IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS ("QIBs") UNDER RULE 144A UNDER THE SECURITIES ACT (AS DEFINED BELOW) ("RULE 144A") OR (2) 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.

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Confirmation of Your Representation: In order to be eligible to view the attached document or make an investment decision with respect to the securities, investors must be either (I) QIBs (within the meaning of Rule 144A) or (II) 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 attached document, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) 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 attached document by electronic transmission.

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Nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of each Relevant Obligor, the Arrangers or the Dealers to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute in the United States or elsewhere directed selling efforts (within the meaning of Regulation S under the Securities Act). If a jurisdiction requires that the offering be made by a licensed broker or dealer and an Arranger, a Dealer or any affiliate of it is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by it or such affiliate on behalf of each Relevant Obligor in such jurisdiction.

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BANK OF CHINA LIMITED

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

中国银行
BANK OF CHINA

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

This Supplement (the "**Supplement**") to the offering circular dated 12 April 2021 (the "**Principal Offering Circular**", together with this Supplement, the "**Offering Circular**") is prepared in connection with the U.S.$40,000,000,000 Medium Term Note Programme (the "**Programme**") established by Bank of China Limited (the "**Bank**"). Terms defined in the Principal Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, forms part of and should be read in conjunction with, the Principal Offering Circular (a copy of which is attached as Annex I hereto), including the information incorporated by reference in the Principal Offering Circular as described therein.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange")** for the listing of the Programme under which Notes may be issued by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors")** only on the Hong Kong Stock Exchange during the 12-month period after the date of the Principal Offering Circular. The Offering Circular is for distribution to Professional Investors only.

The Hong Kong Stock Exchange has not reviewed the contents of the Offering Circular, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this Offering Circular to Professional Investors only have been reproduced in the Offering Circular. Listing of the Programme and the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes or the Relevant Obligor(s) or quality of disclosure in the Offering Circular. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of the Offering Circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Offering Circular.

Notice to Hong Kong investors: The Relevant Obligor(s) confirm that the Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Relevant Obligor(s) confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Relevant Obligor(s). The Relevant Obligor(s) each accepts full responsibility for the accuracy of the information contained in this document 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.

Moody's Investors Service, Inc. ("**Moody's**"), S&P Global Ratings ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**") have assigned a rating of "A1", "A" and "A" to the Programme, respectively. The rating is only correct as at the date of this Supplement. Notes issued under the Programme may be rated or unrated. 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 the Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of 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 the Notes. Investors should not purchase the 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 Relevant Obligor(s) to each fulfil its obligations in respect of the Notes are discussed under "*Risk Factors*" in this Supplement and in the Principal Offering Circular.

Certain facts and statistics in the Offering Circular relating to the PRC, its economy and its banking industry have been extracted from third party sources. The Relevant Obligor(s) each confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Such information however has not been independently verified by the Relevant Obligor(s), the Arrangers and the Dealers, the Trustee or the Agents or any of their respective directors, employees, representatives, affiliates or advisers and, therefore, none of them makes any representation as to the accuracy of such facts and statistics or information, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date.

The Notes and the Guarantee of the Notes, if applicable, 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 the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Accordingly, the Notes are being offered and sold only (i) in the United States to QIBs as defined in Rule 144A and (ii) 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, sold, or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons. Registered Notes are subject to certain restrictions on transfer. Any Series of Notes may be subject to additional selling restrictions. The applicable pricing supplement in respect of such Series of Notes will specify any such restrictions. See "*Subscription and Sale*", "*Transfer Restrictions*" in the Principal Offering Circular and the applicable Pricing Supplement.

Singapore Securities and Futures Act Product Classification: Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the "**SFA**"), unless otherwise specified before an offer of Notes, the Relevant Obligor(s) each has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (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).

Arranger and Dealer

Bank of China

The date of this Supplement is 23 September 2021.

The Bank (as to itself and the Group) and each Subsidiary Issuer (as to itself) having made all reasonable enquiries confirms that to its best knowledge and belief (i) this Offering Circular contains all information with respect to each Subsidiary Issuer and its subsidiaries (the "**Relevant Subsidiary Group**"), 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 Subsidiary Issuer, the Relevant Subsidiary Group 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 Subsidiary Issuer, the Relevant Subsidiary Group 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, the Subsidiary Issuer and the Relevant Subsidiary Group 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 and each Subsidiary Issuer to ascertain such facts and to verify the accuracy of all such information and statements.

Each Series (as defined herein) of 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 specific to such Series. This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Series of Notes, must be read and construed together with the relevant Pricing Supplement.

The distribution of this Offering Circular and any 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 Relevant Obligor(s), the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. None of the Relevant Obligor(s), the Arrangers or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any 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 any Relevant Obligor, the Arrangers or the Dealers, which would permit a public offering of any Notes or distribution of this Offering Circular or any 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, any 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 (i) in the United States only to QIBs in transactions exempt from registration under the Securities Act, in which case each such purchaser must be able to make, and will be deemed to have made, certain acknowledgments, representations, warranties and agreements as set forth in this Offering Circular in respect of such Series of Notes, and/or (ii) outside the United States, to non-U.S. persons in offshore transactions in reliance on Regulation S. Any Series of Notes may be subject to additional selling restrictions. Any additional restrictions on the sale or transfer of any Series of Notes will be specified in the applicable Pricing Supplement for such Notes.

If Notes are being offered or sold to U.S. persons or in the United States, prospective investors are hereby notified that sellers of such Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. The Arranger and Dealer, through their respective selling agents, may arrange for the offer and resale of such Notes to U.S. persons or persons in the United States who are QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the Securities Act. For a description of certain restrictions on offers, sales and transfers of Notes and on the distribution of this Offering Circular, see "*Subscription and Sale*" in the Principal Offering Circular and the relevant 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.

This Offering Circular is being submitted on a confidential basis in the United States to a limited number of QIBs for informational use solely in connection with the consideration of the purchase of the Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "*MiFID II Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration such target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFID Product Governance Rules.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (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. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs REGULATION – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (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 European Union (Withdrawal) Act 2018 (the "**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, 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 Prospectus Regulation as it forms part of domestic law by virtue of the EUWA.

Consequently no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Singapore Securities and Futures Act Product Classification: Solely for the purposes of its obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time including by any subsidiary legislation as may be applicable at the relevant time (together, the "**SFA**"), unless otherwise specified before an offer of Notes, the Relevant Obligor(s) each has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA), that the Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (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).

This Offering Circular is to be read in conjunction with all documents, which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Bank, the Branch Issuer, the Subsidiary Issuer, the Group, the Relevant Subsidiary Group or the Notes. In making an investment decision, investors must rely on their own examination of the Bank, the Branch Issuer, the Subsidiary Issuer, the Group, the Relevant Subsidiary Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" herein and in the Principal Offering Circular for a discussion of certain factors to be considered in connection with an investment in the Notes.

No person has been authorised by any Relevant Obligor, any Arranger 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 any Relevant Obligor, any Arranger or any Dealer.

Neither the delivery of this Offering Circular or any 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 any Relevant Obligor 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 any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by any Relevant Obligor, the Arrangers, the Dealers, the Trustee, the Agents or any director, officer, employee, advisor, representative, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of each Relevant Obligor.

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). 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 as defined under "*Subscription and Sale*" in the Principal Offering Circular and the relevant Pricing Supplement.

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 RELEVANT 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 Arrangers, 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 Arrangers, the Dealers, the Trustee or any Agent or any director, officer, employee, advisor, representative, 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 Arrangers, the Dealers, the Trustee or any Agent or any director, officer, employee, advisor, representative, 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 Arrangers, the Dealers, the Trustee, any Agent, or any director, officer, employee, advisor, representative, agent or affiliate of any such person or on its behalf in connection with any Relevant Obligor, the Notes or the issue and offering of the Notes. The Arrangers, 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 Notes of a particular issue. Each potential purchaser of the Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable 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 or incorporated by reference 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 any Relevant Obligor or any of the Arrangers, 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 Relevant Obligor(s), the Group and the Relevant Subsidiary 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 Arrangers, the Dealers, the Trustee or the Agents or any director, officer, employee, advisor, representative, agent or affiliate of any such person undertakes to review the financial condition or affairs of the Relevant Obligor(s), the Group or the Relevant Subsidiary 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 Arrangers, 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.

PRESENTATION OF FINANCIAL INFORMATION

The financial information as at and for the years ended 31 December 2018, 2019 and 2020 in the Offering Circular has been derived from the audited consolidated financial statements of the Group as at and for the years ended 31 December 2019 and 2020. The financial information as at and for the six months ended 30 June 2020 and 2021 in the Offering Circular has been derived from the unaudited but reviewed condensed consolidated interim financial information of the Group as at and for the six months ended 30 June 2021.

There are certain new accounting standards adopted by the Bank since 1 January_2021. Please refer to "Notes to the Condensed Consolidated Interim Financial Information – I. Basis of Preparation and Principal Accounting Policies" - 1. Standards and amendments effective in 2021 relevant to and adopted by the Group of the Group's unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021 for details of such accounting standards.

The unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2020 and 2021 of the Group has not been audited but reviewed by the Bank's international auditor in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". Such financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Investors should exercise caution when using such data to evaluate the Group's business, financial condition and results of operation. Such unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2020 and 2021 of the Group should not be taken as an indication of the expected business, financial condition, results of operations and results of the Group for the full financial year ending 31 December 2021.

The audited and unaudited but reviewed consolidated financial statements of the Bank referred to above have been published on the Hong Kong Stock Exchange and are incorporated by reference into the Principal Offering Circular attached as Annex I to this Supplement (see the section of the Principal Offering Circular headed "*Information Incorporated by Reference*").

In accordance with the requirements of the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Financial Enterprises of the Ministry of Finance of the PRC, the Bank engaged PricewaterhouseCoopers Zhong Tian LLP as the Bank's domestic auditor and external auditor for internal control audit for 2021, providing audit services on its financial statements and internal control pursuant to Chinese Accounting Standards ("**CAS**"), and engaged PricewaterhouseCoopers as the Bank's international auditor for 2021, providing financial statement audit services pursuant to the IFRS. Ernst & Young Hua Ming LLP and Ernst & Young (together referred to as "**Ernst & Young**") have ceased to act as external auditors of the Bank. The Bank has received a written confirmation from Ernst & Young that there are no matters which needs to be brought to the attention of the investors of the Bank in relation to the change of external auditor of the Bank. The Board has also confirmed that there is no disagreement between Ernst & Young and the Bank, and there are no other matters in respect of the retirement of Ernst & Young and the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers that need to be brought to the attention of investors of the Bank. The unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021 of the Group have been reviewed by PricewaterhouseCoopers in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity".

TABLE OF CONTENTS

SUMMARY FINANCIAL INFORMATION OF THE BANK

The summary financial information set forth below has been extracted from the Group's audited consolidated financial statements as at and for the years ended 31 December 2019 and 2020 and the Group's unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021. It should also be read in conjunction with any other information incorporated into this Offering Circular (see "Information Incorporated by Reference" in the Offering Circular).

Pursuant to the Notice on strictly implementing the accounting standards for business enterprises and strengthening the annual report of enterprises in 2020 (關於嚴格執行企業會計準則切實加強企業 2020 年年報工作的通知財會(2021)2 號), in respect of the financial information as at and for the six months ended 30 June 2021, the Group reclassified the financing charges from credit card repayment by instalment from net fee and commission income to interest income for the six months ended 30 June 2021. The comparative figures for the year ended 31 December 2020 and 2019 were also similarly adjusted; however, the comparative figures as at and for the year ended 31 December 2018 have not been adjusted. Investors should therefore exercise caution when comparing the year-to-year financial data of the Bank in relation to such line items for the six months ended 30 June 2021and the years ended 31 December 2018, 2019 and 2020.

There are certain new accounting standards adopted by the Bank since 1 January_2021. Please refer to "Notes to the Condensed Consolidated Interim Financial Information – I. Basis of Preparation and Principal Accounting Policies" - 1. Standards and amendments effective in 2021 relevant to and adopted by the Group of the Group's unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021 for details of such accounting standards.

The unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2020 and 2021 of the Group has not been audited but reviewed by the Bank's international auditor in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity". Such financial information should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. Investors should exercise caution when using such data to evaluate the Group's business, financial condition and results of operation. Such unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2020 and 2021 of the Group should not be taken as an indication of the expected business, financial condition, results of operations and results of the Group for the full financial year ending 31 December 2021.

In accordance with the requirements of the Administrative Measures for the Selection and Appointment of Accounting Firms by State-owned Financial Enterprises of the Ministry of Finance of the PRC, the Bank engaged PricewaterhouseCoopers Zhong Tian LLP as the Bank's domestic auditor and external auditor for internal control audit for 2021, providing audit services on its financial statements and internal control pursuant to CAS, and engaged PricewaterhouseCoopers as the Bank's international auditor for 2021, providing financial statement audit services pursuant to the IFRS. Ernst & Young have ceased to act as external auditors of the Bank. The Bank has received a written confirmation from Ernst & Young that there are no matters which needs to be brought to the attention of the investors of the Bank in relation to the change of external auditor of the Bank. The Board has also confirmed that there is no disagreement between Ernst & Young and the Bank, and there are no other matters in respect of the retirement of Ernst & Young and the appointment of PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers that need to be brought to the attention of investors of the Bank. The unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021 of the Group have been reviewed by PricewaterhouseCoopers in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the independent Auditor of the Entity".

Consolidated Income Statement

	For the six months ended 30 June		For the year ended 31 December		
	2021	**2020**	**2020**	**2019**	**2018**
	(unaudited but reviewed)		*(audited)*	*(audited)*	*(audited)*
	(Amount in millions of Renminbi, unless otherwise stated)				
Interest income	386,934	375,930	760,070	758,007[1]	687,900
Interest expense	(178,161)	(179,035)	(344,152)	(367,957)	(328,194)
Net interest income	208,773	**196,895**	**415,918**	**390,050**[1]	**359,706**
Fee and commission income	52,912	57,021	88,640	88,099[1]	99,997
Fee and commission expense	(6,099)	(6,679)	(13,118)	(14,287)[1]	(12,789)
Net fee and commission income	46,813	**50,342**	**75,522**	**73,812**[1]	**87,208**
Net trading gains	9,754	2,173	8,055	28,563	6,719
Net gains on transfers of financial asset	1,852	7,623	9,547	3,477	2,817
Other operating income	35,663	29,950	58,605	54,108	47,356
Operating income	302,855	**286,983**	**567,647**	**550,010**	**503,806**
Operating expenses	(102,357)	(90,946)	(202,411)	(198,269)	(176,979)
Impairment losses on assets	(52,945)	(66,484)	(119,016)	(102,153)	(99,294)
Operating profit	147,553	**129,553**	**246,220**	**249,588**	**227,533**
Share of results of associates and joint ventures	749	63	158	1,057	2,110
Profit before income tax	148,302	**129,616**	**246,378**	**250,645**	**229,643**
Income tax expense	(29,755)	(21,804)	(41,282)	(48,754)	(37,208)
Profit for the period/year	**118,547**	**107,812**	**205,096**	**201,891**	**192,435**
Attributable to:					
Equity holders of the Bank	112,813	100,917	192,870	187,405	180,086
Non-controlling interests	5,734	6,895	12,226	14,486	12,349
	118,547	**107,812**	**205,096**	**201,891**	**192,435**
Earnings per share for profit attributable to equity holders of the Bank during the year (expressed in RMB per ordinary share)					
– Basic	0.36	0.32	0.61	0.61	0.59
– Diluted	0.36	0.32	0.61	0.61	0.59

Note:

(1) In 2020, the Bank reclassified the financing charges from credit card repayment by instalment from net fee and commission income to interest income. The comparative figures for the year ended 31 December 2019 were restated.

Consolidated Statement of Financial Position

	As at 30 June	As at 31 December		
	2021	2020	2019	2018
	(unaudited but reviewed)	*(audited)*	*(audited)*	*(audited)*
	(Amount in millions of Renminbi, unless otherwise stated)			
Assets				
Cash and due from banks and other financial institutions	724,911	803,145	565,467	439,931
Balances with central banks	2,254,697	2,076,840	2,078,809	2,331,053
Placements with and loans to banks and other financial institutions	1,371,661	939,320	898,959	1,042,358
Government certificates of indebtedness for bank notes issued	173,783	168,608	155,466	145,010
Precious metals	207,914	223,313	206,210	181,203
Derivative financial assets	116,240	171,738	93,335	124,126
Loans and advances to customers, net	15,047,714	13,848,304	12,743,425	11,515,764
Financial investments	5,821,520	5,591,117	5,514,062	5,054,551
– financial assets at fair value through profit or loss	510,583	504,549	518,250	370,491
– financial assets at fair value through other comprehensive income	2,174,982	2,107,790	2,218,129	1,879,759
– financial assets at amortised cost	3,135,955	2,978,778	2,777,683	2,804,301
Investments in associates and joint ventures	35,552	33,508	23,210	23,369
Property and equipment	245,998	248,589	244,540	227,394
Investment properties	20,885	22,065	23,108	22,086
Deferred income tax assets	48,650	58,916	44,029	38,204
Other assets	247,802	217,196	179,124	122,226
Total assets	**26,317,327**	**24,402,659**	**22,769,744**	**21,267,275**
Liabilities				
Due to banks and other financial institutions	2,360,341	1,917,003	1,668,046	1,731,209
Due to central banks	895,824	887,811	846,277	907,521
Bank notes in circulation	173,755	168,751	155,609	145,187
Placements from banks and other financial institutions	500,009	411,949	639,675	612,267
Financial liabilities held for trading	12,706	17,912	19,475	14,327
Derivative financial liabilities	121,560	212,052	90,060	99,254
Due to customers	18,227,771	16,879,171	15,817,548	14,883,596
Bonds issued	1,301,561	1,244,403	1,096,087	782,127
Other borrowings	24,264	26,034	28,011	32,761
Current tax liabilities	28,322	55,665	59,102	27,894
Retirement benefit obligations	2,131	2,199	2,533	2,825
Deferred income tax liabilities	6,834	6,499	5,452	4,548
Other liabilities	431,901	410,373	365,173	298,362
Total liabilities	**24,086,979**	**22,239,822**	**20,793,048**	**19,541,878**

	As at 30 June	As at 31 December		
	2021	**2020**	**2019**	**2018**
	(unaudited but reviewed)	*(audited)*	*(audited)*	*(audited)*
	(Amount in millions of Renminbi, unless otherwise stated)			
Equity				
Capital and reserves attributable to equity holders of the Bank				
Share capital	294,388	294,388	294,388	294,388
Other equity instruments	299,510	277,490	199,893	99,714
Capital reserve	136,178	135,973	136,012	142,135
Treasury shares	(51)	(8)	(7)	(68)
Other comprehensive income	1,810	4,309	19,613	1,417
Statutory reserves	193,667	193,438	174,762	157,464
General and regulatory reserves	269,280	267,981	250,100	231,525
Undistributed profits	910,565	864,848	776,940	686,405
	2,105,347	**2,038,419**	**1,851,701**	**1,612,980**
Non-controlling interests	**125,001**	**124,418**	**124,995**	**112,417**
Total equity	**2,230,348**	**2,162,837**	**1,976,696**	**1,725,397**
Total equity and liabilities	**26,317,327**	**24,402,659**	**22,769,744**	**21,267,275**

RISK FACTORS

The principal risk factors that may affect the ability of each Relevant Obligor to fulfil its obligations in respect of the Notes are discussed under the section "Risk Factors" in the Principal Offering Circular.

The subsection "Risks relating to the PRC Banking Industry – 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" shall be deleted in its entirety and replaced with the following:

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. CBIRC requires all commercial banks in the PRC to maintain certain financial ratios throughout its operations.

In recent years, CBIRC has 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. As a domestic systematically important bank and a global systematically important bank, the Group is subject to additional capital requirements of the CBIRC and the Basel Committee. As at 30 June 2021, the Group's capital adequacy ratio, tier 1 capital adequacy ratio and common equity tier 1 capital adequacy ratio (calculated in accordance with the advanced approach under CBIRC Capital Regulations) were 15.61 per cent., 12.72 per cent. and 10.80 per cent., respectively.

Although the Group is currently in compliance with the capital adequacy requirements, there can be no assurance that CBIRC 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 CBIRC 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, CBIRC 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 subsection "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" shall be deleted in its entirety and replaced with the following:

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 International Financial Reporting Standards ("**IFRS**"), 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 30 June 2021, the Group's non-performing loans under its five-category loan classification were RMB200.348 billion, representing an NPL ratio of 1.30 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 30 June 2021, the balance of the Group's allowance for loan impairment losses (including allowance for loans at amortised costs and allowance for loans at fair value through other comprehensive income) was RMB369.168 billion and the coverage ratio of allowance for loan impairment losses to NPLs was 184.26 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.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's unaudited but reviewed consolidated debt and capitalisation as at 30 June 2021. Please read this table in conjunction with the Group's unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021 which have been incorporated by reference into the Offering Circular.

