–	0.00044 per cent.	0.00013 per cent.
	Trustee	6,050,387,000	H	–	7.24 per cent.	2.06 per cent.
	Beneficial owner	28,789,000	H	–	0.034 per cent.	0.0098 per cent.
	Total	6,744,332,352	H	–	8.07 per cent.	2.29 per cent.
		369,000(S)	H	–	0.00044 per cent.	0.00013 per cent.
CITIC Securities Asset Management Company Limited	Trustee	5,890,062,000	H	–	7.04 per cent.	2.00 per cent.
CITIC Securities Asset Management – No.3 Single Asset Management Plan	Other	5,909,466,000	H	–	7.07 per cent.	2.01 per cent.
China CITIC Financial Asset Management Co., Ltd.	Interest of controlled corporations	10,505,701,000	H	–	12.56 per cent.	3.57 per cent.
China CITIC Financial AMF International Holdings Limited	Beneficial owner	10,505,701,000	H	–	12.56 per cent.	3.57 per cent.

Notes:

(3) BlackRock, Inc. held a long position of 4,740,662,257 H Shares and a short position of 63,935,000 H Shares of the Bank through BlackRock Financial Management, Inc. and other corporations controlled by it. In the short position of 63,935,000 H Shares, 29,025,000 H Shares were held through derivatives.

(4) CITIC Securities Company Limited held, through its controlled corporations including but not limited to CITIC Securities Asset Management Company Limited and CITIC Securities International Company Limited, a long position of 6,744,332,352 H Shares and a short position of 369,000 H Shares of the Bank. In the long position of 6,744,332,352 H Shares, 665,305,379 H Shares were held through derivatives. The entire short position of 369,000 H Shares was held through derivatives.

(5) CITIC Securities Asset Management Company Limited is a wholly-owned subsidiary of CITIC Securities Company Limited. CITIC Securities Asset Management Company Limited, through all the asset management plans it manages including CITIC Securities Asset Management – No.3 Single Asset Management Plan, held a long position of 5,890,062,000 H Shares of the Bank.

(6) CITIC Securities Asset Management Company Limited is the manager of CITIC Securities Asset Management – No.3 Single Asset Management Plan.

(7) China CITIC Financial Asset Management Co., Ltd. held, through its controlled corporation China CITIC Financial AMC International Holdings Limited, a long position of 10,505,701,000 H Shares of the Bank.

(8) "S" denotes short position.

(9) Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 30 June 2024, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

(10) The register maintained by the Bank under Section 336 of the SFO contains information which is self-reported by the relevant shareholders or other persons, and the Bank is not required by the relevant ordinance to conduct any independent investigation.

CONNECTED TRANSACTIONS

The Bank currently engages in and expects from time to time in the future to engage in, financial and commercial transactions with its connected parties. All such transactions are conducted on an arm's length and commercial basis and in accordance with the applicable listing rules.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on laws and relevant interpretation thereof in effect as at the date of this Offering Circular all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that none of the Relevant Obligors, the Bank nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

PEOPLE'S REPUBLIC OF CHINA

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of Mainland China for PRC tax purposes. These beneficial owners are referred to as non-PRC Noteholders in this section. In considering whether to invest in the Notes, potential purchasers should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the Enterprise Income Tax Law promulgated on 16 March 2007 and amended on 29 December 2018 and the PRC Individual Income Tax Law, as amended on 31 August 2018, and their implementation regulations, an income tax is imposed on payment of interest by way of withholding in respect of debt securities, issued by PRC enterprises to non-resident Noteholders, including non-resident enterprises and non-resident individuals.

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation ("SAT") issued the Circular of Full Implementation of Business Tax to VAT Reform (關於全面推開營業稅改徵增值稅試點的通知) (Caishui [2016] No. 36, "Circular 36") which confirms that business tax was replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax will be entirely replaced by, and subject to, VAT.

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the relevant Issuer.

(I) In the event that the Issuer is the Bank's head office (the "BOC Head Office")

In the event that the Issuer is BOC Head Office, BOC Head Office will be subject to withhold PRC income tax on the payment of interest of the Notes to non-resident Noteholders. The current rates of such income tax are 20 per cent. (for non-resident individuals) and 10 per cent. (for non-resident enterprises) of the gross amount of the interest, in each case, unless a lower rate is available under an applicable tax treaty. For example, the tax so charged on interests paid on the Notes to non-resident Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the arrangement between the Mainland China and Hong Kong for purpose of the avoidance of double taxation will be 7 per cent. of the gross amount of the interest pursuant to such arrangement. Further, given that the BOC Head Office is located in the PRC, in the event that the Issuer is the BOC Head Office, holders of the Notes would be regarded as providing the financial services within China and consequently, the holders of the Notes shall be subject to VAT at the rate of 6 per cent. when receiving the interest payments under the Notes. Given that BOC Head Office pays interest income to Noteholders who are located outside of the PRC, – 178 – BOC Head Office, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT from the payment of interest income to Noteholders who are located outside of the PRC. BOC Head Office has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the "*Terms and Conditions of the Notes*".