	As at 30 June 2021
	(Unaudited but reviewed)
	(RMB million)
Debt[(1)]	
Bonds issued	1,301,561
Other borrowings	24,264
Total debt	1,325,825
Equity	
Capital and reserves attributable to equity holders of the Bank	
Share capital	294,388
Other equity instruments	299,510
Capital reserve	136,178
Treasury shares	(51)
Other comprehensive income	1,810
Statutory reserves	193,667
General and regulatory reserves	269,280
Undistributed profits	910,565
	2,105,347
Non-controlling interests	**125,001**
Total equity	**2,230,348**
Total equity and liabilities	**26,317,327**

Note:

(1) In addition, as at 30 June 2021, the Group had borrowings from central banks, deposits and money market deposits from customers and other banks, certificates of deposits, securities sold under repurchase agreements, credit commitments, acceptances, issued letters of guarantee and letters of credit, financial lease commitments and other commitments and contingencies, including outstanding litigation, that arise from its ordinary course of business.

As at 30 June 2021, the registered capital of the Bank was RMB294,387,791,241 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 of the Group since 30 June 2021.

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 only bank from China and emerging economy countries and regions. From 2011 to 2020, 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 ten consecutive years.

As at 30 June 2021, the Group's NPLs totalled RMB200.348 billion, representing a decrease of RMB6.925 billion compared with the prior year-end. The NPL ratio was 1.30 per cent., down 0.16 percentage point compared with the prior year-end. The Group's allowance for loan impairment losses on loans and advances (including allowance for loans at amortised costs and allowance for loans at fair value through other comprehensive income) amounted to RMB369.168 billion, an increase of RMB0.549 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 184.26 per cent.

For the six months ended 30 June 2021, the Group recorded a profit for the period of RMB118.547 billion, an increase of 9.96 per cent. compared with the six months ended 30 June 2020. It realised a profit attributable to equity holders of the Bank of RMB112.813 billion, an increase of 11.79 per cent. compared with the six months ended 30 June 2020.

As at 30 June 2021, the Group's total loans and advances to customers amounted to RMB15,416.400 billion, an increase of RMB1,199.923 billion or 8.44 per cent. compared with the prior year-end. Specifically, the Group's RMB loans and advances to customers totalled RMB12,282.921 billion, an increase of RMB 943.931 billion or 8.32 per cent. compared with the prior year-end, while its foreign currency loans amounted to USD485.051 billion, an increase of USD44.050 billion or 9.99 per cent. compared with the prior year-end. As at 30 June 2021, the Group's common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 10.80 per cent., 12.72 per cent. and 15.61 per cent., respectively, calculated according to the advanced approach under the CBIRC Capital Regulations.

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 30 June 2021, the Bank had a total of 11,519 institutions worldwide, including 10,963 institutions in the Chinese Mainland and 556 institutions in Hong Kong, Macau, Taiwan and other countries and regions. Its commercial banking business in the Chinese Mainland comprised 10,450 institutions, including 38 tier-1 and direct branches, 370 tier-2 branches and 10,041 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, BOCG Investment and BOC Aviation and through the Bank's subsidiaries such as BOCL, 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 the first half of 2021, the Group's cross-border RMB clearing transactions totalled RMB311 trillion, up by more than 35 per cent. compared with the same period of the prior year, maintaining the leading place in global markets. 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. Liu Liange, has served as Chairman of the board of directors of the Bank (the "**Board of Directors**") since July 2019. Mr. Liu joined the Bank in 2018. He served as Vice Chairman of the Board of Directors from October 2018 to July 2019 and President of the Bank from August 2018 to June 2019. Mr. Liu served as Vice Chairman and President of the Export-Import Bank of China from July 2015 to June 2018. Mr. Liu served as Vice President of the Export-Import Bank of China from March 2007 to February 2015. He also served as Director of the African Export-Import Bank from September 2007 to February 2015, Chairman of the Board of Supervisors of Sino-Italian Mandarin Capital Partners from March 2009 to June 2015, and Chairman of the Board of Directors of Regional Credit Guarantee and Investment Facility (Asia) from March 2014 to May 2015. Mr. Liu worked in the People's Bank of China ("**PBOC**") for many years, successively serving as Deputy Director – General of the International Department of PBOC, President of the Fuzhou Central Sub-branch of PBOC and Director of the Fujian Branch of SAFE, Director General of the Anti-Money Laundering Bureau (the Security Bureau) of PBOC. Mr. Liu has been serving as President of Shanghai RMB Trading Unit since October 2018. He served as Vice Chairman of the board of directors of BOC Hong Kong (Holdings) Limited from December 2018 to July 2019 and has been serving as Chairman of the board of directors of BOC Hong Kong (Holdings) Limited since July 2019.

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 six months ended 30 June				For the year ended 31 December					
	2021		2020		2020		2019		2018	
	Amount	per cent. of total Amount	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..................	36,351	24.51	42,005	32.40	74,404	30.20	72,872	29.07	63,507	27.66
Personal banking business..................	64,364	43.40	60,153	46.41	113,601	46.11	93,087	37.14	93,360	40.65
Treasury operations.....	36,157	24.38	19,702	15.20	42,218	17.14	69,611	27.77	58,658	25.54
Investment banking and insurance	3,108	2.10	2,366	1.83	5,032	2.04	3,788	1.51	3,326	1.45
Others and elimination	8,322	5.61	5,390	4.16	11,123	4.51	11,287	4.51	10,792	4.70
Total...........................	148,302	100.00	129,616	100.00	246,378	100.00	250,645	100.00	229,643	100.00

The Group conducts its business activities in the Chinese Mainland as well as 61 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 six months ended		For the year ended 31 December		
	2021	2020	2020	2019	2018
	(RMB million)				
Chinese Mainland...	118,328	97,194	188,740	178,338	162,224
Hong Kong, Macau and Taiwan......................	24,819	27,960	50,250	56,843	51,004
Other countries and regions............................	5,095	4,443	7,388	15,765	17,302
Elimination	60	19	–	(301)	(887)
Total	148,302	129,616	246,378	250,645	229,643

Commercial Banking in the Chinese Mainland

Focused on the three main tasks of serving the real economy, preventing financial risks, and deepening financial reform, the Bank adhered to the general principle of pursuing progress while ensuring stability and strengthened the implementation of its development strategies, thus achieving moderate growth across all businesses and the overall operating profit maintained its steady progress.

For the six months ended 30 June 2021, the commercial banking business in the Chinese Mainland achieved an operating income of RMB233.218 billion, an increase in RMB16.245 billion or 7.49 per cent. compared with the six months ended 30 June 2020.

Corporate Banking

With a focus on high-quality development, the Bank continued to advance the transformation of its corporate financial services so as to serve the real economy more efficiently and effectively. It gave priority to supporting high-quality development in key areas such as inclusive finance, green finance, strategic emerging industries and manufacturing, thus contributing to the transformation and upgrading of the national economy. It also proactively expanded core customer groups in the advanced manufacturing and digital economy-related industries, so as to help improve the country's strategic scientific and technological strengths. In addition, the Bank accelerated progress in the coordinated development of the Beijing-Tianjin-Hebei region, Xiongan New Area, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area, Hainan Free Trade Port and other key areas by virtue of its financial resources, thus supporting national strategies for coordinated regional development. It pushed forward RMB internationalisation in an orderly manner, serving as the main channel for cross-border RMB circulation and as a leader in RMB service innovation, thereby contributing to the country's opening-up strategy. The Bank further advanced product innovation, constantly optimised system functions, and strived to improve the service quality and efficiency of enterprise annuities, occupational annuities, employee benefit plans and pension security management, thus supporting the construction of the country's social security system. In the first half of 2021, the Group's corporate banking business in the Chinese Mainland recorded an operating income of RMB91.574 billion, a decrease of RMB6.150 billion or 6.29 per cent. compared with the same period of the prior year.

Corporate Deposits

Upholding the customer-centric approach, the Bank remained committed to building a comprehensive and tiered marketing management system through scientific classification and targeted policy implementation, and continued to consolidate its development foundations. Focusing on customers' diversified financial needs, the Bank further enhanced its cross-industry services, marketing awareness and comprehensive service capability, and expanded the scale of customers' financial assets. Furthermore, by proactively integrating into the nation's new development pattern, in which domestic and international circulations reinforce each other, the Bank strived to connect its business product channels for domestic settlement and international settlement, increase business volumes in payments and settlements, enhance fund retention capacity, and boost the sound and sustainable development of its deposit business. In particular, the Bank highlighted the strategic positioning of its administrative institution business, accelerated the building of a smart government services ecosystem, and facilitated the digital transformation and IT application of administrative institutions. It also leveraged the role of administrative institutions as a platform to connect government agencies, cover customers across different industries and attract private customer groups, thus continuously expanding the sources of its deposits. Centring on the key industries and key customer groups of the administrative institutions sector, the Bank developed differentiated marketing strategies and sharpened its market competitiveness in key areas by concentrating on scenario-based marketing across the entire industrial chain of education, medical care and other industries. As at 30 June 2021, RMB corporate deposits of the Group's commercial banking business in the Chinese Mainland totalled RMB6,790.604 billion, an increase of RMB337.116 billion or 5.22 per cent. compared with the prior year-end. Foreign currency corporate deposits amounted to USD109.638 billion, an increase of USD23.661 billion or 27.52 per cent. compared with the prior year-end.

Corporate Loans

The Bank proactively carried out its responsibilities, fully implemented the national development strategy, and effectively improved its services to the real economy. It increased investment in high-quality credit so as to support the real economy recovery steadily. Moreover, the Bank devoted itself to the development of the modern industrial system and actively promoted a shift in service focus from traditional industries to new industries, new business forms and new business models. It endeavoured to promote the nation's coordinated regional development strategy, supporting industrial upgrading and transfer as well as the development of city clusters in the Beijing-Tianjin-Hebei region and Xiongan New Area. The Bank also increased its investment in the advanced manufacturing sector, high-quality service sector, new infrastructure construction, new urbanisation and other sectors in the Yangtze River Delta, and vigorously seized the opportunities arising from the technology finance, industry finance and cross-border finance sectors in the Guangdong-Hong Kong-Macao Greater Bay Area. The Bank adopted policies tailored to local conditions and pursued accelerated development in the ecological protection of the Yellow River basin, the development of modern agriculture and animal husbandry, new urbanisation, infrastructure connectivity, and the upgrading and transformation of traditional industries. It further stepped up its efforts in promoting financial connectivity in the Chengdu-Chongqing economic circle, and energetically bolstered new forms of consumption. In addition, the Bank contributed to the building of the Hainan Free Trade Port and Smart Hainan, and positioned itself as the first-choice bank for the Hainan Free Trade Port.

To serve the national strategy of expanding domestic demand, it capitalised on the new trend of consumption upgrading, sped up the building of scenario ecosystems, thus strengthening support for consumption. To serve common prosperity for all, the Bank continuously strengthened inclusive financial services and made breakthroughs in online products. It also increased support for agricultural modernisation by actively integrating into the rural revitalisation strategy. To serve the nation's ecological conservation strategy, it further boosted the development of green finance, improved relevant products and services, and facilitated sustainable economic and social development, which in turn helped the Bank to build a green finance brand image. The Bank contributed to the high-standard opening-up of the Chinese economy, continuously bolstered financial service innovation for the Belt and Road Initiative, and enhanced its comprehensive services for "Going Global" and "Bringing In" customers. As at 30 June 2021, the RMB corporate loans of the Group's commercial banking business in the Chinese Mainland totalled RMB6,829.957 billion, an increase of RMB573.685 billion or 9.17 per cent. compared with the prior year-end, and foreign currency corporate loans totalled USD46.629 billion, an increase of USD7.456 billion or 19.03 per cent. compared with the prior year-end.

Financial Institutions Business

The Bank continued to deepen all-round cooperation with various financial institutions and built up its integrated financial services platform, maintaining a leading position in terms of financial institution customer coverage. It has maintained correspondent relationships with approximately 1,200 institutions around the world and opened 1,410 cross-border RMB clearing accounts for correspondent banks from 116 countries and regions, thus securing a leading position among domestic banks. It promoted the RMB Cross-Border Interbank Payment System (CIPS) and signed cooperation agreements for indirect participant relationships with 391 domestic and overseas financial institutions, seizing the largest market share among peers. The Bank's custodian service for Qualified Foreign Institutional Investors (QFII) and RMB Qualified Foreign Institutional Investors (RQFII) and its agency service for overseas central banks and other sovereign institutions all held leading positions in the industry in terms of both customer base and business scale. The Bank helped the Shanghai Headquarters of China Central Depository & Clearing Co., Ltd. (CCDC) to transfer the proceeds from the first offshore bond issuance by an overseas institution in the pilot free trade zone, and successfully bid to become a clearing fund depositing bank of the Shanghai Commercial Paper Exchange. It was also granted the qualifications to become the settlement bank for agency instruction receiving and sending business in relation to foreign currency lending for the China Foreign Exchange Trade System, as well as the exclusive settlement bank for the bilateral centralised clearing of RMB-USD trades via Shanghai Clearing House, thus enhancing its image as a co-brand in the financial factors market. The Bank also strengthened cooperation with the Asian Infrastructure Investment Bank ("**AIIB**"), New Development Bank and Silk Road Fund. It assisted AIIB with the issuance of several overseas USD bonds, served as lead underwriter for the New Development Bank's issuance of its first Panda bond to be linked to the Sustainable Development Goals, and acted as lead underwriter and lead bookrunner on the issuance of Asian Development Bank's Panda bond. As at 30 June 2021, the Bank had the largest market share in foreign currency deposits from financial institutions, and further increased its market share in terms of third-party funds under custody.

Transaction Banking Business

Actively adapting to the trend of FinTech innovation and the integrated financial needs of customers, the Bank vigorously developed its transaction banking business. It continued to strengthen financial support for the policy imperative of "ensuring stable foreign trade" and maintained the leading market share in international trade and cross-border RMB transaction volumes. The Bank became a global strategic partner of the first China International Consumer Products Expo ("**CICPE**") and fully supported the smooth operation of the first CICPE and the 129th China Import and Export Fair ("**Canton Fair**"). It proactively participated in the Belt and Road Initiative, RMB internationalisation and the building of pilot free trade zones and free trade ports. BOC Guangdong Branch successfully provided financial services under Free Trade Unit (FTU), following similar authorisations for the Bank's Shanghai, Hainan and Tianjin Branches. In addition, the Bank actively promoted the digital, scenario-based and intelligent development of supply chain finance and issued the *Measures of Bank of China on Innovating Supply Chain Financial Service Modes and Fully Supporting the Improvement on the Modernisation of Industrial Chains and Supply Chains*. It strengthened the development of application scenarios for transaction banking; enhanced service standards for account, payment and collection; and rolled out innovative intelligent cash management products to provide customers with multi-scenario fund supervision solutions (featuring ex-ante, in-event and ex-post integration), with the aim of improving its global cash management service capabilities.

Inclusive Finance

The Bank conscientiously implemented national policies and regulatory requirements regarding the nation's support for the micro and small-sized business. It also focused on serving the real economy and took multiple measures to support the development of micro and small-sized business. It continued to launch new online financing products and services such as the "Unsecured Loan", "Tax Loan" and "Mortgage Loan", and made efforts to upgrade online products, thus continuously improving its service capabilities for inclusive finance. To implement the requirements of pandemic containment policy, it launched the "New Year Benefit" financial service programme to provide financial services to those micro and small-sized enterprises, and their employees, that continued working to ensure supply and stabilise production, with more than 7,500 customers benefitting from the service. The Bank continued to provide support by deferring the repayment of principal and interest on loans to micro and small-sized enterprises and spared no efforts to relieve them from financial troubles. It also implemented the "BOC Inclusive Services for Specialised, Refined, Featured and Innovative Enterprises", and provided credit support for more than 10,000 such enterprises. In addition, the Bank worked with the State Intellectual Property Office to establish the Innovative Intellectual Property Financing Laboratory and released the "Inclusive Loan for Intellectual Property" inclusive financial service plan for intellectual property. It improved the BOC E-cooperation matchmaking platform, established a comprehensive "online + offline" matchmaking service system, and built new channels for attracting businesses, investments and talents. As at 30 June 2021, the Bank's outstanding inclusive finance loans granted to micro and small-sized enterprises[1] reached RMB781.6 billion, an increase of 35.8 per cent. compared with the prior year-end, outpacing the growth rate of the Bank's total loans. The number of micro and small-sized business customers stood at nearly 570,000, higher than that of the beginning of the year. The average interest rate of new inclusive finance loans granted to micro and small-sized enterprises in the first half of 2021 was 3.94 per cent. By strengthening risk control and operational compliance, the quality of loans granted to micro and small-sized enterprises remained stable and manageable.

Pension Business

Taking the strategic national response to population aging during the 14th Five-Year Plan period as its overarching principle, the Bank pressed ahead with the development of its pension business, promoted product innovation and system development, and provided a range of products including enterprise annuities, occupational annuities, employee benefit plans and pension security management products to customers. It intensified efforts to optimise the strategic layout of its pension business and advanced scenario building for the silver economy, thereby vigorously supporting its development. As at 30 June 2021, pension funds under custody reached RMB120.860 billion, an increase of RMB19.068 billion or 18.73 per cent. compared with the prior year-end. The total number of enterprise annuity individual accounts held by the Bank reached 3.5697 million, an increase of 0.1561 million or 4.57 per cent. compared with the prior year-end. Assets under custody amounted to RMB691.721 billion, an increase of RMB98.849 billion or 16.67 per cent. compared with the prior year-end. The Bank provided enterprise annuity services for more than 12,000 clients.

Personal Banking

Guided by its customer-centric philosophy, the Bank continued to build a professional retail bank, with wealth finance at its core and cross-border finance and consumer finance as specialist services. It remained committed to bolstering its development momentum in order to realise the dividends of structural reform to its personal banking business. The Bank also comprehensively accelerated digital and capital-light transformation, pushed ahead with improvements to its business structure and sharpened the competitiveness of its personal banking business. In the first half of 2021, the Group's personal banking business in the Chinese Mainland realised an operating income of RMB103.312 billion, a year-on-year increase of RMB3.110 billion or 3.10 per cent.

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[1] Inclusive finance loans granted to micro and small-sized enterprises are measured in accordance with the Circular of the General Office of China Banking and Insurance Regulatory Commission on Further Promoting the High-quality Development of Financial Services for Micro and Small-sized Enterprises in 2021 (Yin Bao Jian Ban Fa [2021] No. 49).

Account Management Business

In response to the trend of interest rate liberalisation, the Bank leveraged its advantages in comprehensive personal financial services and made progress in deposit product innovation and smart account development. By accelerating the comprehensive reform of its cardless personal banking services, the Bank completed the R&D phase of its "digital debit card" and put it into pilot operation, enabling customers to open an account without a debit card and promoting cardless transactions for services such as cash deposit and withdrawal, transaction record printing, foreign currency exchange and investment and wealth management, with the aim of creating a whole new service model that features "accounts integrated with mobile banking". As at 30 June 2021, 100 per cent. coverage of cardless services was available for all high-frequency scenarios. The Bank also worked to enrich products and services for elderly customers by launching "BOC Care Debit Card" for family customers and providing one-stop "Finance Plus" services. As the only bank in China to serve the Beijing 2008 Summer Olympics and the Beijing 2022 Winter Olympics, the Bank is set to provide services such as RMB account opening, foreign currency exchange, mobile payment and domestic acceptance of overseas bank cards for short-term visitors to China during the Winter Olympics, and promoted the Beijing 2022 Games-themed Visa debit card for cross-border customers in an effort to build a strong brand image for its payment settlement services. The Bank's "Comprehensive Cardless Application of Personal Banking Business and Smart Counter 4.0" programme was recognised as the "2021 Best Frictionless Customer Experience Initiative in China" by *The Asian Banker*.

Wealth Finance Business

Focusing on creating mutual value with customers, the Bank stepped up efforts to boost the high-quality and sustainable development of its wealth finance business and advance the scale growth and structural optimisation of all types of financial assets, with the aim of building a strong wealth management brand and increasing its market appeal. Adhering to a customer-centric approach, it remained committed to implementing the strategic requirement of pursuing "common prosperity" and established a "Group-wide + market-wide" wealth finance platform. The Bank also shifted its focus from selling proprietary products to an "open shelf" platform, from being a product seller to an investment advisor assisting the buyers, and from relying on transaction-driven growth to pursuing service-driven development, thus improving its capabilities in comprehensive product selection, refined customer management and professional team services. As at 30 June 2021, the total financial assets under management of the Group's personal customers exceeded RMB11 trillion and the income generated from wealth finance business increased by 25 per cent. year-on-year. BOC Robot Advisor recognised an average yield of 41.68 per cent. since launched, exceeding its performance benchmark by 27.40 percentage points, and generated accumulated sales of RMB29.6 billion from more than 250,000 customers. As at 30 June 2021, the Bank had set up 8,072 wealth management centres and 1,102 prestigious wealth management centres in the Chinese Mainland.

Consumer Finance Business

In strict compliance with national policies, the Bank proactively adjusted its structure and promoted transformation, maintained steady development of its residential mortgage business, and accelerated the upgrading of its inclusive finance and consumer loan businesses, thus showing a 'One Stable and Two Fast' business development phenomenon. The Bank fulfilled the concentration management requirements for residential mortgage loans, and strivingly met the reasonable demands of those who sought loans for house purchase. The Bank also made tireless efforts to enrich its inclusive finance personal loan products. It optimised the inspection process, approval rules and credit model of online personal business loan product "Tax Loan", and supported the production and operation of self-employed individuals and micro and small-sized enterprises. In line with the development strategy for rural revitalisation, the Bank stepped up efforts to build its inclusive financial services system, explored upstream and downstream development opportunities in the industrial chain, and took solid action to promote the development of offline agriculture-related loan business, thus building a universal development model alongside its online agriculture-related loans. In addition, the Bank built an efficient and convenient consumer loan product system and achieved centralised and intelligent post-lending management, with the online loan product "BOC E-Credit" serving as a key breakthrough point. As at 30 June 2021, the balance of personal RMB loans of the Group's commercial banking business in the Chinese Mainland was RMB5,251.290 billion, an increase of RMB272.076 billion or 5.46 per cent. from the prior year-end.

Within this increase, the proportion of non-housing loans within the incremental personal loans significantly increased compared with the end of 2020.

Private Banking Business

The Bank accelerated the development of its private banking business, vigorously boosted product and service innovation, enhanced its specialised business system and built up its private banking service brand, thus providing high-net-worth customers with professional, comprehensive and globalised financial services. As at 30 June 2021, the number of the Group's private banking customers reached 141,200 with financial assets under management surpassing RMB2 trillion. The Bank strengthened the development of its specialised systems comprising the platforms of investment strategy, asset allocation, wealth inheritance services, Asia-Pacific private banking, services for ultra-high-net-worth customers, and value-added services. It also accelerated the development of the family trust business, with the number of family trust customers increasing by 48.89 per cent. compared with the end of 2020. Embracing asset allocation as a strategic growth driver, the Bank shifted its business focus from product sales to portfolio allocation. The scale of asset allocation products held on consignment grew by 85.16 per cent. compared with the end of 2020. Moreover, drawing on the Group's advantages in globalised operations, the Bank made phased progress towards building its Asia Pacific Private Banking Platform. It also improved its professional service capabilities and released Chinese and English versions of the *Bank of China Private Banking Global Investment Strategy Report*, thereby forming an investment strategy system consisting of daily, weekly, monthly, quarterly and annually reports. The Bank accelerated the establishment of private banking centres by building 90 such centres in the Chinese Mainland, and promoted the in-depth development of professional teams of private banking relationship managers, private bankers and investment advisors. The Bank was awarded "Best National Private Bank in China (State-owned Banks)" once again by Asian Private Banker and "China Private Banking Awards — Best Private Bank for International Network" by *Asiamoney*.

Personal Foreign Exchange Business

The Bank further enriched its personal foreign exchange services by increasing the number of currencies available in its personal deposit and withdrawal business to 25 and the number of convertible foreign currencies available to customers to 39, thus maintaining a leading position among peers. Focusing on key customer groups, key regions and key businesses, the Bank accelerated product and service innovation, steadily promoted the optimisation of exchange settlement services for salary payment and its business expansion, and improved digital currency systems for currency exchange in order to deepen the application of digital currencies in the field of personal banking. It also improved customer experience by launching a foreign exchange cash reservation service for 23 currencies via e-channels such as mobile banking, WeChat banking and online banking in major cities in the Chinese Mainland. As at 30 June 2021, the personal foreign currency deposits of the Group's commercial banking business in the Chinese Mainland amounted to USD44.724 billion, representing the largest market share among peers.

Bank Card Business

The Bank closely followed changes in industry trends and made great efforts to sharpen its brand competitiveness. Centring on the country's development plan for nationwide winter sports, the Bank launched the Beijing 2022 Olympic Winter Games-themed credit card and continued to build up its reputation by being the only bank in China to serve the Beijing 2008 Summer Olympics and the Beijing 2022 Winter Olympics. It thereby consolidated and enhanced its differentiated market competitiveness, especially as a cross-border brand and Winter Olympics brand. Moreover, the Bank supported the development philosophy of green finance, including boosting sales of new-energy vehicles by launching an instalment plan for automobile purchases, and strongly supporting the development of domestic new-energy vehicle brands. Emphasising on high-quality customer acquisition and customer activation, it focused on active scenarios such as mobile banking and launched important services including quick payment and instalments to activate existing customers and expand new customers, and thus continuously stimulate customer activity. It also explored the potential of high-frequency payment scenarios to build a service ecosystem. Focusing on sports, cross-border, education, automobile and other scenarios, as well as small-amount and high-frequency transactions related to people's livelihood consumption, the Bank continued to enhance the "BOC Benefit Day" brand and enrich the customer experience through online and offline scenario collaboration. As at 30 June 2021, the Bank had issued a total of 133.4291 million credit cards. In the first half of 2021, credit card consumption amounted to RMB778.736 billion, including RMB186.479 billion from credit card instalments.

Centring around the digital transformation strategy, the Bank accelerated digital transformation and scenario building for its bank card business. It steadily promoted its debit card business and expanded scenario-based applications for mobile payments, thus continuing to improve customer experience. Through the Campus One-Card Express service mode, the Bank leveraged its advantages in higher education institution services, made efforts to create a "Whole Education" scenario, promoted the building of a smart campus platform and launched an education zone on its mobile banking platform. It continued to enrich its integrated "online + offline" and "financial + non-financial" services, issued social security cards equipped with financial functions in cooperation with local Human Resources and Social Security Bureaux, and expanded the functions of its electronic social security cards and medical insurance e-vouchers. As at 30 June 2021, the Bank had cumulatively issued 114 million physical social security cards and 3.1920 million electronic cards. It strongly developed rail travel scenarios and completed the promotion of Railway e-Card on 39 railway lines, covering national strategic regions such as the Beijing-Tianjin-Hebei region, the Yangtze River Delta, the Guangdong-Hong Kong-Macao Greater Bay Area and the Hainan Pilot Free Trade Port, and serving over 3.50 million customers.

Financial Markets Business

The Bank actively aligned itself with trends towards interest rate and exchange rate liberalisation and RMB internationalisation. By closely tracking financial market developments, it continuously improved its business structure and strengthened efforts to achieve compliance with international regulatory requirements, thus maintaining its competitive advantages in financial markets business.

Securities Investment Business

By strengthening its analysis and forecasting regarding the macro-economic situation and market interest rates trend, the Bank proactively seized market opportunities, fine-tuned its investment progress as appropriate and dynamically adjusted its investment portfolio, in a bid to mitigate portfolio risk. It actively invested in green bonds and local government bonds, and strongly supported the development of green finance and the real economy.

Trading Business

The Bank continuously improved its financial markets business systems, consolidated its development foundations and enhanced its comprehensive customer service capabilities. It continued to outperform peers in terms of market share of foreign currency exchange against RMB, with the Bank providing 39 currency pairs available for exchange. The total number of foreign exchange trading currencies was 110, among which 99 were currencies of emerging economies and 46 were currencies of countries along the Belt and Road. The Bank intensified efforts to promote the concept of "market risk neutral" trading strategies, and made comprehensive use of financial market trading instruments to provide convenient hedging services and assist enterprises in enhancing their risk management capabilities. It also improved its online service capabilities. Seizing opportunities arising from the two-way opening-up of financial markets, the Bank took steps to expand its overseas institutional investor customer base, relying on a multi-tier service system that integrates trading, sales and research. It strengthened its quantitative trading capacity, advanced the building of a quantitative trading platform and refined its quantitative strategy. Closely tracking the global reform of interest rate benchmarks, the Bank promoted hedging transactions that adopt the new interest rate benchmarks. It enhanced its risk management and control capabilities, improved infrastructure building and strengthened the foundations for its business development. Benchmarking against self-regulated norms and best practices in the industry, the Bank also performed a self-regulated assessment of the implementation of its risk-neutral concept.

Investment Banking Business

The Bank followed its mission to serve the real economy, leveraged the competitive advantages of its international and diversified operations, and strived to deliver an integrated "commercial banking + investment banking" service system. Focused on national strategies, it increased efforts to develop its direct financing and investment banking advisory businesses, including domestic and overseas bond underwriting and distribution, asset-backed securitisation, etc., in order to meet customers' all-round needs for "onshore + offshore", "financing + intelligence" integrated financial services. To facilitate the development of China's capital market and its two-way opening-up, the Bank underwrote bonds in the China Interbank Bond Market with a total amount of RMB764.208 billion in the first half of 2021. It strongly boosted its underwriting business for financial institutions, with its financial bond underwriting business having now remained a leader in the market for many consecutive years. The Bank actively promoted the asset-backed securitisation ("**ABS**") business, thus its market share in asset-backed notes ("**ABN**") underwriting business ranked first in the interbank market. The Bank also actively supported the issuance of green bonds. It underwrote the first batch of carbon-neutral bonds and sustainability-linked bonds, and helped non-financial enterprises and financial institutions to issue green bonds totalling RMB50.901 billion. The Bank served as underwriter in the debut issuance of carbon-neutral ABNs in China, and the first green automobile ABS in the market. In addition, the Bank further built its competitiveness in cross-border underwriting business and maintained the largest market share in both China offshore bond underwriting and Panda bond underwriting. As a result, the brand influence of "BOC Debt Capital Markets" was continuously enhanced.

Asset Management Business

The Bank pushed forward the orderly transformation of its wealth management business and constantly enhanced its investment management and research capabilities. It made steady progress in the rectification of its existing wealth management business scale, appropriately disposing of the assets held under its existing wealth management products ("**WMPs**"). BOC Wealth Management ("**BOCWM**") promoted the development of net-value WMPs, and steadily grew its product volume. As at 30 June 2021, the total balance of off-balance sheet WMPs offered by the Bank and BOCWM amounted to RMB1,413.726 billion, among which the balance of WMPs offered by BOCWM was RMB867.999 billion.

Custody Business

Pursuing national development strategies and consolidating its specialised business advantages, the Bank strived to promote the high-quality development of its custody business. As at 30 June 2021, total assets of the Group's custody business amounted to RMB13.05 trillion, with its market share increasing in terms of custody business scale and income. The Bank achieved the strongest growth rates among major Chinese peers in terms of size of mutual funds under custody, and ranked among the top class in the industry in terms of the number and size of newly issued mutual funds under custody. It actively directed financial resources towards the field of green development and became the sole supervision institution for the fund-raising accounts of the National Green Development Fund. The Bank supported the development of a multi-tier pension security system and implemented a number of key annuity and insurance fund custody programmes. It also worked to refine the functions of its custody business system, and further improved its operational service efficiency and risk control capability.

Village Bank

BOC Fullerton Community Bank actively implemented the national strategy of rural revitalisation with the development concept of "focusing on county area development, supporting farmers and small-sized enterprises, and growing together with communities". It is committed to providing modern financial services to county-level micro and small-sized enterprises, individual merchants, wage earners and farmers, developing inclusive finance, and providing financial services for rural revitalisation.

As at 30 June 2021, BOC Fullerton Community Bank controlled 124 village banks with 184 sub-branches in 22 provinces (including municipalities directly under the Central Government) through establishment and acquisition, of which 65 per cent. of the institutions located in the mid-west region. It is the largest domestic village bank group in terms of total institutions and business scope. It also continuously improved its product and service system to further expand its customer base. As at 30 June 2021, the registered capital of BOC Fullerton Community Bank amounted to RMB8.618 billion. The balances of total deposits and loans of these banks stood at RMB52.310 billion and RMB65.714 billion respectively. The NPL ratio was 1.46 per cent., and the ratio of allowance for loan impairment losses to NPLs was 241.82 per cent. During the first half of 2021, BOC Fullerton Community Bank achieved a profit of RMB449 million.

Globalised Operation

Boasting the most extensive global footprint among its Chinese peers, the Bank strived to enhance its globalised operations within the context of the new national development stage. It actively served China's new development paradigm and the national strategy of high-standard opening-up, and continuously enhanced the value-creation capacity for its globalised business. As at 30 June 2021, the Bank's deposits from customers and loans in markets outside the Chinese Mainland totalled USD552.918 billion and USD455.495 billion respectively, an increase of 13.97 per cent. and 11.70 per cent. from the prior year-end. In the first half of 2021, the Bank's commercial banking business outside the Chinese Mainland achieved a profit before income tax of USD3.642 billion, a decrease of 1.89 per cent. compared with the same period of the prior year, accounting for 15.89 per cent. of the Group's total profit before income tax.

The Bank continued to optimise its global network and further enhanced its capability to provide globalised services to customers. As at 30 June 2021, the Bank had 556 overseas institutions, covering 61 countries and regions, including 25 countries along the Belt and Road.

The Bank continued to optimise its global network management architecture and operating mechanism by building an effective flat matrix management structure and enhancing its differentiated approaches. It continued to press forward with the management and construction of overseas regional headquarters in regions such as Southeast Asia and Europe, Middle East and Africa ("**EMEA**"), and meanwhile promoted the operational streamlining of its business lines. The Bank implemented categorisation of its branches and subsidiaries outside the Chinese Mainland and adopted a differentiated development approach by further formulating a distinct local strategy for each institution. This approach enabled the Bank's operations outside the Chinese Mainland to gain a stronger footing for pursuing sustainable growth and generating greater synergies within its global network. In addition, the Head Office and overseas trading centres built a global trading network according to product line and time zone, instituting backup facilities in Beijing, Shanghai, Hong Kong, London and New York to ensure business continuity.

Corporate Banking

Keeping a close eye on changes in global markets, the Bank strengthened its analysis of the trend and risk management, and took effective measures in line with local conditions to ensure the stable and sustainable development of its overseas corporate banking business. It gave full play to its advantages in globalised and integrated operations, pushed forward the integration of domestic and overseas operations, and facilitated smooth domestic and international circulations, thus making positive contributions to both China's economic development and global economic recovery.

The Bank delivered services to its "Going Global" and "Bringing In" customers, Fortune Global 500 corporates and local enterprise customers. By virtue of its high-quality products in syndicated loans, M&A financing, project financing, letter of guarantee, international settlement, trade finance and global cash management, it offered strong support to key areas and projects including infrastructure development, green industries and international cooperation in production capacity, made solid progress towards the high-quality development of the Belt and Road Initiative, and bolstered the development of China's dual circulation pattern by delivering high-quality, efficient, customised and comprehensive financial services. The Bank gave full play to the advantages arising from its global institution network and conducted all-round cooperation with various financial institutions in areas such as clearing, settlement, loans, investment, custody, treasury operations and comprehensive capital market services, expanding its customer base and enhancing its international influence. Making agile response to the challenges brought about by the new situation, the Bank continually promoted information exchange in the international financial sector, held multiple live-streamed "cloud road shows" for overseas customers and provided them with practical solutions and supporting services, thereby securing its market position as the preferred partner among Chinese banks for foreign institutional investors entering China's capital markets. It made full use of its international partnership network, drew on its advanced global experience and established a peer communication and cooperation mechanism to keep strengthening its participation in ESG-related fields across the world.

Personal Banking

The Bank continued to improve its overseas service system for personal customers and expanded its business to cover over 6 million customers in more than 30 countries and regions. It offered comprehensive services to personal customers in Hong Kong, Macao and Singapore, etc.

The Bank built a one-stop comprehensive service platform covering the whole service process. Relying on cross-border scenarios, it vigorously promoted business innovation, proactively met costumers' demands and provided various services such as account, settlement, debit card and mobile banking for overseas business travellers, students studying abroad, expatriates and local customers. It enriched its cross-border financial service system, improved remittance services for students studying abroad and remuneration exchange settlement services for expatriates, and stepped up efforts to enhance product competitiveness. Focusing on key regions, the Bank developed its cross-border business with regional characteristics and improved its financial service system in the Guangdong-Hong Kong-Macao Greater Bay Area. As at 30 June 2021, the Bank had opened a total of over 142,600 domestic RMB settlement accounts in the region via BOCHK's "Greater Bay Area Account Opening" service.

The Bank steadily pushed forward the development of overseas private banking and wealth management. By focusing on the two themes of overseas personal asset allocation and investment in China, the Bank accelerated the building of global brands in "Private Banking", "BOC Prestigious Wealth Management" and "BOC Wealth Management". It also stepped up the promotion of overseas versions of its mobile banking platform, expanding its services to 30 countries and regions. The Bank continued to improve its overseas debit card offerings and issued debit cards in 19 countries and regions, covering the three brands of UnionPay, Visa and MasterCard. It improved its debit card acceptance network, joined local clearing organisations, facilitated customer card use convenience and reduced transaction costs, thereby better satisfying the global card usage demands of overseas customers. The Bank strengthened the management and development of its overseas institutions' key credit card products and businesses, ensured that operations were in compliance with relevant laws and rules.

Financial Markets Business

The Bank actively carried out bond investment business while steadily improving the global integrated management level of its investment operations. It provided appropriate levels of authorisation to its overseas institutions to carry out investment activities, and at the same time strengthened risk control.

The Bank took full advantage of its globalised operations to provide stable and continuous dealing services worldwide. It continued to improve its global service capability and further consolidated its competitive advantages. Following national strategies, the Bank continued to actively provide RMB market making in Taiwan (China), Singapore, South Korea, Kazakhstan, Russia and other countries and regions, in a bid to facilitate the internationalisation of RMB. Seizing the historic opportunity of China's opening-up of financial markets, the Bank provided overseas institutional investors with high-quality dealing services for domestic bonds and derivatives. It continuously improved infrastructure construction, innovated its management mechanism, enhanced customer service capability and optimised customer experience. The Bank consolidated the advantages of its globally integrated trading business and strengthened capacity building in its overseas trading centres. The Hong Kong Offshore RMB Trading Centre continued to improve its market-making and operation capabilities. The London Trading Centre actively coped with the impact of the pandemic, steadfastly remained on duty and maintained stable operations. In the first half of 2021, the Bank underwrote RMB15.7 billion of Panda bonds, ranking first among peers with a market share of 33.76 per cent. The Bank underwrote USD4.464 billion of China offshore bonds, ranking first among peers with a market share of 4.85 per cent. The Bank ranked first among Chinese banks in underwriting Asia (ex-Japan) G3 currency bonds, reaching a total of USD6.258 billion and securing a market share of 3.14 per cent. during the period. It also remained a leading position among Chinese peers in terms of cross-border custody business, and further improved custody services for global customers.

Clearing Business

The Bank continuously improved its cross-border RMB clearing capabilities and strivingly promoted the cross-border application of RMB, thus further consolidating its leading edge in international payments. As at 30 June 2021, the Bank accounted for 13 of the world's 27 authorised RMB clearing banks, and continued to lead its peers. In the first half of 2021, the Group's cross-border RMB clearing transactions totalled RMB311 trillion, an increase of more than 35 per cent. compared with same period of the prior year, maintaining the leading position in the global market. The Bank continued to expand its clearing network via its Global Unified Payment Platform System, which covers 64 institutions across 52 countries and regions, and connects to 48 local clearing systems in 31 countries and regions.

Online Services Channels

The Bank continued to expand the coverage of its overseas corporate online banking and further enhanced its global corporate online financial service capabilities. Leveraging its online financial service platform and integrating its overseas and domestic operations, the Bank enriched the service functions of its overseas corporate online banking and overseas bank-enterprise connection channels, expanded its clearing channels and strengthened the online service capabilities of its overseas institutions, thereby continuing to lead its peers in global cash management services. As at 30 June 2021, the Bank offered overseas corporate online banking services in 51 countries and regions, with 15 languages available for customer service.

Technology Support

The Bank continuously improved its global IT management mechanism, and pushed forward the optimisation of its overseas systems function and product promotion, according to the differentiated management strategy for overseas institutions. It strengthened technology empowerment and pushed forward the implementation of key projects such as the automation improvement of overseas comprehensive management platform and regulatory statement platform, and further improved the level of global service.

BOCHK

BOCHK actively responded to rigorous market challenges and further strengthened the execution of its strategic plans. It steadily pushed forward its business priorities and strived to achieve high-quality development. BOCHK actively embraced ESG concepts, vigorously promoted green finance and improved its capability for sustainable development. It also responded to the financial policies of the Guangdong-Hong Kong-Macao Greater Bay Area and captured related market opportunities, as well as continually developed its local market in Hong Kong. BOCHK gave full play to its regional synergies in Southeast Asia in order to implement its integrated business systems. It expedited its digital and innovation-driven development and increased the application of FinTech in its products and services. In addition, it strengthened its risk and compliance controls, with major financial indicators remaining at solid levels. As at 30 June 2021, BOCHK's issued share capital was HKD52.864 billion. Its total assets amounted to HKD3,834.870 billion and net assets reached HKD322.293 billion. In the first half of 2021, its profit for the period was HKD13.591 billion.

BOCHK actively embraced ESG concepts and continuously promoted green finance. BOCHK remained committed to enriching its green finance products and services so as to encourage and assist clients' business transformation towards sustainable development and support Hong Kong's establishment as a green financial centre. This included the launch of the SME Green Financing Incentive Scheme, green deposits, green syndicated loans and a green advisory service. BOCHK also launched the BOCHK All Weather ESG Multi-Asset Fund, the first ESG fund authorised by the Securities and Futures Commission in Hong Kong, and successfully issued "sustainable and smart living" themed green bonds. In recognition of its ESG efforts, BOCHK was rated AA by MSCI ESG Research LLC for the fifth consecutive year, selected as a constituent of the Hang Seng Corporate Sustainability Index Series for the 11th consecutive year, and awarded "Best Bank for CSR in Hong Kong" by Asiamoney for the third consecutive year.