(II) In the event that the Issuer is a Branch Issuer or the Notes are guaranteed by an Overseas Branch

In the event that the Issuer is a Branch Issuer or the Notes are guaranteed by an Overseas Branch, the relevant Issuer and the relevant Guarantor, as applicable, are not obliged to withhold PRC income tax at the rate up to 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) on the payments of interest made by it to non-resident Noteholders provided that the payments are made outside of the territory of PRC. However, this is subject to the interpretation by the PRC tax authorities. If the PRC tax authorities take an interpretation that the interest on the Notes payable by the relevant Issuer or Guarantor is treated as income sourced from the PRC, a withholding tax may be imposed on such interest and the relevant Issuer or Guarantor will pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in the Conditions. If BOC Head Office shall perform the obligation of paying interest of the Notes in the event and only when the relevant Branch Issuer or Overseas Branch as Guarantor fails to perform its obligations of paying the interest of the Notes, BOC Head Office will be obliged to withhold PRC income tax at a rate of 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) (unless a lower rate is available under an applicable tax treaty) and PRC VAT tax at the rate of 6 per cent. of the interest component of the amount payable by BOC Head Office to the Noteholders if the PRC tax authority views such component as an interest income arising within the territory of the PRC.

Pursuant to the EIT Law, IIT Law and the VAT reform detailed above, in the case of (I) and (II), the Relevant Obligor(s) or the Bank shall withhold EIT or IIT, (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the Relevant Obligor(s) or the Bank shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that such Relevant Obligor and the Bank are required to make such a deduction or withholding (whether by way of EIT, IIT or VAT otherwise), each Relevant Obligor and the Bank have agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see "*Terms and Conditions of the Notes – Condition 14 (Taxation)*".

(III) In the event that the Issuer is a Subsidiary Issuer and the Notes are not guaranteed

In the event that the Issuer is a Subsidiary Issuer and the Notes are not guaranteed, the relevant Issuer is not obliged to withhold PRC income tax or PRC VAT tax.

Non-resident Noteholders will not be subject to the PRC tax on any capital gains derived from a sale or exchange of Notes consummated outside the PRC between non-resident Noteholders, except however, if the relevant Issuer is treated as a PRC tax resident enterprise under the Enterprise Income Tax Law and related implementation regulations in the future, any gains realised by the non-resident Noteholders from the transfer of the Notes may be regarded as being sourced within the PRC and accordingly would be subject to the rate of 10 per cent. (for non-resident enterprises) or 20 per cent. (for non-resident individuals) of PRC withholding tax unless there is a lower tax rate applicable.

Where a holder of the Notes who is an entity or individual located outside of the PRC resells the Notes to an entity or individual located outside of the PRC and derives any gain, since neither the service provider nor the service recipient is located in the PRC, theoretically VAT prescribed under Circular 36 does not apply and the relevant Issuer does not have the obligation to withhold the VAT or the local levies. However, there is uncertainty as to the applicability of VAT if either the seller or buyer of Notes is located inside the PRC. According to an arrangement between the Mainland China and Hong Kong for avoidance of double taxation, Noteholders who are Hong Kong residents, including both enterprise holders and individual holders, will be exempted from PRC income tax on capital gains derived from a sale or exchange of the Notes. There is uncertainty as to whether gains realized on the transfer of the Notes by individual holders who are not PRC citizens or residents will be treated as incomes sourced within the PRC which as a result will be subject to PRC individual income tax.

Circular 36 has been issued quite recently, the above statements on VAT may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

UNITED KINGDOM

The comments below are of a general nature, based on current UK tax law as applied in England and Wales and HM Revenue and Customs ("**HMRC**") practice (which may not be binding on HMRC), in each case as at the latest practicable date before the date of this Pricing Supplement, and are not intended to be exhaustive. They relate only to the position of persons who hold their Notes as investments and only apply to persons who are absolute beneficial owners of the Notes. The comments below do not necessarily apply where the income is deemed for tax purposes to be the income of any other person and may not apply to certain classes of person such as dealers or certain professional investors. Any Noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their professional advisers.

Withholding tax on payments of interest on Notes issued by the Issuer that have a UK source ("UK Notes")

References to "interest" in this section mean interest as understood for UK withholding tax purposes. Any redemption premium may be "interest" for these purposes, although the position will depend upon the particular terms and conditions. For UK Notes issued at a discount, the difference between the face value and the issue price will not generally be regarded as "interest" for these purposes.