BOCHK captured market opportunities and continued to develop the local market. The growth of BOCHK's total customer deposits and loans was above the market average, with deposit structure being further optimised and the asset quality of its loan portfolio outperforming the peers. It enhanced internal and external collaboration in order to engage in major syndicated loan projects, maintaining its top market share in the Hong Kong-Macao syndicated loan market. Seizing opportunities arising from the secondary listing of China concept stocks and the development of capital markets, BOCHK successfully captured the receiving bank business of all secondary listing projects in Hong Kong in the first half of 2021. As a result, it maintained its top market position as an IPO receiving bank in terms of both the total number of listing projects and total funds raised during the period. It also cooperated closely with real estate intermediaries in order to develop and promote the scenarios of property search and mortgage services available on its Home Expert mobile application. This enabled BOCHK to capture first-hand mortgage business opportunities and maintain its top market position in terms of the total number of new mortgage loans. In addition, it secured market leadership in the cash pooling business by leveraging Hong Kong as an ideal hub for corporate treasury activities, with its business coverage now extending to central enterprises, state-owned enterprises, industry giants, local large-scale enterprises and foreign enterprises from 29 countries and regions.

BOCHK deepened cross-border collaboration and proactively supported the construction of the Greater Bay Area. To actively respond to financial policies and capture market opportunities related to the Guangdong-Hong Kong-Macao Greater Bay Area, BOCHK gave full play to its competitive edge in integrated service capabilities by providing diversified products and services to key industries and target customers in the Chinese Mainland, including those in the new infrastructure and technological innovation sectors, thus fulfilling their cross-border financial demands. It also continued to deepen collaboration within the Group, with a view to enhancing synergies in client service, business innovation and risk management. In order to meet the various spending, lifestyle and investment needs of residents in the Greater Bay Area, BOCHK continued to optimise the customer experience of cross-border financial services in the Greater Bay Area Account Opening and Personal Loan mortgage services. It also made full preparations for the launch of its cross-border Wealth Management Connect service, so as to contribute to financial interconnectivity within the Greater Bay Area.

BOCHK improved its regional presence in Southeast Asia and fully leveraged its regional synergies. BOCHK strengthened its regional headquarter management and implemented a "One Bank, One Policy" operating model according to the local conditions of each of its Southeast Asian entities. This allowed the entities to step up their own marketing efforts and successfully expand their key customer bases, giving rise to more business opportunities in syndicated loans, customer deposits, letters of credit and letters of guarantee. With the aim of further enhancing its regional operations, BOCHK made earnest efforts to centralise regional management in the Southeast Asia and expedite the transfer of its managing role to the Regional Operation Centre in Nanning, Guangxi. Adhering to stringent risk management, it strengthened its Southeast Asian entities' risk management capabilities in credit risk, market risk, interest rate risk and liquidity risk, as well as its risk control capabilities in compliance, anti-money laundering and anti-fraud, by leveraging its systems and technical advantages. BOCHK remained committed to pushing forward digitalisation and financial product innovation, gradually rolling out a number of digital services in the Southeast Asian region including its intelligent Global Transaction Banking platform (iGTB), mobile banking, the Enterprise Resources Planning Integration service, BoC Bill and the FXall Digital Transaction Platform. It further improved its operational presence in the first half of 2021 with the commencement of business at BOCHK Yangon Branch in Myanmar and BOCHK Hanoi Representative Office in Vietnam, while BOCHK Manila Branch officially launched its RMB clearing business in the Philippines. In addition, BOCHK deepened its Asia-Pacific business collaboration mechanism with the Bank's Singapore Branch and Sydney Branch, achieving steady progress in its syndicated loan, cash management, trade financing, account opening attestation, treasury transaction and wholesale banknote businesses. Despite the challenges posed by the pandemic, its Southeast Asian entities recorded solid growth in deposits from customers and advances to customers, while maintaining stable asset quality.

BOCHK pushed forward its digital transformation and further enhanced customer experience. Backed by digital, intelligent and ecological support, BOCHK was able to provide impetus to its business development and enhance customer experience through digital transformation. It actively promoted open banking services and pushed forward business ecologies with a focus on various livelihood-related scenarios. It continued to provide payment solutions to HKSAR government agencies and clients in the transportation, education, retail, and food and beverage sectors, to provide more convenient payment channels to the general public. BOCHK implemented a number of measures to continuously enhance operational efficiency and promote digitalisation processes, including the use of intelligent customer services, blockchain technology, the use of e-platforms for service applications and transactions, robotic process automation in its middle and back offices, and the extension of iGTB platform coverage to the Southeast Asian region. It also shifted enthusiastically towards intelligent operations by enhancing its mobile banking functionalities, introducing intelligent devices to its service outlets and implementing a web risk monitoring system. At the same time, it optimised its agile mechanisms and systems, strengthened the formation of agile teams and culture, and continuously pushed forward the construction of its cloud-based system so as to provide all-round support to its strategic digital transformation initiative. BOCHK was awarded “Hong Kong’s Best Digital Bank 2021” by Asiamoney.

Comprehensive Operation

The Bank is committed to serving the national strategies and the real economy. Focusing on customers’ comprehensive financial needs, the Bank continuously improved its comprehensive operations, deepened the coordination mechanism for key regions, and worked to enhance its risk management capabilities. It endeavoured to sharpen the Group’s differentiated advantages based on its comprehensive operations, boosted high-quality development, and thereby became a driver of value creation, functional innovation and mechanism exploration for the Group.

Investment Banking Business

BOC International

BOC International engages in investment banking business. As at 30 June 2021, BOC International had an issued share capital of HKD3.539 billion, total assets of HKD115.655 billion, and net assets of HKD22.381 billion. In the first half of 2021, BOC International realised a profit for the period of HKD993 million.

BOC International continued to strengthen its advantages in the traditional investment banking business, accelerated the development of wealth and asset management business, and further enhanced its globalised and comprehensive service capabilities. Leveraging its advantages in traditional investment banking business, BOC International integrated into the new national development paradigm in which domestic and international circulations reinforce each other, focusing on equity financing, debt financing, M&A and restructuring, and global commodities. BOC International assisted with the secondary listing or dual listing of several US-listed China concept stocks on the HKEX, becoming one of the most experienced Chinese investment banks in this field. It continued to improve its asset management capability by developing and promoting ESG indices and asset management products. BOCI-Prudential Asset Management Limited, a subsidiary of BOC International, maintained its position as a top-ranked service provider in the Hong Kong Mandatory Provident Fund (MPF) and Macao Pension Fund businesses. BOCI-Prudential also actively prepared for the implementation of “Cross-border Wealth Management Connect” in the Guangdong-Hong Kong-Macao Greater Bay Area, while two funds approved under the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme, namely the BOCHK Hong Kong Equity Fund and BOCHK Global Equity Fund, were offered for public subscription in the Chinese Mainland market. In the first half of 2021, BOC International ranked among the top in the industry in terms of Hong Kong market turnover, including in both securities and derivatives (warrants & CBBC) products, while the “BOCI Greater Bay Area Leaders Index” continued to outperform its peers and other mainstream Chinese equity stock indices. BOC International also continued to improve its global customer service capabilities. It participated in the issuance of Saudi Aramco’s first USD sukuk, and was the only Chinese investment bank to participate in the issuance of Pakistan’s overseas USD sovereign bond. In addition, BOC International accelerated its global commodity centre development. It proactively participated and facilitated the internationalisation of the onshore commodities futures market, and assisted Shanghai International Energy Exchange in further enriching its crude oil futures products. BOC International continued to push forward the digital transformation of its business, improved the securities service functions of its mobile apps, applied big data and AI to further enhance its online trading and wealth management business, and developed robo-advisory and other FinTech applications to continuously improve user experience, thereby maintaining steady growth in its brokerage business. Furthermore, BOC International pressed ahead with the development of green finance and participated in the issuance of several Chinese institutions’ overseas green bonds.

BOCI China

BOCI China engages in securities-related business in the Chinese Mainland. As at 30 June 2021, the registered capital, total assets and net assets of BOCI China were RMB2.778 billion, RMB59.886 billion and RMB15.354 billion, respectively. It realised a profit for the period of RMB616 million in the first half of 2021.

BOCI China promoted business transformation through technological empowerment. Focusing on the wealth management needs of individual customers, it constructed the customer-centric product system, refined the comprehensive service process for wealth management, and improved the service capability of its investment advisors. Deepening its synergistic advantages of "investment banking + commercial banking", "investment banking + investment" and "domestic + overseas", and targeting key clients and key industries, BOCI China drew up blueprints for technology finance, green finance and other national key strategic areas and shifted its investment banking business focus towards transaction-driven comprehensive financial services and its asset management business focus towards active management services. BOCI China further improved its customer service capabilities. In addition, the brand reputation of its research products was further enhanced.

Asset Management Business

BOCIM

BOCIM engages in fund management business in the Chinese Mainland. As at 30 June 2021, BOCIM's registered capital amounted to RMB100 million, its total assets stood at RMB6.154 billion and its net assets totalled RMB4.699 billion. In the first half of 2021, BOCIM realised a profit for the period of RMB621 million.

BOCIM steadily expanded its asset management business and continuously improved its profitability. Its internal control and risk management capabilities remained robust and effective, and its comprehensive services continued to improve. As at 30 June 2021, BOCIM's AUM stood at RMB503.1 billion. Specifically, its public-offered funds reached RMB373.7 billion and its non-monetary public-offered funds reached RMB265.5 billion.

BOC Wealth Management

BOC Wealth Management engages in wealth management business in the Chinese Mainland. 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 products and services. As at 30 June 2021, BOC Wealth Management's registered capital was RMB10.000 billion, its total assets amounted to RMB11.438 billion and its net assets totalled RMB10.959 billion. In the first half of 2021, its profit for the period reached RMB485 million.

BOC Wealth Management complied with regulatory requirements, continued to promote net-value wealth management product development, and steadily increased its assets under management. The company continued to expand its product offerings, bringing to market the first periodic-revolving product in the industry. BOC Wealth Management strengthened its investment and research capacity, launched "Independent Innovation", "Peak Carbon Dioxide Emissions", "Rural Revitalisation" and other themed products in accordance with the 14th Five-Year Plan, enhanced its asset allocation structure, and supported the high-quality development of the real economy. At the same time, BOC Wealth Management proactively enhanced its risk management system, improved the quality and efficiency of its operational service, strengthened its FinTech capacity, and promoted the digital transformation of its wealth management business. As at 30 June 2021, BOC Wealth Management's total AUM reached to RMB1,413.726 billion, while the company's own product balance amounted to RMB867.999 billion.

Insurance

BOCG Insurance

BOCG Insurance engages in general insurance business in Hong Kong. As at 30 June 2021, BOCG Insurance reported issued share capital of HKD3.749 billion, total assets of HKD9.994 billion and net assets of HKD4.299 billion. In the first half of 2021, BOCG Insurance recorded gross written premiums of HKD1.469 billion and realised a profit for the period of HKD142 million.

BOCG Insurance actively served national strategies and steadily expanded its general insurance business. Seizing market opportunities, it actively developed mandatory traffic insurance and commercial insurance products for Hong Kong private cars travelling to Guangdong via the Hong Kong-Zhuhai-Macao Bridge, and accelerated marketing and mechanism development for its regional products. It strengthened bancassurance collaboration mechanisms, explored the potential of various channels, and upgraded its business channels through B2B2C marketing. In addition, BOCG Insurance consolidated its advantages in traditional property insurance business and explored new health service models, making efforts to shift its approach from being solely a financial risk-taker to acting as a health manager, and promoting the sustainable development of health insurance as a strategic business. It promoted digital transformation across the board and officially launched a new-generation core system to serve the public. It improved the functions of its online platform, enhanced the online customer experience, rolled out the first cashless digital medical insurance claim settlement programme using blockchain technology, and realised online insurance purchase and claim payment for multiple products. In terms of fulfilling its social responsibilities, BOCG Insurance launched "One-For-Everyone" anti-epidemic insurance product, provided free extra benefits for its special "Peace of Mind Vaccination" product, and offered premium discounts to vaccinated customers, thereby contributing to Hong Kong's fight against the pandemic.

BOC Life

BOC Life engages in life insurance business in Hong Kong. As at 30 June 2021, BOC Life's issued share capital was HKD3.538 billion, total assets amounted to HKD190.039 billion and net assets amounted to HKD11.382 billion. In the first half of 2021, its profit for the period was HKD471 million.

BOC Life continued to implement its strategy of diversifying distribution channels. In view of the COVID-19 pandemic's continuous negative impact on offline insurance product sales, BOC Life constantly strengthened its business development via online channels. The standard new premium conducted via electronic channels increased by over 25 per cent. year-on-year, continuing to outperform its industry peers. BOC Life promoted cooperation and synergy with the Group, thus maintaining its leading market position in bancassurance sales and proactively expanded its tied agency and broker channels. BOC Life maintained its leading position in the life insurance business and remained the market leader in RMB insurance sector in Hong Kong, with RMB standard new premium increasing by over 65 per cent. year-on-year.

BOC Insurance

BOC Insurance engages in property insurance business in the Chinese Mainland. As at 30 June 2021, BOC Insurance reported registered capital of RMB4.535 billion, total assets of RMB14.452 billion and net assets of RMB4.718 billion. In the first half of 2021, it realised written premiums of RMB3.311 billion and a profit for the period of RMB135 million.

BOC Insurance devoted great efforts to advancing supply-side structural reform, pushed forward bancassurance integration and collaboration, and maintained sound business development and steady profit growth. It supported the Belt and Road Initiative and served the Group's globalisation strategy. BOC Insurance maintained a leading position in the overseas insurance business, covering more than 30 industries in 70 countries and regions in Asia, Africa and South America. It supported the development of the real economy and China's industrial upgrading, provided credit enhancement for the financing of small and medium-sized private enterprises, and facilitated the upgrading of major technical equipment by offering an insurance compensation mechanism for the first (set of) major technical equipment. It supported customs clearance facilitation reform by providing services for the "single window in international trade" and moving online the full process of tariff guarantee insurance and cargo transportation insurance. In addition, BOC Insurance introduced new forms of claim settlement services, promoted automatic and smart upgrading, ensured the provision of financial services during pandemic prevention and control, and improved operational efficiency, speed of response and customer experience. Attaching great importance to consumer protection, it improved its consumer protection governance framework and mechanism.

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

BOC-Samsung Life engages in life insurance business in the Chinese Mainland. As at 30 June 2021, BOC-Samsung Life's registered capital stood at RMB2.467 billion, total assets amounted to RMB40.180 billion and net assets amounted to RMB2.599 billion. In the first half of 2021, BOC-Samsung Life recorded written premiums and premium deposits of RMB8.401 billion and a profit for the period of RMB33 million.

Focusing on the original purpose of insurance, BOC-Samsung Life increased the supply of protection products and established a health insurance product system. In accordance with the CBIRC's revised definitions of critical illness for the insurance sector, BOC-Samsung Life launched four new critical illness insurance products to meet the needs of different customer groups, thus promoting rapid business growth. It improved its business structure and realised a year-on-year increase of 46 per cent. in first-year premiums in its protection and long-term savings business. Capitalising on FinTech trends, BOC-Samsung Life applied big data technology to enhance its insurance risk control capability, launched 24/7 robot underwriting consulting services, and pushed forward its transformation to online and platform-based services. It accelerated digital transformation, steadily advanced the building of its enterprise-level architecture and data middle office, and completed the deployment of a private cloud, thus enhancing its digital operation and management capability. It proactively promoted the development of an online insurance mall and explored the development of online insurance business. Furthermore, BOC-Samsung Life actively engaged with the Group's business collaboration strategy in key regions, and continuously increased its investments in the Guangdong-Hong Kong-Macao Greater Bay Area in the form of loans, trust and equity. As at 30 June 2021, BOC-Samsung Life had cumulative investments of RMB944 million in the Greater Bay Area.

Investment Business

BOCG Investment

BOCG Investment operates direct investment and investment management business. BOCG Investment's business scope includes private equity investment, fund investment and management, real estate investment and management and special situation investment. As at 30 June 2021, BOCG Investment recorded issued share capital of HKD34.052 billion, total assets of HKD140.553 billion and net assets of HKD72.565 billion, with a profit of HKD4.033 billion for the first half of 2021.

Actively integrating into the nation's new development pattern, BOCG Investment advanced its operations and management in a steady and orderly manner. Serving the national strategy, it invested in a number of enterprises in the fields of technology finance and green finance, including SVOLT Energy Technology, Shenzhen New Degree Technology, and 4Paradigm. BOCG Investment developed its business in key regions by making preparations for the launch of its Yangtze River Delta Fund II and Guangdong-Hong Kong-Macao Greater Bay Area Fund II, thus enhancing the Group's overall competitiveness. It also invested in enterprises such as SciClone Pharmaceuticals and JD Logistics, which were successfully listed on the HKEX. In addition, BOCG Investment continued to optimise its sources of financing and strengthen its market-oriented financing capabilities, including successfully issuing an RMB2.5 billion Panda bond. Moreover, it made good progress in the informatisation, digitisation and automation of its businesses by developing and optimising different IT systems, such as the investment management system.

BOC Asset Investment

BOC Asset Investment engages in debt-for-equity swap and related business in the Chinese Mainland. As at 30 June 2021, the registered capital of BOC Asset Investment was RMB14.500 billion, with total assets and net assets standing at RMB84.111 billion and RMB16.921 billion respectively. In the first half of 2021, it realised a profit for the period of RMB1.129 billion.

BOC Asset Investment conducted its debt-for-equity swap business based on market-oriented and rule-of-law principles, with the aim of improving enterprises' business operations and helping them to reduce leverage ratios and improve market value. Committed to the development of green finance, the company completed its first clean energy high-end equipment project in line with the national development goal of achieving "peak carbon dioxide emissions and carbon neutrality". It invested in strategic emerging industries and empowered leading domestic industrial internet enterprise to accelerate the construction of a national industrial internet platform. A special fund for debt-to-equity swaps was established by BOC Asset Investment and China Reform Holdings Corporation Ltd. to support the optimisation and coordinated development of the country's industrial structure, with an initial allocation of RMB10.0 billion. The company also coordinated the Group's risk asset disposal work, based on its strengths as a professional and experienced platform for risk asset restructuring. As at 30 June 2021, the cumulative market-oriented debt-for-equity swap business reached RMB172.426 billion, representing an increase of RMB13.623 billion within the year.

Leasing Business

BOC Aviation

BOC Aviation engages in aircraft leasing business. BOC Aviation 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 30 June 2021, BOC Aviation recorded issued share capital of USD1.158 billion, total assets of USD23.893 billion and net assets of USD4.992 billion. It recorded a profit for the first half year of USD254 million as the company recognised the effects of the COVID-19 related downturn on the value of its aircraft and on airline customer cash flows and receivables.

Committed to pursuing sustainable growth, BOC Aviation continued to implement its proactive business strategy and steadily promoted its standing in the aircraft leasing industry. Actively supporting the Belt and Road Initiative, it had leased 65 per cent. of its aircraft to airlines of Belt and Road countries and regions, as well as airlines based in the Chinese Mainland, Hong Kong, Macao and Taiwan, as at 30 June 2021. Continuing to closely develop customer demand, the company took delivery of 34 aircraft, including six aircraft that airline customers purchased at delivery, as it expanded its owned fleet. All of these aircraft have been placed on long-term leases. During the first half of 2021, BOC Aviation signed 26 leases for future deliveries and added three new customers, totalling 87 customers in 38 countries and regions. The company consistently sought to optimise its asset structure and improve its sustainable development. It sold nine owned aircraft in the first half of 2021, leaving it with an average owned fleet age of 3.7 years (weighted by net book value) as at 30 June 2021, one of the youngest aircraft portfolios in the aircraft leasing industry.

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

BOCL operates financial leasing, transfer and receiving of financial leasing assets and other related businesses. As at 30 June 2021, BOCL recorded registered capital of RMB10.800 billion, total assets of RMB25.230 billion and net assets of RMB10.665 billion. It realised a profit for the period of RMB15 million for the first half of 2021.

Following the strategic objectives of the Group, BOCL focused on national strategic regions and industries, upheld the development philosophy of specialisation, differentiation and featured characteristics, highlighted the featured characteristics of financial leasing, and refined and strengthened its leasing brand. As at 30 June 2021, it had cumulatively conducted more than RMB20.0 billion of financial leasing business, involving transportation, water conservancy, energy production and supply, construction, manufacturing and other industries. Specifically, the proportion of green leasing in the total leasing business was 37 per cent., as the company continued to take practical steps to improve the quality and efficiency of its service to the real economy.

Consumer Finance

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

BOC Consumer Finance engages in consumer loan business in the Chinese Mainland. As at 30 June 2021, BOC Consumer Finance's registered capital stood at RMB1.514 billion, total assets amounted to RMB37.894 billion and net assets amounted to RMB7.953 billion. Its outstanding loans stood at RMB38.350 billion, an increase of 14.76 per cent. over the prior year-end. In the first half of 2021, BOC Consumer Finance recorded a profit for the period of RMB532 million.

Focusing on customer needs, BOC Consumer Finance strived to build a featured ecosystem for consumer finance and continuously improved its customer service capability. It enhanced online and offline synergistic integration by establishing an integrated service platform featuring "online + offline integration and finance + technology integration". It has set up 27 regional centres to date, with its offline and online businesses covering approximately 400 cities and 900 counties nationwide, thus greatly increasing the coverage and availability of its consumer financial services. Continuously optimising the products and services, BOC Consumer Finance constantly improved consumers' financial service experience and effectively protected their legitimate rights and interests. It actively served national strategic regions, and provided customers with convenient, professional and flexible consumer financial products and services.