While the UK Notes are and continue to be admitted to trading on a multilateral trading facility operated by a UK, Gibraltar or an EEA-regulated recognised stock exchange within the meaning of Sections 987 and 1005 Income Tax Act 2007, payments of interest by the Issuer may be made without withholding or deduction for or on account of UK income tax. The International Securities Market is a multilateral trading facility operated by a UK, Gibraltar or an EEA-regulated recognised stock exchange (the London Stock Exchange) for these purposes.

In addition, payments of interest by the Issuer may be made without withholding or deduction for or on account of UK income tax provided that the Issuer is and continues to be a bank within the meaning of Section 991 Income Tax Act 2007 and the interest on the UK Notes is paid in the ordinary course of its business within the meaning of Section 878 Income Tax Act 2007.

In other cases, an amount must generally be withheld from payments by the Issuer of interest on the UK Notes that has a UK source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the Issuer to pay interest to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

Withholding tax on payments of interest on Notes issued by the Issuer that do not have a UK source

The analysis set out in the above paragraph applies to payments of interest on the Notes issued by the Issuer if such payments have a UK source. If such payments do not have a UK source then payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

HONG KONG

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(i) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(ii) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(iii) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(iv) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Where Bank of China Limited, Hong Kong Branch is the Issuer, pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorised institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**"), the issue of Notes by the Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal and redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the "**Amendment Ordinance**") came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp Duty

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfer of Registered Notes provided that either:

(i) such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(ii) such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 17 November 2023, if stamp duty applies to the transfer of Registered Bonds required to be registered in Hong Kong and which are not otherwise exempt it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5.00 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting, or related requirements. The Bank is a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are published generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

The proposed financial transactions tax ("FTT")

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "**participating Member States**"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of the Notes should, however, be exempt.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

CLEARANCE AND SETTLEMENT

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Relevant Obligors and the Bank believe to be reliable, but none of the Issuer, the Bank or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Relevant Obligors, the Bank or any other party to the Programme Agency Agreement or any Alternative Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

THE CLEARING SYSTEMS

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for its customers and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

TRANSFERS OF NOTES REPRESENTED BY GLOBAL NOTES CERTIFICATE

Transfers of any interests in Notes represented by a Global Note Certificate within Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Notes among participants and accountholders of Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Bank, the Agents or any Dealer will be responsible for any performance by Clearstream or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Notes Certificate or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TRANSFER RESTRICTIONS

REGULATION S NOTES

Each purchaser of Unrestricted Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Notes in resales prior to the expiration of the distribution compliance period as defined in Regulation S, by accepting delivery of this Offering Circular and the Notes, will be deemed to have represented, agreed and acknowledged that:

(i) it is, or at the time Notes are purchased will be, the beneficial owner of such Notes and:

  (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S); and

  (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(ii) it understands that such Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such Notes except:

  (a) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or

  (b) to the Issuer;

(iii) it understands that the Issuer, the Trustee, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and, if any such acknowledgments, representations or agreements deemed to have been made by virtue of its purchase of the Notes are no longer accurate, it agrees to promptly notify the Issuer.

REGULATION AND SUPERVISION IN THE PRC

The banking industry is heavily regulated in the PRC, with NFRA and PBOC acting as the principal regulatory authorities. NFRA is primarily responsible for supervising and regulating banking institutions, and PBOC, as the central bank of the PRC, is primarily responsible for formulating and implementing monetary policies. The applicable laws and regulations governing activities in the PRC banking industry consist principally of the PRC PBOC Law, the PRC Commercial Banking Law, the Law of PRC on Supervision and Administration of Banking Sector, and rules and regulations promulgated thereunder.

PRINCIPAL REGULATORS

Prior to April 2003, PBOC acted as both the PRC's central bank and the principal supervisor and regulator of the banking industry in the PRC. In April 2003, China Banking Regulatory Commission was established to serve as the primary banking industry regulator and it assumed the majority of bank regulatory functions from PBOC. PBOC retained its role as the central bank but now has a smaller role in the regulation of banking institutions.

In March 2018, the PRC Government announced the merger of the China Banking Regulatory Commission with the China Insurance Regulatory Commission, to form CBIRC. On 18 May 2023, NFRA was officially established, which opens a new chapter on financial regulation in China. The new regulator replaces the former CBIRC and will also take over certain financial investor protection responsibilities from other regulators.

NFRA

Functions and Powers

NFRA is responsible for implementing the policies and decisions of the CPC Central Committee on financial work. The main responsibilities are:

1. To conduct unified supervision and regulation of the financial industry except the securities sector in accordance with laws and regulations, strengthen institutional supervision, conduct supervision, functional supervision, look-through supervision and on-going supervision, and ensure the lawful and stable operation of the financial industry.

2. To carry out systematic research on issues concerning the reform and opening up as well as effective supervision of the financial industry. To participate in the formulation of strategic plans for reform and development of the financial industry. To draft relevant laws and regulations on banking, insurance and financial holding companies, and put forward recommendations for their formulation and revision. To formulate relevant rules and regulations for banking institutions, insurance institutions, and financial holding companies, etc.

3. To conduct and coordinate work concerning the protection of financial consumers' rights and interests. To formulate development planning, establish a sound system and study major issues concerning the protection of financial consumers' rights and interests, to carry out financial consumer education, and build complaint handling mechanisms as well as diversified dispute resolution mechanisms for financial consumers.

4. To conduct authorization of banking institutions, insurance institutions, financial holding companies and others in accordance with law, and carry out supervision and regulation of these institutions in respect of their corporate governance, risk management, internal controls, capital adequacy, solvency, business operations, information disclosure, etc.

5. To conduct on-site examination and off-site surveillance of banking institutions, insurance institutions, financial holding companies and others, in accordance with law. To carry out risk and compliance assessment of these institutions, investigate and impose administrative penalties over violations.

6. To prepare regulatory data statements of banking institutions, insurance institutions, financial holding companies and others on a consolidated basis, and release these information in accordance with relevant provisions. To fulfill the responsibilities concerning comprehensive statistics of the financial industry.

7. To carry out technology supervision of banking institutions, insurance institutions, financial holding companies, etc. To establish technology supervisory systems and formulate relevant policies. To build a regulatory big data platform, carry out risk monitoring, analysis, assessment and early warning, and make full use of technological means to strengthen supervision and prevent risks.

8. To conduct look-through supervision of the banking institutions, insurance institutions, financial holding companies, etc. To formulate rules on equity supervision, and review and approve shareholders, actual controllers as well as equity changes in accordance with law. To carry out investigation on shareholders, actual controllers, persons acting in concert and ultimate beneficiaries according to law, and take relevant measures or impose penalties on violations of laws and regulations.

9. To set up financial inspection and oversight systems outside of the fields of currency, payment, credit reporting, anti-money laundering, foreign exchange, securities and futures. To set up mechanisms connecting the administrative law enforcement with criminal justice, and investigate, collect evidence on and deal with related subjects of violations or illegal financial activities, and transfer those suspected of committing a crime to judicial organs.

10. To establish recovery and resolution mechanisms of banking institutions, insurance institutions, financial holding companies, etc. To study and put forward recommendations on the recovery and resolution of financial institutions in collaboration with relevant departments and organize their implementation.

11. To take the lead in cracking down on illegal financial activities, organize the establishment of monitoring and early warning system on illegal financial activities, coordinate, guide and urge relevant departments and local governments to carry out work to prevent and deal with illegal financial activities according to law. To study and put forward relevant suggestions on cross-sector and cross-region illegal financial activities and those involving new products and new types of business, and organize their implementation as required.

12. To establish a local financial supervision system as required which is mainly based on local offices directly under the central financial authorities. To guide and oversee the local financial supervisory work, and guide and coordinate local governments to fulfill their respective jurisdictional responsibility in resolving related financial risks.

13. To supervise the outsourcing of information technology, as well as other cooperating activities of banking institutions, insurance institutions, financial holding companies and other supervised entities with information technology service agencies and other intermediaries. To conduct investigation over violations of laws and regulations in accordance with law, and take relevant measures against financial institutions.

14. To participate in the regulatory and rule-making work of international financial organizations and international regulatory standard-setting bodies. To carry out overseas exchanges and international cooperation work.

15. To implement other tasks assigned by the CPC Central Committee and the State Council.

PBOC

As the central bank of the PRC, PBOC is responsible for formulating and implementing monetary policies and maintaining the stability of the financial markets. According to the PRC PBOC Law, PBOC is empowered to:

(1) formulate and implement monetary policies by establishing benchmark interest rates, setting the deposit reserve ratios for banks, extending loans to commercial banks, accepting discounted bills and conducting open market operations;

(2) issue PRC treasury bills and other government bonds to financial institutions, as the agent of the Ministry of Finance;

(3) issue the currency of Renminbi and regulate the flow of Renminbi;

(4) regulate the inter-bank lending market, inter-bank bond market and inter-bank foreign exchange market;

(5) set foreign exchange rate policies and manage the PRC's foreign exchange reserves and gold reserves;

(6) manage the state treasury;

(7) maintain the normal operation of payment and settlement systems;

(8) carry out foreign exchange administration and regulate inter-bank foreign exchange market;

(9) establish anti-money laundering guidelines and monitor fund transfers to ensure that such transfers are in compliance with anti-money laundering regulations;

(10) act as the central bank of the PRC to conduct relevant international financial activities; and

(11) collect statistics of, investigate, analyse and forecast the financial industry.