Financial Technology

*Bank of China Financial Technology Company Limited ("**BOC Financial Technology**")*

BOC Financial Technology conducts financial technology innovation, software development, platform operation and technical consulting services. As at 30 June 2021, the registered capital of BOC Financial

Technology was RMB600 million, with total assets and net assets standing at RMB629 million and RMB569 million, respectively.

In supporting the Group to serve the national development strategy for the digital economy, BOC Financial Technology pushed forward the development and construction of key cities and regions including Hainan Province, Hebei-Xiongan New Area and the Yangtze River Delta through technology empowerment. Relying on its R&D bases in Wuhan, Hubei Province and Chengdu, Sichuan Province, it provided scientific and technological services for the surrounding areas. Focused primarily on providing services within the Group, the company supported significant Group projects and bolstered the Group's development in key areas by devoting efforts to data governance, reform of the company's credit authorisation system, intelligent risk control, inclusive finance and anti-money laundering programmes. It also developed the BOC Silver Scenario Construction Platform, BOC Education Scenario Construction Platform, BOC Sports Scenario Construction Platform, BOC Culture & Tourism Scenario Construction Platform, and BOC Intelligent Hospital, and supported the IT application programmes of the Group's comprehensive operation companies. Serving the Group's strategic output, BOC Financial Technology continued to dig down deep in the financial industry and delivered technological services to domestic and overseas banks to support anti-money laundering, credit risk control and other fields of IT service. It continuously stepped up research in product innovation, explored new technological innovations and applications, and built technological platforms such as blockchain platform and privacy computing platform.

Service Channels

Focusing on improving customer experience, 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. As a result, it cultivated an ecosystem in which online and offline channels are integrated and financial and non-financial scenarios are seamlessly connected.

Online Channels

Following a "Mobile First" strategy and embracing digital transformation trends, the Bank continued to increase efforts to expand its online channels and upgrade its mobile banking services, thus realising rapid growth in online business. In the first half of 2021, the Bank's substitution ratio of e-banking channels for outlet-based business transactions reached 95.99 per cent. Its e-channel transaction volume reached RMB156.55 trillion, an increase of 16.87 per cent. year-on-year. Among this, mobile banking transaction volumes reached RMB19.75 trillion, an increase of 27.10 per cent. year-on-year, making mobile banking the online channel with the most active customers. The table below sets forth, as at the dates indicated, the number of the Group's online customers by categories:

	As at 30 June	**As at December**	
	2021	**2020**	**Change**
	(in millions)		*(%)*
Number of corporate online banking customers	6.0700	5.4351	11.68%
Number of personal online banking customers................	197.3719	194.2267	1.62%
Number of mobile banking customers	223.3184	210.5524	6.06%
Number of telephone banking customers........................	111.1771	111.3692	(0.17%)

Following mobile internet trends, the Bank accelerated the construction of the Group's mobile integrated financial service portal for corporate customers. Leveraging the BOC iGTB platform, the Bank focused on frequently and commonly used services, mobile features, international settlement characteristics and open scenarios. It also built an intelligent corporate customer service platform featuring rich scenario ecosystems, superior user experience and flexible product portfolios, and provided corporate customers with comprehensive and multi-dimensional online financial services. It continuously enriched high-frequency primary services such as bank-enterprise reconciliation, transfer and remittance, account management, inclusive financing, investment and wealth management; launched exclusive mobile services such as QR code scanning payment, and introduced featured services in international settlement such as self-service foreign exchange sales, cross-border remittance, inward remittance, international settlement documents and online letters of guarantee. The Bank supported biometric login, QR code login and intelligent customer services, as well as introducing convenient auxiliary functions such as receipt verification, corporate business cards and calendars, so as to continuously improve customer experience.

The Bank continued to improve the functions and channels of its mobile banking for personal customers and facilitated the digital transformation of personal banking. Centring around the key customer groups of credit card, private banking and elderly care, it launched targeted services such as a credit card section, a private banking zone and an Elderly Version for its mobile banking as well as launching "My Ledger", Monthly Bill, and Earnings Report functions in a bid to enhance the value of its products and services, boost sales and stimulate customer activity. The Bank created a superior user experience with a focus on livelihood high-frequency consumer scenarios, and delivered more convenient personal financial services for customers. It continued to expand its overseas service coverage and published versions for the Netherlands and Panama, meaning that its mobile banking services are now available via 30 overseas institutions and in 12 languages and providing services under 17 categories. Newly introduced features included online self-registration for mobile banking, UK exclusively electronic bank statements and online account opening. Furthermore, the Bank enhanced the digital risk control capacity of its online channels and accumulatively monitored 3.752 billion transactions through its "Cyber Defence" smart risk control and prevention system in the first half of 2021, an increase of 35.3 per cent. year-on-year. As at 30 June 2021, the Bank had opened accounts for 16.40 million customers through its mobile banking-oriented digitalised authorisation tool, an increase of 35.53 per cent. over the beginning of the year.

Offline Channels

The Bank pushed forward the digital transformation of its outlets and continued to enrich its intelligent service ecosystem, in a bid to transform its outlets into integrated marketing and service entities encompassing all channels, scenarios and ecosystems.

The Bank accelerated the digital transformation of its outlets. It deepened cross-border ecosystem development, expanded non-resident service scenarios at smart counters, supported passport-based business handling and launched multilingual services. Closely following the pace of digital reform in government services, the Bank constructed a "government service + financial service" dual-purpose system and successively expanded government affairs scenarios such as social security and tax service at smart counters, by embedding financial services into the building of digital government and smart cities, and it continuously promoted the intelligent outlets operation. The Bank constantly optimised the products and services. The Bank established a bank settlement account system for local and foreign currencies, realised "one-stop" account opening and product contracting, introduced digital debit card issuance and cardless services at smart counters, to improve customer experience. Focusing on the elderly and other key customer groups, the Bank launched an elderly version of smart counters to help the elderly adapt to the digital world and make intelligent financial services more inclusive.

The Bank made fresh innovations in outlet business models. It continued to push forward the categorised management and differentiated development of its outlets by further refining the differentiation of business strategies and resource allocation across different outlets, so as to sharpen their overall competitiveness. It rolled out the "5G Intelligence + Greater Bay Area Pavilion" in Guangdong Province and the "5G Intelligence + Culture and Tourism Pavilion" in Shanxi Province, and built intelligent outlets integrating technology application, service experience, scenario linking and ecosystem integration. Furthermore, the Bank pushed forward the establishment of an outlet scenario ecosystem, built featured outlets based on cross-border, sports, silver economy, education and other scenarios, thus continuously improving the scenario ecosystem chain.

As at 30 June 2021, the Bank's commercial banking network in the Chinese Mainland (including Head Office, tier-1 branches, tier-2 branches and outlets) comprised 10,450 branches and outlets. Its comprehensive operation institutions in the Chinese Mainland totalled 513, and the number of its institutions in Hong Kong, Macao, Taiwan and other countries and regions totalled 556.

The table below sets forth, as at the dates indicated, the number of the Group's ATMs, smart counters and self-service terminals:

	As at 30 June	As at 31 December	
	2021	2020	Change
	(single item)		*(%)*
ATM	32,013	33,314	(3.91%)
Smart counter	32,465	31,960	1.58%

Information Technology Development

Taking "deepening technological reform and boosting value creation" as its main task, the Bank fully invested in new "digital infrastructure", enhanced IT empowerment in key business areas, and created new financial service patterns.

The Bank was deeply involved in the building of a digital China. It improved its governance structure by setting up the Financial Digitalisation Committee to push forward the development of the Group's digitalisation, financial technology, data governance, digital business transformation and information risk management system. In line with the Group's strategic development requirements, the Bank accelerated the two milestone projects of enterprise-level architecture building and data governance enhancement. It devoted great efforts to improve its digital capabilities in five areas, namely customer experience enhancement, open sharing of products and services, business process integration and optimisation, intelligent and efficient risk control, and burden alleviation for institutions and employees via IT empowerment, thereby achieving new breakthroughs in the Group's digital transformation.

The Bank made every effort to promote the OASIS project. Pooling Bank-wide efforts and resources, it built an enterprise-level architecture, strived to break down internal silos from the perspective of overall management and integrated planning, and cultivated the key capabilities shared across all products, channels and institutions. It accelerated the building of enterprise-level middle offices for products, operations, risk control and data, and provided strong support for agile responses to customer demands, rapid follow-up on market changes and flexible support for the development of frontline businesses. In the first half of 2021, the Bank finalised the implementation plan for the first phase of its upcoming pilot projects and entered into the substantive development stage.

The Bank deepened research into the application of cutting-edge technologies in financial field. Focusing on core fields such as smart city infrastructure, digital government scenarios, digital financial services and financial product innovation, the Bank established a blockchain platform in cooperation with the blockchain lab of Xiongan New Area, and put it in use for the payment of financial funds for projects in Xiongan New Area. It also achieved preliminary research results in cutting-edge areas such as privacy computing, 6G, and distributed databases. Furthermore, the Bank improved its product innovation management policies, enhanced the quality and efficiency of product lifecycle management, and realised full coverage of product management.

The Bank supported the strategic development pattern of "One Body with Two Wings". Focusing on globalised operations, it established an overseas IT collaboration service mechanism. Leveraging its role as a "strong headquarters", the Bank promoted the use of digital collaboration in the office activities of its overseas institutions and continuously improved IT automation and online IT capabilities. Focusing on comprehensive operations, the Bank established a comprehensive major IT event management mechanism in a coordinated manner, combined corporate governance with IT line management, and steadily promoted the development of products and processes and policies for capacity output.

Major Contracts

Material Custody, Sub-contracts and Leases

In the first half of 2021, 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 PBOC and CBIRC, the Bank's guarantee business is an off-balance sheet item in the ordinary course of its business. The Bank operates the 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 2021, save as disclosed above, the Bank did not enter into or allow to subsist any material guarantee business that is required to be disclosed.

Employees

As at 30 June 2021, the Bank had a total of 305,594 employees. There were 280,265 employees in the Bank's operations of the Chinese Mainland, of which 267,050 worked in the Bank's domestic commercial banking operations. As at 30 June 2021, there were 25,329 employees in the Bank's operations in Hong Kong, Macau, Taiwan and other countries and regions. As at 30 June 2021, the Bank bore costs for a total of 5,041 retirees.

The following table sets forth the total number of employees by geographic distribution as at 30 June 2021:

	Number of employees	per cent. of total
Northern China	61,925	20.26%
Northeastern China	23,831	7.80%
Eastern China	90,696	29.68%
Central and Southern China	66,302	21.70%
Western China	37,511	12.27%
Hong Kong, Macau and Taiwan	17,721	5.80%
Other countries and regions	7,608	2.49%
Total	305,594	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.

RISK MANAGEMENT

The Group's primary risk management objectives are to maximise value for equity holders while maintaining risk within acceptable parameters, optimising capital allocation and satisfying the requirements of the regulatory authorities, the Group's depositors and other stakeholders for the Group's prudent and stable development.

The Bank continued to improve its risk management system in line with the Group's strategies. Facing a challenging and complex external environment, the Bank intensified efforts to improve its comprehensive risk management system, further refined and upgraded the system in terms of governance structure, management mechanism, management process, management tools and management foundations, thus ensuring the sustainable and robust operation of the Group. Anticipating how risk management will develop over the next three to five years, the Bank formulated the Group's 14th Five-Year risk management plan, which comprehensively charts a blueprint for the Group's risk management development, including proposed actions and measures. In addition, it further implemented Basel III and international interest rate benchmark reform, and continued to enhance its refined risk management capability. The Bank also improved the risk management system for its comprehensive operation subsidiaries and continuously strengthened risk management requirements for its overseas institutions. It also improved mechanisms for pandemic response and major risk reporting, and ensured business continuity. Furthermore, the Bank accelerated the digital transformation of risk management, proactively established an online "toolbox" for business models and a "safety valve" for risk evaluation, and advanced the building of a multi-tiered smart risk control and early warning system, thus increasing the levels of its smart risk management. It remained constantly mindful of worst-case scenarios and conducted in-depth investigation of the major potential risks arising from varying aspects of its institutions, businesses, products and customers. It also took an active role in carrying out special campaigns on risk culture, as a way to continuously improve the risk awareness of all employees.

The most significant types of risk to the Group are credit risk, market risk and liquidity risk. Market risk includes interest rate risk, currency risk, and other price risk.

Risk Management Framework

The Board of Directors is responsible for establishing the overall risk appetite of the Group and reviewing and approving the risk management objectives and strategies.

Within this framework, the Group's senior management has overall responsibility for managing all aspects of risks, including implementing risk management strategies, initiatives and credit policies and approving internal policies, measures and procedures related to risk management. The Risk Management Department, the Credit Management Department, the Financial Management Department and other relevant functional departments are responsible for monitoring financial risks.

The Group manages the risks at the branch level through direct reporting from the branches to the relevant departments responsible for risk management at the Head Office. Business line related risks are monitored through establishing specific risk management teams within the business departments. The Group monitors and controls risk management at subsidiaries by appointing members of the Board of Directors and risk management committees as appropriate.

Credit Risk Management

The Group takes on exposure to credit risk, which is the risk that a customer or counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit risk is one of the most significant risks for the Group's business.

Credit risk exposures arise principally in lending activities and debt securities investment activities. There is also credit risk in off-balance sheet financial instruments, such as derivatives, loan commitments, bill acceptance, letters of guarantee and letters of credit.

Closely tracking changes in macroeconomic and financial conditions as well as regulatory requirements, the Bank improved its management mechanisms, adjusted its structure, and controlled and mitigated credit risks. In addition, the Bank strengthened credit asset quality management, further improved its credit risk management policies and pushed forward the optimisation of its credit structure. It also held fast to the risk compliance bottom line and took a proactive and forward-looking stance towards the continual improvement of its credit risk management.

Taking a customer-centric approach, the Bank further strengthened its unified credit granting management and enhanced full-scope centralised credit risk management. The Bank further improved its long-acting credit management mechanism and asset quality monitoring system and further enhanced potential risk identification, control and mitigation mechanisms by intensifying post-lending management and reinforcing customer concentration management and control. The Bank enhanced the supervision of risk analysis and asset quality control in key regions and strengthened window guidance on all business lines. In order to effectively strengthen the management and control of customer concentration risk, the Bank constructed the management policies of large exposures, which specified the management structure, working process and measurement rules, etc.

The Bank continuously adjusted and optimised its credit structure. With the aim of advancing strategic implementation and balancing risk, capital and return, it stepped up the application of the New Basel Capital Accord and improved the management plans of its credit portfolios. In line with the government's macro-control measures and the direction of industrial policy, the Bank enacted guidelines for industrial lending and continued to push forward the building of an industrial policy system so as to optimise its credit structure.

In terms of corporate banking, the Bank further strengthened risk identification and control, proactively reduced and exited credit relationships in key fields, strictly controlled the gross outstanding amount and use of loans through limit management and prevented and mitigated risk from overcapacity industries. It intensified the management of loans to LGFVs and strictly controlled the outstanding balances. In addition, the Bank implemented the government's macro-control policies and regulatory measures in the real estate sector so as to strengthen the risk management of real estate loans. In terms of personal banking, the Bank improved unified credit granting management for personal customers and revised management policies for unsecured start-up loans, small-amount loans for poverty alleviation, and loans mortgaged against rural contracted land management rights or farmers' housing property rights, thus supporting the development of its inclusive finance business. It kept improving management policies for personal online loans and credit card overdrafts, in order to prevent the risks of excessive credit and cross-infection. The Bank enforced regulatory requirements and continued to strictly implement differentiated policies on residential mortgages. It also strengthened the risk control of key products and regions.

The Bank further stepped up the collection of non-performing assets ("**NPAs**"). It re-allocated internal and external collection resources and continued to adopt centralised and tiered management of NPA projects. It reinforced the supervision of key regions and key projects, in order to improve the quality and efficiency of disposals. The Bank proactively explored the application of "Internet Plus" in NPA collection and diversified its disposal channels. In addition, it adopted policies based on the actual conditions of individual enterprises and took multiple measures where necessary. It gave full play to the role of creditor committee and enhanced the application of debt-for-equity swaps and restructuring efforts to help enterprises get out of difficulties, with the aim of realising mutual benefit for the Bank and the enterprises, and to support the real economy.

The Bank scientifically measured and managed the quality of credit assets based on the Guidelines for Loan Credit Risk Classification issued by CBIRC, which requires Chinese commercial banks to classify loans into the following five categories: pass, special-mention, substandard, doubtful and loss, among which loans classified as substandard, doubtful and loss are recognised as NPLs. In order to further refine its credit asset risk management, the Bank used a 13-tier risk classification criteria scheme for corporate loans to domestic companies, covering on-balance sheet and off-balance sheet credit assets. In addition, the Bank strengthened risk classification management of key industries, regions and material risk events, and dynamically adjusted classification results. It strengthened the management of loan terms, managed overdue loans by the name list system and made timely adjustments to risk classification results, so as to truly reflect asset quality. The overseas institutions of the Bank operated in line with the Guidelines for Loan Credit Risk Classification or the local applicable rules and requirements on credit risk classification, whichever is stricter.

As at 30 June 2021, the Group's NPLs[2] totalled RMB200.348 billion, representing a decrease of RMB6.925 billion compared with the prior year-end. The NPL ratio was 1.30 per cent., down 0.16 percentage point compared with the prior year-end. The Group's allowance for impairment losses on loans and advances (including allowance for loans at amortised costs and allowance for loans at fair value through other comprehensive income) was RMB369.168 billion, an increase of RMB0.549 billion compared with the prior year-end. The coverage ratio of allowance for loan impairment losses to NPLs was 184.26 per cent.

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 30 June		**As at 31 December**					
	2021		**2020**		**2019**		**2018**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
					(RMB million, except percentages)			
Chinese Mainland	12,407,949	80.67	11,501,791	81.09	10,302,408	79.04	9,273,549	78.67
Hong Kong, Macau and Taiwan	1,931,922	12.56	1,697,934	11.97	1,697,434	13.02	1,515,844	12.86
Other countries and regions	1,041,617	6.77	983,660	6.94	1,034,347	7.94	998,290	8.47
Total loans and advances to customers	15,381,488	100.00	14,183,385	100.00	13,034,189	100.00	11,787,683	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 30 June		**As at 31 December**					
	2021		**2020**		**2019**		**2018**	
	Amount	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**	**Amount**	**% of total**
					(RMB million, except percentages)			
Corporate loans and advances								
Commerce and services	1,992,248	12.95	1,764,213	12.44	1,706,650	13.09	1,516,354	12.86
Manufacturing	1,855,136	12.06	1,692,261	11.93	1,679,202	12.88	1,674,340	14.21
Transportation, storage and postal services	1,653,269	10.75	1,493,828	10.53	1,294,922	9.93	1,182,411	10.03
Real estate	1,214,090	7.89	1,137,469	8.02	1,042,664	8.00	915,793	7.77
Production and supply of electricity, heating, gas and water	778,023	5.06	726,824	5.13	649,289	4.98	648,849	5.50
Financial services	794,154	5.16	646,979	4.56	565,333	4.34	398,478	3.38
Mining	273,420	1.78	282,394	1.99	293,375	2.25	320,369	2.72
Construction	315,224	2.05	268,676	1.89	255,160	1.96	239,397	2.03
Water, environment and public utility management	277,614	1.80	250,551	1.77	199,376	1.53	167,811	1.42

[2] The loans and advances to customers in this section are exclusive of accrued interest.

	As at 30 June		As at 31 December					
	2021		2020		2019		2018	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB million, except percentages)							
Public utilities	164,750	1.07	161,402	1.14	149,855	1.15	125,917	1.07
Other	145,011	0.95	175,493	1.24	150,554	1.16	157,879	1.34
Subtotal	9,462,939	61.52	8,600,090	60.64	7,986,380	61.27	7,347,598	62.33
Personal loans								
Mortgages	4,605,752	29.94	4,418,761	31.15	3,993,271	30.64	3,503,563	29.72
Credit cards	502,559	3.27	498,435	3.51	476,743	3.66	426,338	3.62
Other	810,238	5.27	666,099	4.70	577,795	4.43	510,184	4.33
Subtotal	5,918,549	38.48	5,583,295	39.36	5,047,809	38.73	4,440,085	37.67
Total loans and advances to customers	15,381,488	100.00	14,183,385	100.00	13,034,189	100.00	11,787,683	100.00

The table below sets forth, as at the dates indicated, the Group's loan concentration by asset quality categories.

	As at 30 June		As at 31 December					
	2021		2020		2019		2018	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(RMB million, except percentages)							
Pass	14,945,790	97.17	13,711,518	96.67	12,566,640	96.41	11,278,379	95.68
Special-mention	235,350	1.53	264,594	1.87	289,314	2.22	342,363	2.90
Substandard	90,403	0.59	125,118	0.88	77,459	0.59	49,788	0.42
Doubtful	28,086	0.18	33,823	0.24	51,804	0.40	49,341	0.42
Loss	81,859	0.53	48,332	0.34	48,972	0.38	67,812	0.58
Total	15,381,488	100.00	14,183,385	100.00	13,034,189	100.00	11,787,683	100.00
Non-performing Loans[(1)]	200,348	1.30	207,273	1.46	178,235	1.37	166,941	1.42

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 30 June 2021, the Group's stage 1, stage 2 and stage 3 loans totalled RMB14,865.529 billion, RMB311.446 billion and RMB200.348 billion respectively, accounting for 96.67 per cent., 2.03 per cent. and 1.30 per cent. of total loans respectively. In the first half of 2021, the Group's impairment losses on loans amounted to RMB47.750 billion, a decrease of RMB12.978 billion compared with the same period of the prior year. Credit cost accounted for 0.65 per cent., a decrease of 0.25 percentage point compared with the same period of the prior year.