Other Regulatory Authorities

In addition to NFRA and PBOC, commercial banks in the PRC are also subject to the supervision and regulation by other regulatory authorities including, among others, SAFE, CSRC, CIRC and NDRC. For example, in conducting foreign exchange business, banks are subject to the regulation of SAFE; in dealing with securities-related matters such as distributing securities investment funds or acting as the custodians of investment assets of securities institutional investors, banks are subject to the regulation of CSRC; and in conducting bancassurance business, banks are subject to the regulation of CIRC; and in issuing the notes overseas by the domestic banks, the domestic banks are subject to the regulation of the NDRC.

REGULATIONS REGARDING CAPITAL ADEQUACY

Capital Adequacy Guidelines

On 26 October 2023, the NAFR published the New Capital Regulation which became effective on 1 January 2024. The New Capital Regulation, which are intended to reflect the Basel III regulatory capital requirements, set out minimum capital adequacy ratio ("**CAR**") requirements for commercial banks and provide detailed guidelines on the calculation of "capital" and "risk-weighted assets". Commercial banks in the PRC are required to have a CAR of not less than 8 per cent., Tier 1 CAR of not less than 6 per cent. and Common Equity Tier 1 CAR of not less than 5 per cent. The CARs are calculated in accordance with the New Capital Regulation as follows:

$$\text{Capital Adeuacy Ratio} = \frac{\text{Total Capital} - \text{ deductions from corresponding capital instruments}}{\text{Risk} - \text{weighted Assets}} \times 100 \text{ per cent}$$

$$\text{Tier 1 Capital Adequacy Ratio} = \frac{\text{Tier 1 Capital} - \text{ deductions from corresponding capital instruments}}{\text{Risk} - \text{weighted Assets}} \times 100 \text{ per cent.}$$

$$\text{Common Equity Tier 1 Capital Adequacy Ratio } = \frac{\text{Common Equity Tier 1 Capital} - \text{ deductions from corresponding capital instruments}}{\text{Risk} - \text{weighted Assets}} \times 100 \text{ per cent.}$$

In November 2019, CBIRC released the Guiding Opinions on the Innovation in Capital Instruments by Commercial Banks (the "**2019 Guiding Opinions**"), setting out the general principles of the innovation of capital instruments of commercial banks and criteria of qualified capital instruments.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Offering Circular, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Renminbi is not a completely freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to control imposed under PRC law.

CURRENT ACCOUNT ITEMS

Under PRC foreign exchange control regulations, current account items refer to any transaction for international receipts and payments involving goods, services, earnings and other frequent transfers.

Prior to July 2009, all current account items were required to be settled in foreign currencies with limited exceptions. Following progressive reforms, Renminbi settlement of imports and exports of goods and of services and other current account items became permissible nationwide in 2012, except that the key enterprises on a Supervision List determined by the PBOC and five other relevant authorities would be subject to enhanced scrutiny when banks process current account cross-border repatriations.

On 5 July 2013, the PBOC promulgated the Circular on Policies related to Simplifying and Improving Cross-border Renminbi Business Procedures (關於簡化跨境人民幣業務流程和完善有關政策的通知) (the "**2013 PBOC Circular**") which simplified the procedures for cross-border Renminbi trade settlement under current account items. On 1 November 2014, PBOC introduced a cash pooling arrangement for qualified multinational enterprise group companies, under which a multinational enterprise group can process cross-border Renminbi payments and receipts for current account items on a collective basis for eligible member companies in the group. On 5 September 2015, PBOC promulgated the Circular on Further Facilitating the Cross-Border Bi-directional Renminbi Cash Pooling Business by Multinational Enterprise Groups (關於進一步便利跨國企業集團開展跨境雙向人民幣資金池業務的通知) (the "**2015 PBOC Circular**"), which, among others, have lowered the eligibility requirements for multinational enterprise groups and increased the cap for net cash inflow. The 2015 PBOC Circular also provides that enterprises in the China (Shanghai) Free Trade Pilot Zone (the "**Shanghai FTZ**") may establish an additional cash pool in the local scheme in the Shanghai FTZ, but each onshore company within the group may only elect to participate in one cash pool. In November 2016, PBOC Shanghai Headquarters further allowed banks in Shanghai to provide multinational enterprise groups with services of full-function onshore cash pooling, which will enable broader scope for utilising pooled cashed.

The regulations referred to above are subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying these regulations and impose conditions for settlement of current account items.

CAPITAL ACCOUNT ITEMS

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans. Capital account payments are generally subject to approval of, and/or registration or filing with, the relevant PRC authorities.