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 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)
	(RMB million, except percentages and ratios)											
Chinese Mainland	179,082	89.39	1.44	189,985	91.66	1.65	169,951	95.35	1.65	162,778	97.50	1.76
Hong Kong, Macau and Taiwan	5,895	2.94	0.31	4,674	2.25	0.28	3,842	2.16	0.23	2,720	1.63	0.18
Other countries and regions	15,371	7.67	1.48	12,614	6.09	1.28	4,442	2.49	0.43	1,454	0.87	0.15
Total	200,348	100.00	1.30	207,273	100.00	1.46	178,235	100.00	1.37	166,952	100.00	1.42

The following table sets forth, as at the dates indicated, the impaired loans and advances of the Group categorised by customer type:

	As at 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)	Amount	% of total	Impaired loan ratio (per cent.)
	(RMB million, except percentages and ratios)											
Corporate loans and advances	169,116	84.41	1.79	174,012	83.95	2.02	149,427	83.84	1.87	139,108	83.32	1.89
Personal loans	31,232	15.59	0.53	33,261	16.05	0.60	28,808	16.16	0.57	27,844	16.68	0.63
Total	200,348	100.00	1.30	207,273	100.00	1.46	178,235	100.00	1.37	166,952	100.00	1.42

Market Risk Management

The Group is exposed to market risks from its on-balance and off-balance business, that may cause losses to the Group as a result of adverse changes in market prices of interest rate, exchange rate, equities and commodities. Market risk arises from open positions in the trading and banking books. Both the Group's trading book and banking book face market risks. The trading book consists of positions in financial instruments and commodities that are held with trading intent or in order to hedge other elements of the trading book. The banking book consists of financial instruments not included in the trading book (including those financial instruments purchased with surplus funds and managed in the investment book).

The Board of Directors takes ultimate responsibility for the oversight of market risk management, including the approval of market risk management policies and procedures and the determination of market risk tolerance. Senior management is responsible for execution of such policies and ensuring that the level of market risk is within the risk appetite determined by the Board, while meeting the Group's business objectives.

Market risk management departments are responsible for the identification, measurement, monitoring, control and reporting of market risks on a Group basis. Business units are responsible for monitoring and reporting of market risk within their respective business lines.

In response to changes in the market environment, business development and management requirements, the Bank continued to refine its market risk management system in order to effectively control market risk.

The Bank actively adapted to changes in its business and the market by improving its market risk appetite transmission mechanism and refining its model for the market risk limit management of the Group. To further improve counterparty credit risk management procedures of counterparties and improve its risk warning and mitigation capabilities, the Bank conducted forward-looking research and judgement regarding market risks and cross-financial risks. The Bank enhanced the accuracy of its risk management and improved its risk quantification capability by continuously advancing the construction of its market risk data mart and management system, and by studying and applying advanced risk measurement approaches.

The Bank strengthened risk management of the Group's bond investments by closely tracking market volatility and changes in regulatory policy. Based on the market and business needs, it has shortened its response time to risks and made timely adjustments and refinements to its investment policies. In response to high default rates in the bond market, the Bank has improved the effectiveness of risk inspections and strengthened risk management and control in major areas.

Management of Interest Rate Risk in the Banking Book

The Bank assessed the interest rate risk in its banking book mainly through analysis of interest rate re-pricing gaps, made timely adjustments to the structure of its assets and liabilities based on changes in the market situation, and controlled the fluctuation of net interest income within an acceptable level.

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 six months ended 30 June 2021 and 2020, and years ended 31 December 2020, 2019 and 2018, the VaR of the Bank's trading book by type of risk was as follows:

The Bank's VaR for Trading Book

	For the six months ended 30 June						For the year ended 31 December								
	2021			2020			2020			2019			2018		
	Average	High	Low	Average	High	Low	Average	High	Low	Average	High	Low	Average	High	Low
	(U.S.$ million)														
Interest rate risk	15.10	18.03	11.24	14.05	17.87	9.40	13.45	17.87	9.17	18.70	23.50	13.24	17.26	23.85	12.24
Foreign exchange risk	28.13	41.51	9.75	24.01	35.33	11.83	26.61	39.35	11.83	18.00	26.69	9.80	10.19	17.66	4.99
Volatility risk....	5.31	11.41	1.31	0.75	1.95	0.18	2.18	6.45	0.18	0.44	2.27	0.17	0.38	0.71	0.11
Commodity risk	5.25	10.77	0.82	6.63	13.76	3.04	6.35	13.76	3.04	1.77	6.26	0.75	1.14	5.55	0.13
Total of the Bank's trading VaR...	35.45	48.83	19.49	27.74	38.68	16.18	29.56	38.72	16.18	23.03	29.56	17.11	19.87	26.28	13.92

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 in accordance with management directives.

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.

The tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2021 and 31 December 2020, 2019 and 2018:

	As at 30 June 2021							
	RMB	**USD**	**HKD**	**EURO**	**JPY**	**GBP**	**Other**	**Total**
	(RMB million)							
Assets								
Cash and due from banks and other financial institutions	449,885	176,175	25,954	32,969	6,721	9,558	23,649	724,911
Balances with central banks	1,598,182	256,145	133,889	116,209	33,343	59,182	57,747	2,254,697
Placements with and loans to banks and other financial institutions	652,906	568,012	82,622	14,901	351	1,629	51,240	1,371,661
Derivative financial assets	60,771	31,867	3,251	1,238	1,475	7,206	10,432	116,240
Loans and advances to customers, net	11,969,865	1,230,294	1,193,139	234,181	9,433	70,435	340,367	15,047,714
Financial investments								
– financial assets at fair value through profit or loss	372,213	52,578	78,135	6,771	830	14	42	510,583
– financial assets at fair value through other comprehensive income	1,294,442	442,500	182,976	29,221	137,024	4,011	84,808	2,174,982
– financial assets at amortised cost	2,823,342	256,847	3,749	9,250	5,591	3,846	33,330	3,135,955
Other	321,633	197,815	223,658	3,961	1,453	3,429	228,635	980,584
Total assets	19,543,239	3,212,233	1,927,373	448,701	196,221	159,310	830,250	26,317,327
Liabilities								
Due to banks and other financial institutions	1,470,478	532,080	44,892	55,714	13,597	10,856	232,724	2,360,341
Due to central banks	829,935	40,511	5,236	14,205	–	90	5,847	895,824
Placements from banks and other financial institutions	198,083	261,015	7,757	22,194	6,536	2,105	2,319	500,009
Derivative financial liabilities	73,492	30,532	1,905	1,531	833	6,090	7,177	121,560
Due to customers	13,823,993	1,766,220	1,752,138	291,291	55,597	59,914	478,618	18,227,771
Bonds issued	1,042,498	211,377	3,877	30,474	1,753	259	11,323	1,301,561
Other	261,835	120,123	269,769	7,921	344	2,157	17,764	679,913
Total liabilities	17,700,314	2,961,858	2,085,574	423,330	78,660	81,471	755,772	24,086,979
Net on-balance sheet position	1,842,925	250,375	(158,201)	25,371	117,561	77,839	74,478	2,230,348
Net off-balance sheet position	(21,660)	(134,422)	389,904	(11,508)	(116,300)	(74,655)	(25,356)	6,003
Credit commitments	3,405,093	782,059	253,190	143,987	8,945	55,495	104,937	4,753,706

	As at 31 December 2020							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
Assets								
Cash and due from banks and other financial institutions	548,932	132,751	20,782	61,642	7,101	4,215	27,722	803,145
Balances with central banks	1,500,346	316,938	61,418	81,789	30,084	44,252	42,013	2,076,840
Placements with and loans to banks and other financial institutions	555,349	298,944	22,861	18,663	478	940	42,085	939,320
Derivative financial assets	97,475	44,134	3,479	738	987	9,344	15,581	171,738
Loans and advances to customers, net	11,024,110	1,106,377	1,010,120	258,468	11,076	62,829	375,324	13,848,304
Financial investments								
– financial assets at fair value through profit or loss	363,018	51,870	82,795	6,476	316	23	51	504,549
– financial assets at fair value through other comprehensive income	1,280,223	449,963	127,357	31,950	130,392	2,851	85,054	2,107,790
– financial assets at amortised cost	2,723,069	199,575	2,370	9,628	6,065	3,993	34,078	2,978,778
Other	317,767	183,732	219,734	2,466	1,417	2,346	244,733	972,195
Total assets	18,410,289	2,784,284	1,550,916	471,820	187,916	130,793	866,641	24,402,659
Liabilities								
Due to banks and other financial institutions	1,035,286	539,174	43,097	43,770	14,301	10,988	230,387	1,917,003
Due to central banks	576,601	277,062	12,918	13,487	–	341	7,402	887,811
Placements from banks and other financial institutions	137,784	215,247	13,729	28,757	12,204	2,247	1,981	411,949
Derivative financial liabilities	139,398	46,493	4,474	947	874	9,720	10,146	212,052
Due to customers	13,003,027	1,651,454	1,318,279	306,229	50,656	72,230	477,296	16,879,171
Bonds issued	968,665	218,950	8,617	31,980	1,896	311	13,984	1,244,403
Other	293,844	105,317	267,904	3,207	300	1,109	15,752	687,433
Total liabilities	16,154,605	3,053,697	1,669,018	428,377	80,231	96,946	756,948	22,239,822
Net on-balance sheet position	2,255,684	(269,413)	(118,102)	43,443	107,685	33,847	109,693	2,162,837
Net off-balance sheet position	(541,681)	392,537	347,658	(31,366)	(107,293)	(32,709)	(50,662)	(23,516)
Credit commitments	3,160,861	761,848	255,166	142,505	10,679	52,715	107,899	4,491,673

	As at 31 December 2019							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
Assets								
Cash and due from banks and other financial institutions	370,569	140,513	18,368	10,977	7,833	1,691	15,516	565,467
Balances with central banks	1,583,469	265,682	57,599	59,456	49,422	34,133	29,048	2,078,809

	As at 31 December 2019							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
Placements with and loans to banks and other financial institutions	652,817	149,463	33,441	6,050	141	2,435	54,612	898,959
Derivative financial assets	42,558	13,694	26,586	446	20	6,348	3,683	93,335
Loans and advances to customers, net	9,870,244	1,170,630	1,027,104	250,730	11,194	69,423	344,100	12,743,425
Financial investments								
– financial assets at fair value through profit or loss	346,644	78,848	83,199	2,540	6,925	16	78	518,250
– financial assets at fair value through other comprehensive income	1,354,391	489,432	150,486	32,292	103,797	2,610	85,121	2,218,129
– financial assets at amortised cost	2,525,349	219,495	3,319	4,802	770	954	22,994	2,777,683
Other	268,436	162,203	198,398	1,357	1,465	2,691	241,137	875,687
Total assets	17,014,477	2,689,960	1,598,500	368,650	181,567	120,301	796,289	22,769,744
Liabilities								
Due to banks and other financial institutions	1,009,086	391,869	27,167	43,826	21,193	7,374	167,531	1,668,046
Due to central banks	570,675	247,096	19,979	5,920	–	258	2,349	846,277
Placements from banks and other financial institutions	298,497	213,662	76,294	17,161	25,330	3,745	4,986	639,675
Derivative financial liabilities	36,135	19,811	22,813	707	52	6,112	4,430	90,060
Due to customers	11,925,923	1,836,997	1,255,663	254,485	56,683	55,672	432,125	15,817,548
Bonds issued	766,816	258,893	11,868	38,794	1,920	2,744	15,052	1,096,087
Other	254,949	91,825	267,607	3,131	351	1,863	15,629	635,355
Total liabilities	14,862,081	3,060,153	1,681,391	364,024	105,529	77,768	642,102	20,793,048
Net on-balance sheet position	2,152,396	(370,193)	(82,891)	4,626	76,038	42,533	154,187	1,976,696
Net off-balance sheet position	(463,297)	378,515	283,483	5,828	(75,754)	(40,620)	(74,643)	13,512
Credit commitments	2,959,323	836,835	257,229	124,696	9,841	49,401	105,245	4,342,570

	As at 31 December 2018							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
Assets								
Cash and due from banks and other financial institutions	308,697	79,058	17,818	6,442	5,694	1,575	20,647	439,931
Balances with central banks	1,855,438	280,029	40,625	39,770	36,838	47,950	30,403	2,331,053
Placements with and loans to banks and other financial institutions	878,861	93,903	30,994	7,636	3,094	283	27,587	1,042,358
Derivative financial assets	67,601	17,913	29,945	621	37	5,237	2,772	124,126
Loans and advances to customers, net	8,830,692	1,146,207	923,070	201,731	12,637	65,563	335,864	11,515,764
Financial investments								
– financial assets at fair value through profit or loss	238,495	56,988	72,981	2,011	–	16	–	370,491
– financial assets at fair value through other comprehensive income	1,191,739	453,918	116,376	30,629	8,573	3,023	75,501	1,879,759

	As at 31 December 2018							
	RMB	USD	HKD	EURO	JPY	GBP	Other	Total
	(RMB million)							
– financial assets at amortised cost	2,548,402	229,300	3,496	3,450	746	1,456	17,451	2,804,301
Other	213,438	148,481	185,113	568	1,244	2,097	208,551	759,492
Total assets	16,133,363	2,505,797	1,420,418	292,858	68,863	127,200	718,776	21,267,275
Liabilities								
Due to banks and other financial institutions	1,060,308	404,757	34,551	40,090	14,270	7,049	170,184	1,731,209
Due to central banks	628,327	246,540	26,758	5,461	–	434	1	907,521
Placements from banks and other financial institutions	266,692	271,303	39,642	12,669	11,242	5,411	5,308	612,267
Derivative financial liabilities	50,554	14,104	26,366	678	46	5,059	2,447	99,254
Due to customers	11,256,454	1,716,821	1,202,357	194,439	58,478	46,334	408,713	14,883,596
Bonds issued	447,679	252,059	6,682	48,465	1,852	9,793	15,597	782,127
Other	191,501	84,330	230,918	2,327	480	1,323	15,025	525,904
Total liabilities	13,901,515	2,989,914	1,567,274	304,129	86,368	75,403	617,275	19,541,878
Net on-balance sheet position	2,231,848	(484,117)	(146,856)	(11,271)	(17,505)	51,797	101,501	1,725,397
Net off-balance sheet position	(795,575)	520,806	355,983	21,144	19,415	(49,526)	(40,626)	31,621
Credit commitments	2,715,693	794,823	223,494	111,092	10,425	44,054	93,430	3,993,011

Liquidity Risk Management

Liquidity risk is the risk that the Bank fails to timely acquire adequate funds at a reasonable cost to deal with repayments of debts at maturity, perform other payment obligations and meet other fund needs for normal business operation.

The Bank continued to develop and improve its liquidity risk management system with the aim of effectively identifying, measuring, monitoring and controlling liquidity risk at the institution and the 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.

The Bank considers liquidity risk management a significant component of asset-liability management, and determines the size, structure and duration of assets and liabilities consistent with the principle of overall balance between assets and liabilities. The Bank establishes its liquidity portfolio to mitigate liquidity risk, and to minimise the gaps in the amount and duration between the funding sources and the uses of funds. The Group refines its financing strategy, taking into consideration various factors including customer risk sensitivity, financing cost and concentration of funding sources. In addition, the Group prioritises the development of customer deposits, dynamically adjusts the structure of fund sources by market-oriented financing modes, including due to banks and other financial institutions, inter-bank borrowings and improves the diversity and stability of financing sources.

Seeking at all times to balance safety, liquidity and profitability, and following regulatory requirements, the Bank has improved its liquidity risk management system and upgraded its liquidity management function in a forward-looking and scientific manner. The Bank enhanced liquidity risk management at both Group and branch levels. It formulated sound liquidity risk management policies and contingency plans, periodically re-examined the liquidity risk limit, upgraded the early warning system for liquidity risk and strengthened the management of high-quality liquid assets, such as bond investments, in order to strike a balance between risk and return. In addition, the Bank regularly improved the liquidity stress-testing plan and performed stress tests on a quarterly basis. The results of stress testing showed that the Bank had adequate payment capability to address distressed scenarios.

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 30 June 2021

	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	–	259,583	283,687	49,841	127,146	4,654	–	724,911
Balances with central banks	1,573,768	578,568	83,586	11,593	6,216	966	–	2,254,697
Placements with and loans to banks and other financial institutions	275	–	813,459	114,785	360,823	82,319	–	1,371,661
Derivative financial assets	–	11,280	21,483	24,671	27,285	24,438	7,083	116,240
Loans and advances to customers, net	41,616	274,435	632,946	816,003	3,271,736	4,213,613	5,797,365	15,047,714
Financial investments								
– financial assets at fair value through profit or loss	172,423	–	18,988	35,061	83,093	42,332	158,686	510,583
– financial assets at fair value through other comprehensive income	24,759	–	132,128	223,962	351,855	974,969	467,309	2,174,982
– financial assets at amortised cost	3,064	–	62,880	68,400	281,328	1,533,231	1,187,052	3,135,955
Other	365,707	444,794	33,719	10,210	21,907	72,766	31,481	980,584
Total assets	2,181,612	1,568,660	2,082,876	1,354,526	4,531,389	6,949,288	7,648,976	26,317,327
Liabilities								
Due to banks and other financial institutions	–	1,392,475	136,858	199,515	617,551	13,942	–	2,360,341
Due to central banks	–	42,544	34,842	90,975	703,369	24,094	–	895,824
Placements from banks and other financial institutions	–	–	388,131	64,477	44,692	2,553	156	500,009
Derivative financial liabilities	–	7,729	20,103	29,272	29,677	26,379	8,400	121,560
Due to customers	–	9,160,103	1,746,678	1,380,821	2,833,302	3,106,401	466	18,227,771
Bonds issued	–	–	66,718	119,946	552,951	504,448	57,498	1,301,561
Other	–	333,758	60,148	9,965	81,454	109,247	85,341	679,913
Total liabilities	–	10,936,609	2,453,478	1,894,971	4,862,996	3,787,064	151,861	24,086,979
Net liquidity gap	2,181,612	(9,367,949)	(370,602)	(540,445)	(331,607)	3,162,224	7,497,115	2,230,348

As at 31 December 2020

	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	21	286,447	265,996	93,556	154,008	3,117	–	803,145
Balances with central banks	1,452,254	549,551	39,355	5,709	28,669	1,302	–	2,076,840
Placements with and loans to banks and other financial institutions	377	–	397,698	154,029	286,481	100,735	–	939,320
Derivative financial assets	–	13,312	22,621	31,423	62,752	31,551	10,079	171,738

	As at 31 December 2020							
	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)							
Loans and advances to customers, net	46,580	191,481	435,364	1,288,350	2,778,252	3,744,008	5,364,269	13,848,304
Financial investments								
– financial assets at fair value through profit or loss	154,836	–	10,521	47,105	77,423	44,679	169,985	504,549
– financial assets at fair value through other comprehensive income	23,481	–	137,987	217,198	284,963	973,389	470,772	2,107,790
– financial assets at amortised cost	2,805	–	50,431	80,052	358,189	1,443,948	1,043,353	2,978,778
Other	356,200	454,701	19,792	17,044	19,930	75,503	29,025	972,195
Total assets	2,036,554	1,495,492	1,379,765	1,934,466	4,050,667	6,418,232	7,087,483	24,402,659
Liabilities								
Due to banks and other financial institutions	–	1,351,541	70,855	271,019	217,441	6,056	91	1,917,003
Due to central banks	–	216,844	79,518	117,114	434,833	39,502	–	887,811
Placements from banks and other financial institutions	–	–	244,199	100,330	62,324	4,940	156	411,949
Derivative financial liabilities	–	9,479	24,395	34,122	95,255	35,127	13,674	212,052
Due to customers	–	8,521,036	1,528,697	1,354,270	2,596,276	2,871,178	7,714	16,879,171
Bonds issued	–	–	67,004	186,305	461,388	470,415	59,291	1,244,403
Other	–	329,254	58,677	15,215	112,493	95,681	76,113	687,433
Total liabilities	–	10,428,154	2,073,345	2,078,375	3,980,010	3,522,899	157,039	22,239,822
Net liquidity gap	2,036,554	(8,932,662)	(693,580)	(143,909)	70,657	2,895,333	6,930,444	2,162,837

	As at 31 December 2019							
	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	21	204,121	183,170	55,805	119,376	2,845	129	565,467
Balances with central banks	1,513,473	527,657	16,242	8,293	12,441	703	–	2,078,809
Placements with and loans to banks and other financial institutions	44	–	417,352	185,843	241,024	54,696	–	898,959
Derivative financial assets	–	10,697	14,983	20,855	24,869	16,610	5,321	93,335
Loans and advances to customers, net	51,073	188,916	458,233	1,216,882	2,716,777	3,221,650	4,889,894	12,743,425
Financial investments								
– financial assets at fair value through profit or loss	143,255	–	16,394	49,949	98,245	58,537	151,870	518,250
– financial assets at fair value through other comprehensive income	22,067	–	142,122	234,297	396,998	912,932	509,713	2,218,129
– financial assets at amortised cost	1,767	–	35,141	53,375	506,346	1,337,456	843,598	2,777,683
Other	345,309	381,978	24,301	12,827	23,308	60,436	27,528	875,687
Total assets	2,077,009	1,313,369	1,307,938	1,838,126	4,139,384	5,665,865	6,428,053	22,769,744