Until recently, settlement of capital account items, for example, the capital contribution of foreign investors to foreign invested enterprises in the PRC, were generally required to be made in foreign currencies. Under progressive reforms by PBOC, the Ministry of Commerce of the PRC ("**MOFCOM**") and the State Administration of Foreign Exchange of the PRC ("**SAFE**"), foreign investors are now permitted to make capital contribution, share transfer, profit allocation and liquidation and certain other transactions in Renminbi for their foreign direct investment within the PRC. Cross-border Renminbi payment infrastructure and trading facilities are being improved. Approval, registration and filing requirements for capital account payments in Renminbi are being removed gradually. In addition, the Circular on Reforming Foreign Exchange Capital Settlement for Foreign Invested Enterprises (關於改革外商投資企業外匯資本金結匯管理方式的通知) which became effective on 1 June 2015, was partially repealed by Notice of State Administration of Foreign Exchange on Repeal or Invalidation of Five Regulatory Documents on Foreign Exchange Administration and Some Clauses of Seven Regulatory Documents on Foreign Exchange Administration (國家外匯管理局關於廢止和失效 5 件外匯管理規範性文件及 7 件外匯管理規範性文件條款的通知) on 30 December 2019 and was amended by Notice of the State

Administration of Foreign Exchange on Repealing and Nullifying 15 Regulatory Documents on Foreign

Exchange Control and Adjusting the Provisions of 14 Regulatory Documents on Foreign Exchange Control (國家外匯管理局關於廢止和失效 15 件外匯管理規範性文件及調整 14 件外匯管理規範性文件條款的通知) on 23 March 2023, allows foreign-invested enterprises to settle 100 per cent. (subject to future adjustment at discretion of SAFE) of the foreign currency capital (which has been processed through the SAFE's equity interest confirmation procedure for capital contribution in cash or registered by a bank on the SAFE's system for account-crediting for such capital contribution) into Renminbi according to their actual operational needs. A negative list with respect to the usage of the capital and the Renminbi proceeds through the aforementioned settlement procedure is set forth under the Circular. In particular, a foreign invested enterprise with investment as its main business is permitted to use such Renminbi proceeds to make equity contribution to its invested enterprises directly, without further fillings with SAFE.

PRC entities are also permitted to borrow Renminbi-denominated loans from foreign lenders (which are referred to as "**foreign debt**") and lend Renminbi-denominated loans to foreign borrowers (which are referred to as "**outbound loans**"), as long as such PRC entities have the necessary quota, approval or registration. PRC entities may also denominate security or guarantee arrangements in denominated and make payments thereunder to parties in the PRC as well as other jurisdictions (which is referred to as "**cross-border security**"). Under current rules promulgated by SAFE, foreign debts borrowed, outbound loans extended, and the cross-border security provided by a PRC onshore entity (including a financial institution) in Renminbi shall, in principle, be regulated under the current PRC foreign debt, outbound loan and cross-border security regimes applicable to foreign currencies. However, there remains potential inconsistencies between the provisions of the SAFE rules and the provisions of the 2013 PBOC Circular. It is not clear how regulators will deal with such inconsistencies in practice.

Nevertheless, since January 2016, PBOC and SAFE have worked to set up the Macro Prudential Assessment ("**MPA**") system in order to unify the management of foreign debt denominated in Renminbi and foreign currencies. The latest MPA system is established pursuant to the 2017 PBOC Circular. Under the MPA system, both non-financial enterprises and financial institutions are allowed to borrow foreign debt within the defined "cross-border financing risk weighted balance limit". They can settle foreign debt proceeds in Renminbi on a voluntary basis, provided that the proceeds should not be used beyond their business scope or in violation of relevant laws and regulations.

According to the 2015 PBOC Circular, qualified multinational enterprise groups can extend Renminbi-denominated loans to, or borrow Renminbi-denominated loans from, eligible offshore member entities within the same group by leveraging the cash pooling arrangements. The Renminbi funds will be placed in a special deposit account and may not be used to invest in stock, financial derivatives, or non-self-use real estate assets, or purchase wealth management products or extend loans to enterprises outside the group. Enterprises within the Shanghai FTZ may establish another cash pool under the Shanghai FTZ rules to extend inter-company loans, although Renminbi funds obtained from financing activities may not be pooled under this arrangement.

The securities markets, specifically the Renminbi Qualified Foreign Institutional Investor ("**RQFII**") regime and the China Interbank Bond Market ("**CIBM**"), has been further liberalised for foreign investors. The PBOC has relaxed the quota control for RQFII, and has also expanded the list of eligible foreign investors in CIBM, removed certain quota restrictions, and has granted more flexibility for the settlement agents to provide the relevant institutions with more trading facilities (for example, in relation to derivatives for hedging foreign exchange risk).