	As at 31 December 2019							
	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)				
Liabilities								
Due to banks and other financial institutions	–	1,036,810	125,011	324,062	175,301	6,779	83	1,668,046
Due to central banks	–	180,113	70,832	72,898	518,864	3,570	–	846,277
Placements from banks and other financial institutions	–	–	492,657	70,924	69,694	6,386	14	639,675
Derivative financial liabilities	–	8,780	11,165	15,936	26,652	20,482	7,045	90,060
Due to customers	–	7,843,084	1,541,342	1,540,159	2,541,528	2,343,527	7,908	15,817,548
Bonds issued	–	–	23,985	150,073	416,192	470,942	34,895	1,096,087
Other	–	280,526	53,662	12,895	121,693	92,907	73,672	635,355
Total liabilities	–	9,349,313	2,318,654	2,186,947	3,869,924	2,944,593	123,617	20,793,048
Net liquidity gap	2,077,009	(8,035,944)	(1,010,716))	(348,821)	269,460	2,721,272	6,304,436	1,976,696

	As at 31 December 2018							
	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	21	178,645	110,908	30,365	116,636	3,356	–	439,931
Balances with central banks	1,588,770	511,244	216,281	2,087	12,329	342	–	2,331,053
Placements with and loans to banks and other financial institutions	44	–	659,399	92,855	231,633	58,427	–	1,042,358
Derivative financial assets	–	10,055	22,259	30,528	38,686	18,634	3,964	124,126
Loans and advances to customers, net	69,539	154,707	397,574	1,086,838	2,478,055	3,036,778	4,292,273	11,515,764
Financial investments								
– financial assets at fair value through profit or loss	93,524	–	16,772	32,788	71,133	52,863	103,411	370,491
– financial assets at fair value through other comprehensive income	16,456	–	71,630	120,021	428,041	870,105	373,506	1,879,759
– financial assets at amortised cost	2,001	–	15,328	78,810	306,782	1,623,516	777,864	2,804,301
Other	301,633	338,223	22,683	7,554	18,968	50,792	19,639	759,492
Total assets	2,071,988	1,192,874	1,532,834	1,481,846	3,702,263	5,714,813	5,570,657	21,267,275
Liabilities								
Due to banks and other financial institutions	–	1,038,168	143,392	314,126	186,252	49,271	–	1,731,209
Due to central banks	–	172,280	104,114	157,466	465,590	8,071	–	907,521
Placements from banks and other financial institutions	–	–	429,492	123,223	58,135	1,417	–	612,267
Derivative financial liabilities	–	7,314	19,861	18,267	33,305	17,434	3,073	99,254
Due to customers	–	7,368,721	1,405,144	1,349,078	2,740,128	2,010,860	9,665	14,883,596
Bonds issued	–	–	45,983	99,061	196,535	323,057	117,491	782,127
Other	–	276,288	36,307	12,145	76,623	66,329	58,212	525,904
Total liabilities	–	8,862,771	2,184,293	2,073,366	3,756,568	2,476,439	188,441	19,541,878

	As at 31 December 2018							
	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)				
Net liquidity gap	2,071,988	(7,669,897)	(651,459)	(591,520)	(54,305)	3,238,374	5,382,216	1,725,397

As at 30 June 2021, the Group's liquidity risk indicator met regulatory requirements. The Group's liquidity ratio as at 30 June 2021 and 31 December 2020 and 2019 is shown in the table below (in accordance with relevant provisions of regulatory authorities in the Chinese Mainland):

Unit: %

Indicator		Regulatory standard	As at 30 June 2021	As at 31 December 2020	As at 31 December 2019
Liquidity ratio(1)	RMB	≥25	48.6	54.5	54.6
	Foreign Currency	≥25	66.6	58.6	60.4

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 CBIRC.

Reputational Risk Management

The Bank earnestly implemented regulatory requirements on reputational risk management, continued to enhance its reputational risk management system and mechanism, and strengthened the consolidated management of reputational risk, so as to enhance its overall reputational risk management capabilities. It attached great importance to the investigation and pre-warning of potential reputational risk factors, strengthened public opinion monitoring, continued to conduct reputational risk identification, assessment and reporting, and dealt appropriately with reputational events, thus effectively protecting its brand reputation. In addition, the Bank continued to roll out reputational risk management training so as to enhance employees' awareness and foster a culture of reputational risk management.

Internal Control and Operational Risk Management

Internal Control

The Board of Directors, senior management and their special committees earnestly performed their duties regarding internal control and supervision while emphasising early risk warning and prevention, thus improving the Group's level of operational compliance.

The Bank continued to adopt the "Three Lines of Defence" mechanism for internal control. 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 undertake self-directed risk control and management functions in the course of their business operations, including formulating and implementing policies, conducting business examination, reporting 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 assessing risk management and internal control, as well as for identifying, measuring, monitoring and controlling risks. They lead the first line of defence to enhance its use 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 its 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. Focusing on the implementation of national policies, regulatory requirements and the Group's strategies, the Bank concentrated its efforts on the main responsibilities of audit supervision, closely monitored material potential risks and weak links, and carried out audit inspections as scheduled. The Bank attached equal importance to problem revelation and rectification supervision. It further improved its rectification supervision mechanism for audit findings, strengthened the tracking, inspection and prioritised supervision of audit findings rectification, and promoted the application of audit results and the improvement of rectification quality and efficiency. The Bank also deepened audit system reform, continued to enhance audit team building, promoted IT applications in audit, and further reinforced the use of IT-based audit approaches in audit.

The Bank devoted great efforts to internal control and case prevention management, consolidated the liabilities of primary responsible parties and took multiple control measures. It consistently improved internal control rules, processes and systems, stepped up efforts in the building of its internal control inspection team and organised Bank-wide risk screening, thereby improving the quality and efficiency of its internal control and case prevention. The Bank also focused on the rectification of issues and findings, raised employees' compliance awareness and fostered an internal control compliance culture.

The Bank continued to implement the Basic Standard for Enterprise Internal Control and its supporting guidelines, and earnestly 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 a reasonable delegation of work, well-defined responsibilities and clear reporting lines.

The Bank established and implemented a systematic financial accounting policy framework in accordance with relevant accounting laws and regulations. As such, its accounting basis was solidified and the level of standardisation and refinement of its financial accounting management was further improved. The Bank has endeavoured to implement, access and evaluate sound accounting standards and establish a long-term accounting management mechanism. It continuously strengthened the high-quality management of its accounting information so as to ensure internal control effectiveness over financial reporting. The financial statements of the Bank were prepared in accordance with the applicable accounting standards and related accounting regulations, and the financial position, operational performance and cash flows of the Bank were fairly presented in all material respects.

Focusing on fraud risk prevention and control, the Bank proactively identified, assessed, controlled and mitigated risks. In the first half of 2021, the Bank successfully prevented 77 external cases involving RMB50.9228 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 (RACA), Key Risk Indicators (KRI) and Loss Data Collection (LDC), etc., to identify, assess and monitor operational risks, thus continuously improving its risk management measures. The Bank enhanced its system support capability by optimising its operational risk management information system. It strengthened its business continuity management system, optimised its operating mechanism to enhance its business operating sustainability, improved business continuity rules and regulations, conducted business impact analysis, refined contingency plans, carried out business continuity drills, proactively addressed the COVID-19 pandemic and improved the Group's business continuity capacity.

Compliance Management

The Bank continuously improved its compliance risk governance mechanism and management process to ensure the stable operation and sustainable development of the Group. It strengthened its anti-money-laundering

("**AML**") and sanction compliance management mechanism, optimised AML resource allocation, and deepened monitoring and management. It further enhanced its system and model building and improved system functionality. The Bank continuously strengthened the establishment of a robust management framework for overseas compliance, improved its compliance risk assessment programme, refined relevant management policies, and enhanced the compliance management capabilities of its overseas institutions. It improved its AML and sanction compliance training management mechanism and conducted various forms of compliance training, so as to enhance all employees' compliance awareness and abilities.

The Bank enhanced the management of its connected transactions and internal transactions. It improved the management of connected parties and consolidated the foundation of its connected transaction management. It strengthened the routine monitoring and examination of connected transactions and strictly controlled their risks. In addition, it continuously strengthened its internal transaction management procedures and implemented internal transaction monitoring and reporting. It also improved its connected transaction monitoring system and internal transaction management system, and thereby enhanced IT applications in compliance management.

Country Risk Management

The Group incorporates country risk into its comprehensive risk management system in strict compliance with regulatory requirements. It manages and controls country risk through a series of management instruments, including country risk ratings, country risk limits, statistical measurement and monitoring of country risk exposures and provisioning of allowances, etc. In the first half of 2021, the Bank continued to strengthen country risk management in strict compliance with regulatory requirements and in line with its business development needs. It performed an annual review of country risk ratings and limits, and enhanced the monitoring and reporting of country risk exposures. For potentially high-risk countries and regions, it issued risk prompts in a timely manner and adopted a differentiated management approach. The Group's net exposure to country risks was mainly concentrated on countries and regions that have low and relatively low risk ratings, and its overall country risk remained at a reasonable level.

Capital Management

The Bank thoroughly applied the concepts of capital constraint and value creation, and improved its economic capital budgeting and assessment mechanism. It actively reinforced the construction of its capital management system and continuously refined its overall capital management. It also continually optimised its on- and off-balance sheet asset structure and strived to improve the endogenous capacity of its capital base. The Bank also seized market opportunities to advance its external capital replenishment. In the first half of 2021, it successfully issued RMB50.0 billion of undated capital bonds and RMB25.0 billion of tier 2 capital bonds, and redeemed RMB28.0 billion of domestic preference shares. As at 30 June 2021, the Group's capital adequacy ratio stood at 15.61 per cent., reaching a relatively high level.

Capital Adequacy Ratios

The capital adequacy ratios as at 30 June 2021, 31 December 2020, 2019 and 2018 separately calculated in accordance with the Capital Rules for Commercial Banks (Provisional) are listed below:

	Group				Bank			
Items	As at 30 June 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018	As at 30 June 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
	(RMB million, except percentages)							
Net common equity tier 1 capital...	1,748,114	1,704,778	1,596,378	1,465,769	1,474,957	1,441,977	1,346,623	1,251,056
Net tier 1 capital............................	2,058,220	1,992,621	1,806,435	1,575,293	1,774,468	1,719,467	1,546,517	1,350,770
Net capital.....................................	2,526,199	2,451,055	2,201,278	1,922,350	2,225,969	2,162,054	1,927,188	1,683,893
Common equity tier 1 capital adequacy ratio	10.80%	11.28%	11.30%	11.41%	10.68%	10.99%	10.99%	11.08%
Tier 1 capital adequacy ratio	12.72%	13.19%	12.79%	12.27%	12.84%	13.10%	12.62%	11.96%

Items	Group				Bank			
	As at 30 June 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018	As at 30 June 2021	As at 31 December 2020	As at 31 December 2019	As at 31 December 2018
	(RMB million, except percentages)							
Capital adequacy ratio..................	15.61%	16.22%	15.59%	14.97%	16.11%	16.47%	15.72%	14.92%

Environmental and Social Responsibilities

The Bank continued to actively carry out its responsibilities as a state-owned commercial bank. Leveraging the competitive advantages arising from its global and comprehensive operations, it continually expanded and deepened its social responsibility practices, devoted itself to promoting win-win cooperation with stakeholders and created sustainable value for the environment, society and economy.

Centring on the overall objectives of China's rural revitalisation strategy, the Bank continued to increase resource inputs in order to meet various financial needs related to rural revitalisation, with a focus on key regions and weak links. It endeavoured to increase financial services coverage by setting up more service outlets and smart devices in rural areas, in order to boost rural revitalisation. As at 30 June 2021, BOC outlets covered 1,172 counties, with a coverage ratio of 62.34 per cent. BOC Fullerton Community Bank, meanwhile, has cumulatively established 124 village banks and 184 sub-branch outlets. In the first half of 2021, the Bank continued to consolidate progress in poverty alleviation, providing more than RMB40.00 million of cost-free funding to the four targeted counties and implementing nearly 30 projects including assistance with key development industries and projects aimed at improving people's livelihood.

Upholding the principles of "serving society, contributing to society and repaying society", the Bank continued to carry out dedicated public welfare programmes. Through the "Bank of China Philanthropy" online fundraising platform, the Bank provided convenient, transparent and safe donation services for charities and the public. In the first half of 2021, the platform hosted a total of 104 fundraising activities on behalf of 48 charitable organisations, raising RMB1.81 million from 36.3 thousand donors. The Bank developed and popularised the "Bank of China Philanthropy Mutual Assistant Platform for Elderly Care", which serves as a bridge for information exchange between the elderly and volunteers, and helps the government to carry out the socialisation reform of elderly care. It continued to provide government-sponsored student loans to support education, cumulatively granting student loans of RMB24.7 billion to sponsor over 1.80 million financially underprivileged students to complete their studies as at 30 June 2021. It has sponsored the Tan Kah Kee Science Award for the 18th consecutive years, boosting the development of technology and the cultivation of innovative professional talents. As the official banking partner of the Olympic and Paralympic Winter Games Beijing 2022 (Beijing 2022 Games), the Bank promoted financial services to the winter sports industry and supported the joint development of winter sports and related industries among all sectors of society.

The Bank actively implemented the national green development concept and continued to support the building of the green finance sector, made contribution to peak carbon dioxide emissions and carbon neutrality. Guided by Bank of China's Green Finance Plan during the 14th Five Year Plan Period, green development requirements are now being integrated into all areas of the Bank, including its organisational structure, corporate governance, policies and systems, product design and risk management processes. The Bank enhanced its top-level organisational structure by setting up a steering group for the planning and development of green finance and green industries, and by establishing the Green Finance Committee to provide overall leadership on green finance management and decision-making. It also continued to deepen innovation in green financial services, including green credit, green bonds, green deposits and green asset management, and remained committed to being the number one choice for green banking services. The Bank also actively participated in the green finance projects and initiatives of international organisations. It performed the role of Co-Chairman of the Task Force of Green Financial Product Innovation under the Green Investment Principles (GIP) for the Belt and Road Initiative, and was a member of the 2020/2021 Advisory Council of the Green Bond Principles and Social Bond Principles Executive Committee of the International Capital Market Association (ICMA). In the first half of 2021, the Bank became a supporter of the Task Force on Climaterelated Financial Disclosures (TCFD), as well as joining and participating in the work of the Task Force on UK-China Climate and Environmental Information Disclosure Pilot and the Task Force on Support for Carbon Peak and Carbon Neutrality by the Chinese Banking Industry.

Furthermore, it actively identified climate-related risks and opportunities, and formulated action plans in response to climate risks. At the same time, the Bank integrated low carbon and environmental protection requirements into its routine operations and practiced the development philosophy of "harmony and coexistence between humankind and nature" by encouraging employees to adopt green working practices and lifestyles and carrying out a diverse range of public welfare environmental protection campaigns.

DESCRIPTION OF THE GROUP'S ASSETS AND LIABILITIES

The section "Description of the Group's Assets and Liabilities" in the Principal Offering Circular shall be deleted in its entirety and replaced with the following:

The following discussions and analysis should be read in conjunction with the Group's audited consolidated financial statements as at and for the years ended 31 December 2020 and 2019, and the Group's unaudited but reviewed condensed consolidated interim financial information as at and for the six months ended 30 June 2021, which have been incorporated by reference into this Offering Circular. The Bank's consolidated financial statements have been prepared in accordance with IFRS. 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 30 June 2021 and 31 December 2020, respectively.

	As at 30 June 2021	As at 31 December 2020
	(RMB million)	
Measured at amortised cost		
– Corporate loans and advances	9,153,631	8,235,520
– Personal loans	5,918,549	5,583,295
– Discounted bills	2,365	1,912
Measured at fair value through other comprehensive income[1]		
– Discounted bills	302,778	358,997
Subtotal	15,377,323	14,179,724
Measured at fair value through profit or loss[2]		
– Corporate loans and advances	4,165	3,661
Total	15,381,488	14,183,385
Accrued Interest	34,912	33,092
Total loans and advances	15,416,400	14,216,477
Less: Allowance for loans at amortised cost	(368,686)	(368,173)
Loans and advances to customers, net	15,047,714	13,848,304

Notes:

(1) As at 30 June 2021 and 31 December 2020, loans at fair value through other comprehensive income of the Group were discounted bills. Related allowance for impairment losses amounted to RMB482 million and RMB446 million, respectively and was credited to other comprehensive income.

(2) There was no significant change for the six month period ended 30 June 2021 and the year ended 31 December 2020, or cumulatively, in the fair value of the loans that was attributable to changes in the credit risk of the 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 30 June		As at 31 December					
	2021		2020		2019		2018	
	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	1,992,248	12.95	1,764,213	12.44	1,706,650	13.09	1,516,354	12.86
Manufacturing	1,855,136	12.06	1,692,261	11.93	1,679,202	12.88	1,674,340	14.21
Transportation, storage and postal services	1,653,269	10.75	1,493,828	10.53	1,294,922	9.93	1,182,411	10.03
Real estate	1,214,090	7.89	1,137,469	8.02	1,042,664	8.00	915,793	7.77
Production and supply of electricity, heating, gas and water	778,023	5.06	726,824	5.13	649,289	4.98	648,849	5.50
Financial services	794,154	5.16	646,979	4.56	565,333	4.34	398,478	3.38
Mining	273,420	1.78	282,394	1.99	293,375	2.25	320,369	2.72
Construction	315,224	2.05	268,676	1.89	255,160	1.96	239,397	2.03
Water, environment and public utility management	277,614	1.80	250,551	1.77	199,376	1.53	167,811	1.42
Public utilities	164,750	1.07	161,402	1.14	149,855	1.15	125,917	1.07
Other	145,011	0.95	175,493	1.24	150,554	1.16	157,879	1.34
Subtotal	9,462,939	61.52	8,600,090	60.64	7,986,380	61.27	7,347,598	62.33
Personal loans								
Mortgages	4,605,752	29.94	4,418,761	31.15	3,993,271	30.64	3,503,563	29.72
Credit cards	502,559	3.27	498,435	3.51	476,743	3.66	426,338	3.62
Other	810,238	5.27	666,099	4.70	577,795	4.43	510,184	4.33
Subtotal	5,918,549	38.48	5,583,295	39.36	5,047,809	38.73	4,440,085	37.67
Total loans and advances to customers	15,381,488	100.00	14,183,385	100.00	13,034,189	100.00	11,787,683	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 30 June		As at 31 December					
	2021		2020		2019		2018	
	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	12,407,949	80.67	11,501,791	81.09	10,302,408	79.04	9,273,549	78.67
Hong Kong, Macau and Taiwan	1,931,922	12.56	1,697,934	11.97	1,697,434	13.02	1,515,844	12.86
Other countries and regions	1,041,617	6.77	983,660	6.94	1,034,347	7.94	998,290	8.47
Total	15,381,488	100.00	14,183,385	100.00	13,034,189	100.00	11,787,683	100.00

Chinese Mainland

	As at 30 June		As at 31 December					
	2021		2020		2019		2018	
	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total	Amount	per cent. of total
	(RMB million, except percentages)							
Northern China	1,798,865	14.50	1,695,932	14.74	1,573,127	15.27	1,456,249	15.70
Northeastern China	529,119	4.26	502,186	4.37	494,186	4.80	501,420	5.41
Eastern China	4,880,028	39.33	4,505,204	39.17	4,016,742	38.99	3,622,159	39.06
Central and Southern China	3,531,244	28.46	3,266,619	28.40	2,875,436	27.91	2,499,434	26.95
Western China	1,668,693	13.45	1,531,850	13.32	1,342,917	13.03	1,194,287	12.88
Total	12,407,949	100.00	11,501,791	100.00	10,302,408	100.00	9,273,549	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 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	per cent. of total	Impaired loan ratio	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 and ratios)											
Chinese Mainland	179,082	89.39	1.44%	189,985	91.66	1.65%	169,951	95.35	1.65%	162,778	97.50	1.76%
Hong Kong, Macau and Taiwan	5,895	2.94	0.31%	4,674	2.25	0.28%	3,842	2.16	0.23%	2,720	1.63	0.18%
Other countries and regions	15,371	7.67	1.48%	12,614	6.09	1.28%	4,442	2.49	0.43%	1,454	0.87	0.15%
Total	200,348	100.00	1.30%	207,273	100.00	1.46%	178,235	100.00	1.37%	166,952	100.00	1.42%