The Interbank foreign exchange market of the PRC is also gradually opening-up. In January 2016, CFETS set forth qualifications, application materials and procedure for certain foreign participating banks (which needs to have a relatively large scale of Renminbi purchase and sale business and international influence) to access the inter-bank foreign exchange market.

Recent reforms introduced were aimed at controlling the remittance of Renminbi for payment of transactions categorised as capital account items. There is no assurance that the PRC Government will continue to gradually liberalise the control over Renminbi payments of capital account item transactions in the future. The relevant regulations are relatively new and will be subject to interpretation and application by the relevant PRC authorities. Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

SUMMARY OF DEALER AGREEMENT

The Dealers have, in an amended and restated dealer agreement dated 23 May 2024 (as further amended or supplemented from time to time, the "**Dealer Agreement**"), agreed with the Issuer a basis upon which they or any of them may from time to time agree to subscribe Notes. Any such agreement will extend to those matters stated under "*Terms and Conditions of the Notes*". The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Where the Issuer agrees to sell to the Dealer(s), who agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, Notes at an issue price (the "**Issue Price**"), any subsequent offering of those Notes to investors may be at a price different from such Issue Price. The Issuer has agreed to reimburse the Dealers certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

On 9 October 2024, the Issuer and the Managers entered into a subscription agreement in relation to the sale and offer of the Notes.

Each of the Bank and the Issuer has agreed to indemnify the Dealer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

In order to facilitate the offering of any Series of the Notes, certain persons participating in the offering of the Series may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Series. Specifically such persons may over allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker dealer participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Stabilisation activities may only be carried on by the Stabilisation Manager(s) named in the applicable Pricing Supplement (or persons acting on behalf of any Stabilisation Manager(s)) and only for a limited period following the issue date of the relevant Series of Notes.

In connection with each Series of Notes issued under the Programme, the Dealer or certain of their affiliates may purchase Notes and be allocated Notes for asset management and/or proprietary purposes but not with a view to distribution. Further, the Dealers or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of any Relevant Obligor or its respective subsidiaries or affiliates at the same time as the offer and sale of each Series of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Series of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Series of Notes).

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for this Offering and are subject to additional requirements under the SFC Code.

Prospective investors who are the directors, employees or major shareholders of the Bank, a CMI or its group companies would be considered under the SFC Code as having an Association with the Bank, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Bank or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that the marketing and investor targeting strategy for this Offering may include institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place “X-orders” into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Bank. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a “principal” basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a “principal” basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a “principal” basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the “proprietary orders” requirements of the SFC Code to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;

- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);
- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Managers named in the Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the Bank, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for this Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in this Offering. The Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

SELLING RESTRICTIONS

United States of America

CATEGORY 1

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act. Each of the Dealers has agreed that, except as permitted by the Dealer Agreement, it will not offer or sell the Notes within the United States or to U.S. persons.

In addition, until 40 days after the commencement of any offering, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

CATEGORY 2

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells Notes during the distribution compliance period relating thereto, a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area.

For the purposes of this provision,

(a) the expression "retail investor" means a person who is one (or more) of the following:

   (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

   (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

   (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the relevant Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

United Kingdom

Prohibition of sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression “retail investor” means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation (as defined below); and

(b) the expression an “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies “Prohibition of Sales to UK Retail Investors” as “Not Applicable”, each Dealer represents, warrants and agrees, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a “**Public Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA.

(e) provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer of Notes to the public" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

OTHER REGULATORY RESTRICTIONS

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(a) *No deposit-taking*: in relation to any Notes which have a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

(C) where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not or, in the case of the Issuer would not, if it was not an authorised person, apply to any Relevant Obligor; and

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such Notes in, from or otherwise involving the UK.

PRC

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the PRC (for such purposes, not including Hong Kong, Macau or Taiwan), except as permitted by applicable laws of the PRC.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the C(WUMP)O or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer represents, warrants and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than

(i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore SFA Product Classification: In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of Notes, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and "Excluded Investment Products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealer following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

GENERAL INFORMATION

1. LISTING

An application will be made to the ISM for the Notes to be admitted to trading on the ISM. The ISM is not a regulated market within the meaning of UK MiFIR. Such admission to trading is expected to be effective on 21 October 2024.

2. LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier (LEI) code of the Bank is 54930053HGCFWVHYZX42.

3. AUTHORISATION

The establishment and update of the Programme and the issue of the Notes thereunder were authorised by resolutions of the board of directors of the Bank passed on 24 March 2011, 27 March 2020, 30 March 2021, 29 April 2022, 28 April 2023 and 29 April 2024, respectively, and resolutions of the shareholders' meeting of the Bank passed on 27 May 2011, 30 June 2020, 20 May 2021, 30 June 2022, 30 June 2023 and 28 June 2024, respectively. The Bank and each Relevant Obligor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of its obligations under the Note.

4. LEGAL AND ARBITRATION PROCEEDINGS

None of the Issuer, the Relevant Group nor the Group is or has been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which any Relevant Obligor or the Bank is aware), which may have, or have had, during the 12 months prior to the date of this Offering Circular, a significant effect on the financial position or profitability of any Relevant Obligor, the Relevant Group, the Bank or the Group.

5. SIGNIFICANT/MATERIAL CHANGE

Save as disclosed in this Offering Circular, since 30 June 2024, there has been no material adverse change in the financial position or prospects nor any significant change in the financial or trading position or prospects of any Relevant Obligor, the Bank, or the Group.

6. NDRC REGISTRATION

Where applicable for a relevant Tranche of Notes, the Notes will be issued within the relevant annual or otherwise general foreign debt issuance quota granted to the Bank pursuant to the NDRC Order 56. Alternatively, separate pre-issue registration of a particular Tranche of Notes may be completed by the Bank as set forth in the relevant Pricing Supplement. After the issuance of such relevant Tranche of Notes, the Bank intends to provide the requisite information on the issuance of such Notes to NDRC within the time period as required by NDRC in accordance with the NDRC Order 56.

7. PBOC REPORTING

With respect to any applicable Tranche of the Notes, reporting will be completed by the Bank in accordance with the 2017 PBOC Circular when the applicable Pricing Supplement is executed and before the Issue Date.

8. FINANCIAL STATEMENTS OF THE GROUP

The Group's audited consolidated financial statements as at and for the years ended 31 December 2022 and 2023 and the Group's reviewed consolidated financial statements as at the for the six months ended 30 June 2024 are published on the Hong Kong Stock Exchange as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. Such audited consolidated financial statements and reviewed consolidated financial statements are not incorporated by reference into, and do not form part of, this Offering Circular.

9. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during normal business hours on any weekday (Saturday's and public holidays excepted) at the registered office of the Bank at No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, People's Republic of China and the specified office of the Principal Paying Agent at The Bank of New York Mellon, London Branch, 160 Queen Victoria Street, London EC4V 4LA, United Kingdom for so long as the Notes are capable of being issued under the Programme:

(i) the articles of association of the Bank;

(ii) copies of the latest annual report and the latest review report of the Bank;

(iii) the Pricing Supplement;

(iv) a copy of this Offering Circular together with any supplement to this Offering Circular;

(v) the Non-Guaranteed Notes Principal Trust Deed;

(vi) the Non-Guaranteed Notes Principal Agency Agreement;

(vii) the Dealer Agreement; and

(viii) the Programme Manual.

10. CLEARING OF THE NOTES

The Notes may be accepted for clearance through Euroclear and Clearstream. The appropriate common code and/or the International Securities Identification Number in relation to the Notes are specified in the Pricing Supplement. The Pricing Supplement shall specify any other clearing system as shall have accepted the Notes for clearance together with any further appropriate information.

BANK

Bank of China Limited
No. 1 Fuxingmen Nei Dajie Beijing, 100818
People's Republic of China

ISSUER

Bank of China Limited, London Branch
1 Lothbury London EC2R 7DB
United Kingdom

TRUSTEE

The Bank of New York Mellon, London Branch
160 Queen Victoria Street London EC4V 4LA
United Kingdom

PRINCIPAL PAYING AGENT, PAYING AGENT IN RESPECT OF NOTES CLEARED THROUGH EUROCLEAR AND CLEARSTREAM

The Bank of New York Mellon, London Branch
160 Queen Victoria Street London EC4V 4LA
United Kingdom

REGISTRAR IN RESPECT OF NOTES CLEARED THROUGH EUROCLEAR AND CLEARSTREAM

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4 rue Eugène Ruppert L-2453 Luxembourg

TRANSFER AGENT IN RESPECT OF NOTES CLEARED THROUGH EUROCLEAR AND CLEARSTREAM

The Bank of New York Mellon SA/NV, Luxembourg Branch
Vertigo Building-Polaris
2-4 rue Eugène Ruppert L-2453 Luxembourg

LEGAL ADVISERS

To the Dealers as to English law

Allen Overy Shearman Sterling
9th Floor
Three Exchange Square Central
Hong Kong

To the Dealers as to PRC law

Jingtian & Gongcheng
34/F, Tower 3
China Central Place 77 Jianguo Road
Beijing, PRC

To the Issuer as to English law

Linklaters
11th Floor
Alexandra House Chater Road
Hong Kong

To the Issuer as to PRC law

JunZeJun Law Offices
11F, Jinbao Tower
89 Jinbao Street Dongcheng
Beijing 100005 PRC