Chinese Mainland

	As at 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	per cent. of total	Impaired loan ratio	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 and ratios)											
Northern China	21,941	12.25	1.22%	27,699	14.58	1.63%	31,762	18.69	2.02%	23,053	14.16	1.58%
Northeastern China	9,804	5.47	1.85%	15,229	8.02	3.03%	22,123	13.02	4.48%	40,580	24.93	8.09%
Eastern China	57,891	32.33	1.19%	52,199	27.47	1.16%	59,764	35.17	1.49%	56,423	34.66	1.56%
Central and Southern China	76,382	42.66	2.16%	81,201	42.74	2.49%	39,060	22.98	1.36%	28,114	17.28	1.12%
Western China	13,064	7.29	0.78%	13,657	7.19	0.89%	17,242	10.14	1.28%	14,608	8.97	1.22%
Total	179,082	100.00	1.44%	189,985	100.00	1.65%	169,951	100.00	1.65%	162,778	100.00	1.76%

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 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	per cent. of total	Impaired loan ratio	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 and ratios)											
Corporate loans and advances	169,116	84.41	1.79%	174,012	83.95	2.02%	149,427	83.84	1.87%	139,108	83.32	1.89%
Personal loans	31,232	15.59	0.53%	33,261	16.05	0.60%	28,808	16.16	0.57%	27,844	16.68	0.63%
Total	200,348	100.00	1.30%	207,273	100.00	1.46%	178,235	100.00	1.37%	166,952	100.00	1.42%

Chinese Mainland

	As at 30 June			As at 31 December								
	2021			2020			2019			2018		
	Amount	per cent. of total	Impaired loan ratio	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 and ratios)											
Corporate loans and advances	148,791	83.09	2.08%	157,767	83.04	2.42%	141,978	83.54	2.43%	135,421	83.19	2.54%
Personal loans	30,291	16.91	0.58%	32,218	16.96	0.65%	27,973	16.46	0.63%	27,357	16.81	0.70%
Total	179,082	100.00	1.44%	189,985	100.00	1.65%	169,951	100.00	1.65%	162,778	100.00	1.76%

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 six month period ended 30 June 2021:

	For the six month period ended 30 June 2021			
	Stage 1 (12-month ECLS)	Stage 2 (Lifetime ECLS)	Stage 3 (Lifetime ECLS)	Total
	(RMB million)			
As at 1 January 2021	134,566	70,712	162,895	368,173
Transfers to Stage 1	5,899	(4,945)	(954)	–
Transfers to Stage 2	(1,446)	2,651	(1,205)	–
Transfers to Stage 3	(106)	(10,230)	10,336	–
Impairment (reversal)/losses due to stage transfers	(4,922)	8,909	19,631	23,618
Charge for the period(1)	40,182	12,267	34,864	87,313
Reversal for the period(2)	(36,243)	(13,350)	(13,626)	(63,219)
Write-off and transfer out	(130)	–	(52,548)	(52,678)
Recovery of loans and advances written off	–	–	6,580	6,580
Exchange differences and other	(117)	(627)	(357)	(1,101)

	For the six month period ended 30 June 2021			
	Stage 1 (12-month ECLS)	Stage 2 (Lifetime ECLS)	Stage 3 (Lifetime ECLS)	Total
		(RMB million)		
As at 30 June 2021	137,683	65,387	165,616	368,686

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 2020:

	For the year ended 31 December 2020			
	Stage 1 (12-month ECLS)	Stage 2 (Lifetime ECLS)	Stage 3 (Lifetime ECLS)	Total
		(RMB million)		
As at 1 January 2020	109,765	79,051	136,544	325,360
Transfers to Stage 1	3,769	(3,232)	(537)	–
Transfers to Stage 2	(1,274)	13,913	(12,639)	–
Transfers to Stage 3	(407)	(30,546)	30,953	–
Charge for the year(1)	70,933	24,190	42,114	137,237
Reversal	(43,164)	(21,257)	(10,126)	(74,547)
Impairment (reversal)/losses due to stage transfers	(3,507)	9,357	35,203	41,053
Write-off and transfer out	(66)	–	(64,255)	(64,321)
Recovery of loans and advances written off	–	–	8,405	8,405
Unwinding of discount on allowance	–	–	(1,236)	(1,236)
Exchange differences and other	(1,483)	(764)	(1,531)	(3,778)
As at 31 December 2020	134,566	70,712	162,895	368,173

Notes:

(1) Charge for the period/year comprises the impairment losses attributable to new loans, remaining loans without stage transfers, and charges to model/risk parameters, etc.

(2) Reversal for the period/year comprises the impairment losses attributable to the loan repaid, remaining loans without stage transfers, and charges to model/risk parameters, etc.

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 six month period ended 30 June 2021:

	For the six month period ended 30 June 2021			
	Stage 1 (12-month ECLS)	**Stage 2 (Lifetime ECLS)**	**Stage 3 (Lifetime ECLS)**	**Total**
	(RMB million)			
As at 1 January 2021	441	5	–	446
Charge for the period	366	21	–	387
Reversal for the period	(326)	(23)	–	(349)
Exchange differences and other	(2)	–	–	(2)
As at 30 June 2021	479	3	–	482

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 2020:

	For the year ended 31 December 2020			
	Stage 1 (12-month ECLS)	**Stage 2 (Lifetime ECLS)**	**Stage 3 (Lifetime ECLS)**	**Total**
	(RMB million)			
As at 1 January 2020	547	16	–	563
Charge for the year	563	5	–	568
Reversal for the year	(665)	(16)	–	(681)
Exchange differences and other	(4)	–	–	(4)
As at 31 December 2020	441	5	–	446

Starting on 1 January 2018, the Bank has applied IFRS 9, and differences arising from the adoption of IFRS 9 have been recognised directly in shareholders' equity as at 1 January 2018. IFRS 9 requires that the measurement of impairment of a financial asset be changed from "incurred loss model" to "ECL model". In accordance with IFRS 9, the Bank assesses ECL with forward-looking information and makes relevant allowances. In particular, it makes allowances for assets classified into stage 1 and assets classified into stage 2 & 3 according to ECL of 12 months and ECL of the entire lifetime respectively. Since 2020, the Bank has reclassified the financing charges from the instalment business of credit card holders, from net fee and commission income to interest income. The comparative figures for the same period in 2019 and 2018 were restated.

DIRECTORS, MANAGEMENT AND SUPERVISORS

General

The Bank's Board of Directors currently comprises 15 members. There are four executive directors, five non-executive directors and six 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
Liu Liange	Chairman
Liu Jin	Vice Chairman and President
Wang Wei	Executive Director and Executive Vice President
Lin Jingzhen	Executive Director and Executive Vice President
Zhao Jie	Non-executive Director
Xiao Lihong	Non-executive Director
Wang Xiaoya	Non-executive Director
Zhang Jiangang	Non-executive Director
Chen Jianbo	Non-executive Director
Wang Changyun	Independent Director
Angela Chao	Independent Director
Jiang Guohua	Independent Director
Martin Cheung Kong Liao	Independent Director
Chen Chunhua	Independent Director
Chui Sai Peng Jose	Independent Director

Liu Liange, has served as Chairman of the Board of Directors since July 2019. Mr. Liu joined the Bank in 2018. He served as Vice Chairman of the Board of Directors from October 2018 to July 2019 and President of the Bank from August 2018 to June 2019. Mr. Liu served as Vice Chairman and President of the Export-Import Bank of China from July 2015 to June 2018. Mr. Liu served as Vice President of the Export-Import Bank of China from March 2007 to February 2015. He also served as Director of the African Export-Import Bank from September 2007 to February 2015, Chairman of the Board of Supervisors of Sino-Italian Mandarin Capital Partners from March 2009 to June 2015, and Chairman of the Board of Directors of Regional Credit Guarantee and Investment Facility (Asia) from March 2014 to May 2015. Mr. Liu worked in PBOC for many years, successively serving as Deputy Director-General of the International Department of PBOC, President of the Fuzhou Central Sub-branch of PBOC and Director of the Fujian Branch of the SAFE, Director General of the Anti-Money Laundering Bureau (the Security Bureau) of PBOC. Mr. Liu served as President of Shanghai RMB Trading Unit from October 2018 to November 2019. He served as Vice Chairman of the board of directors of BOC Hong Kong (Holdings) Limited from December 2018 to July 2019 and has been serving as Chairman of the board of directors of BOC Hong Kong (Holdings) Limited since July 2019. Mr. Liu graduated from Graduate School of PBOC with a Master's Degree in Economics in 1987. He holds the title of Senior Economist.

Liu Jin, has served as Vice Chairman of the Board of Directors of the Bank since June 2021 and President of the Bank since April 2021. Prior to that, Mr. Liu served as Executive Director of China Everbright Group from December 2019 to March 2021, President of China Everbright Bank from January 2020 to March 2021, and Executive Director of China Everbright Bank from March 2020 to March 2021. From September 2018 to November 2019, he worked at China Development Bank as its Executive Vice President. Mr. Liu had worked in Industrial and Commercial Bank of China (ICBC) for many years, serving as Deputy General Manager of its Shandong Branch, Vice Chairman, Executive Director, General Manager of ICBC (Europe) and General Manager of ICBC Frankfurt Branch, General Manager of the Investment Banking Department of its Head Office, and General Manager of its Jiangsu Branch. Mr. Liu graduated from Shandong University in 1993 with a Master of Arts degree. He holds the title of Senior Economist.

Wang Wei, has served as Executive Director of the Bank since June 2020 and Executive Vice President since December 2019. Mr. Wang joined the Bank in 2019. He served as Executive Director and Executive Vice President of Agricultural Bank of China Limited ("**ABC**") from February 2018 to November 2019 and began to serve as Executive Vice President of ABC from December 2013 and as a member of senior management of ABC from December 2011. Mr. Wang previously served in several positions in ABC, including Deputy General Manager of Ningxia Branch, Deputy General Manager of Gansu Branch, General Manager of Gansu Branch, General Manager of Xinjiang Branch, General Manager of Xinjiang Production and Construction Corps Branch, General Manager of the Office of ABC, General Manager of Hebei Branch, General Manager of the Internal Control and Compliance Department, General Manager of the Human Resources Department and Chief Officer of the Sannong Business. Mr. Wang graduated from Shaanxi Institute of Finance and Economics in 1983, and from Southwestern University of Finance and Economics with a Doctor's Degree in Economics in 2015. 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 and served as General Manager of the Corporate Banking Department of the Bank from March 2014 to May 2015. He served 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 since April 2018, as Chairman of BOC International (China) Co., Ltd. since May 2018, and as a Non-executive Director of BOC Hong Kong (Holdings) Limited since August 2018. He graduated from Xiamen University with a Bachelor's Degree in Economics in 1987 and obtained a Master of Business Administration degree from Xiamen University in 2000.

Zhao Jie, has served as the Bank's Non-executive Director since August 2017. Mr. Zhao served as Inspector of the Agricultural Department of the Ministry of Finance from August 2014 to August 2017. He was an Inspector of the Office of Countryside Comprehensive Reform of the State Council from September 2008 to August 2014. From December 1991 to September 2008, Mr. Zhao served successively as Chief of Division of Taxation and Chief of Comprehensive Division of the Department of Taxation, Deputy Chief of the Department of Taxation, Deputy Chief of the Department of Tax System and Regulations of the Ministry of Finance, Chief of Office of Panel of Countryside Taxation Reform of the State Council, and Deputy Chief and Inspector of Office of Countryside Comprehensive Reform of the State Council. He graduated from Jiangxi University of Finance and Economics and Public Institute of the Ministry of Finance in August 1982 and July 2005, respectively, with a Bachelor's Degree and a Doctor's Degree.

Xiao Lihong, has served as the Bank's Non-executive Director of the Bank since August 2017. Ms. Xiao has been serving as Non-executive Director of China Galaxy Securities Company Limited since February 2019, and as Director of China Galaxy Financial Holdings Company Limited since October 2018. From April 2014 to August 2017, she served as Inspector of the Current Account Management Department of the SAFE. She was Deputy Director-General of the Current Account Management Department of the SAFE from September

2004 to April 2014, and concurrently as Vice General Manager and Party Committee Member of the Beijing Branch of China Construction Bank from July 2011 to July 2012. She served successively as Deputy Chief of the Current Account Division and the Non-trade Foreign Exchange Management Division of the Supervision and Inspection Department, and Chief of the Business Supervision Division of the Current Account Management Department of the SAFE from October 1996 to September 2004. She graduated from the China Central University of Finance and Economics in August 1988 with a Bachelor's Degree, and from the Central University of Finance and Economics and Peking University in September 2003 and July 2012, respectively, both with a Master's Degree.

Wang Xiaoya, has served as the Bank's Non-executive Director of the Bank since August 2017. Ms. Wang served as Non-executive Director of Industrial and Commercial Bank of China Limited ("**ICBC**") from January 2012 to June 2017. From May 2007 to December 2011, she was Deputy Director-General of the Research Bureau of PBOC. She taught at the Central China Normal University where she served as Assistant Lecturer and Lecturer from July 1985 to January 1995. She served as Deputy Chief and Chief of the Macroeconomic Analysis Division of the Research Bureau of PBOC from July 1997 to May 2007, and concurrently as Deputy Mayor of Tongliao City in the Inner Mongolia Autonomous Region from October 2005 to February 2007. She received a professional title of research fellow in 2005. Ms. Wang was a member of the Post-Doctoral Academic Committee and a Post-Doctoral Co-mentor at the Institute of Finance of PBOC. Currently, she is a member of the Academic Committee of the China Institute for Rural Studies of Tsinghua University, Invited Researcher of the National Institute of Financial Research of Tsinghua University, Doctoral Supervisor of Southwestern University of Finance and Economics and Invited Professor at the Graduate School of Chinese Academy of Social Sciences. Ms. Wang graduated from the Economics Faculty of Central China Normal University and the Graduate School of Chinese Academy of Social Sciences in January 1990 and June 1997 with a Master's Degree and a Doctor's Degree, respectively.

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 Secretary of the Department of Personnel and Education (Director of a Division), and Director of the Department of Cadre Education. 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 Research Institute of the former State 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.

Chen Jianbo, has served as Non-executive Director of the Bank since June 2020. Mr. Chen has served as Non-executive Director of ABC since January 2015. He previously served as Assistant Research Fellow and Deputy Division Chief, Institute of Development of the Rural Policy Research Office of the Secretariat of the CPC Central Committee and the Rural Development Research Center of the State Council; Division Chief and Research Fellow of the Development Research Center of the State Council; and Director-General of the General Office of the Central Leading Group for Financial and Economic Affairs and the Office of Central Rural Work Leading Group. He once led and participated in research and technical assistance projects sponsored by the World Bank, Asian Development Bank, European Union, United Nations Development Programme, United Nations Industrial Development Organization and other international institutions. He also hosted a number of research projects in cooperation with institutions in the U.S. and Japan etc. He had multiple appointments as a consulting expert by the World Bank, Asian Development Bank and other institutions. Besides, he was a Visiting Scholar at Brandeis University, and a Visiting Research Fellow at Institute of Developing Economies in Japan and Asian Development Bank Institute. He received a PhD in Management from Renmin University of China ("**RUC**") in May 2005.

Wang Changyun, has served as Independent Director of the Bank since August 2016. Mr. Wang currently serves as professor and doctoral supervisor in finance at RUC, and the dean of Hanqing Advanced Institute of Economics and Finance, RUC. He served as a lecturer at RUC from 1989 to 1995 and as a lecturer at Business School, National University of Singapore from 1999 to 2005. He served successively as the Chair of Applied Finance Department of RUC, Director of China Financial Policy Research Center (a key research base of Ministry of Education) and Executive Vice Dean of Hanqing Advanced Institute of Economics and Finance at RUC from 2006 to 2016. Mr. Wang is currently also the Vice Chairman of China Investment Specialty Construction Association, Director of China Finance Annual Meeting Committee, Director of China Finance Association, Deputy Editor of Finance Research Quarterly, Deputy Editor of China Finance Research, and Deputy Editor of China Financial Review. He also serves as the standing committee member of Beijing Haidian District People's Political Consultative Conference, the Central Committee member of China Democratic League, the special auditor of State Auditing Administration, the independent non-executive director of Sunway Co., Ltd. (originally named as Sichuan Star Cable Co., Ltd.) and Beijing Haohua Energy Resource Co., Ltd. Mr. Wang has received social recognition and prizes including the Special Government Allowance of State Council, Best Paper Award of Chicago Board of Trade in 2001, and the "Middle Age Experts with National Outstanding Contribution", membership of "the Program for New Century Excellent Talents" of Ministry of Education in 2004, "Financial Support of National Science Fund for Distinguished Young Scholars" in 2007, a member of the "New Century National Hundred, Thousand and Ten Thousand Talent Program" in 2013, and the "Cheung Kong Distinguished Professor" of Ministry of Education in 2014. He obtained his Master degree in economics from RUC in July 1989 and Doctorate in Financial Economics from the University of London in January 1999.

Angela Chao, has served as Independent Director of the Bank since January 2017. Ms. Chao serves as Chairman and CEO of Foremost Group, an international shipping company. From 1994 to 1996, Ms. Chao worked in the mergers and acquisitions department of Smith Barney, which is now Morgan Stanley Smith Barney. From 1996 to 1999, Ms. Chao served as deputy general manager of Foremost Group, and from 2001 to 2017, Ms. Chao had successively served as vice president, senior vice president and Deputy Chairman of Foremost Group. Since 2018, she has served as Chairman and CEO of Foremost Group. In May 2005, Ms. Chao was unanimously voted to be BIMCO39's (The Baltic and International Maritime Council 39) Counsellor. In September 2005, she was selected as "Eminent Young Overseas Chinese" by the Overseas Chinese Affairs Office of the State Council of China. In November 2007, she was invited as speaker of World Shipping (China) Summit. In April 2011, she became a Founding Member of the Wall Street Journal's Task Force on Women in the Economy. Ms. Chao currently serves on the Boards of The Metropolitan Opera, Museum of Modern Art PS1, the UK P&I Marine Insurance Mutual, Foremost Foundation, Shanghai Mulan Education Foundation, and she also serves on the Harvard Business School's Board of Dean's Advisors, Carnegie-Tsinghua Center for Global Policy Board of Advisors, Lincoln Centre Global's China Advisory Council, the Chairman's Council of the Metropolitan Museum of Art and American Bureau of Shipping Council. In addition, she is also a member of the Council on Foreign Relations, serves on the Young Leaders Forum of the National Committee on US-China Relations and serves as the member of Shanghai Jiao Tong University's Antai College of Economics and Management Advisory Board, and honorary chairperson of the Jiao Tong University Alumni Association in America. Ms. Chao graduated from Harvard College in three years in 1994 with a Bachelor's degree in economics (Magna Cum Laude) and received her Master of Business Administration degree from Harvard Business School in 2001.

Jiang Guohua, has served as Independent Director of the Bank since December 2018 and serves as Professor of Accounting at the Guanghua School of Management, Peking University. Currently he also serves as a member of China National MPAcc Education Steering Committee and Associate Dean of Peking University Graduate School. Mr. Jiang has successively served as Assistant Professor, Associate Professor and Professor of the Accounting Department of Guanghua School of Management, Peking University since 2002, during which he successively served as Director of the Yenching Academy, Executive Associate Dean and Director of the Yenching Academy from 2013 to 2017. From 2007 to 2010, he was a senior investment consultant at Bosera Fund Management Company. From 2010 to 2016, he served as independent director of Datang International Power Generation Co. Ltd. From 2011 to 2014, he was an academic advisor to the Global Valuation Institute of KPMG International. From 2014 to 2015, he was a member of the Global Agenda Council of the World

Economic Forum. Currently he also serves as independent director of ZRF Fund Management Company Ltd. and China Merchants Life Insurance Company Ltd. Mr. Jiang was named National Leading Talent in Accounting by China Ministry of Finance (2012). He was an Elsevier Chinese Most Cited Researcher consecutively from 2014 to 2017. He was a member of the 17th Stock Issuance Review Committee of China Securities Regulatory Commission. Mr. Jiang graduated from Peking University in 1995 with a Bachelor's degree in Economics, received his Master's degree in Accounting from Hong Kong University of Science and Technology in 1997, and obtained his Doctor's degree in Accounting from the University of California, Berkeley in 2002.

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. 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 a Steward of the Hong Kong Jockey Club 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. 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.

Chen Chunhua, has served as Independent Director of the Bank since July 2020. Ms. Chen is currently professor of the National School of Development at Peking University, Dean of BiMBA Business School of the National School of Development at Peking University and Professor of the Business Administration School at South China University of Technology. She is also a visiting professor of the School of Business at National University of Singapore. From 2000 to 2003, Ms. Chen was Vice Dean of the College of Business Administration at South China University of Technology. From 2003 to 2004, she served as President of Shandong Liuhe Group. From 2006 to 2008, she served as Executive Dean of the School of Economics and Commerce at South China University of Technology. From 2006 to 2016, she served as an expert on the decision-making consultation for the Guangzhou Municipal Government. Ms. Chen has served as a non-executive director of SPT Energy Group Inc. (HK01251) (since 2013) and a non-executive director of Vtron Group Co., Ltd. (002308) (since 2013). She was an independent director of China Merchants Fund Management Co., Ltd., Welling Holding Limited, Guangzhou Zhujiang Brewery Co., Ltd. and Shunde Rural Commercial Bank, and she once served as the joint chairman and chief executive officer of New Hope Liuhe Co., Ltd. and a director of the Yunnan Baiyao Holding Ltd. Ms. Chen obtained a Bachelor's Degree of engineering in radio technology from South China Institute of Technology in 1986 and became a post-doctoral candidate in business administration of the Nanjing University Business School in 2005.

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., CEO of Parafuturo de Macau Investment and Development Ltd., and Chairman of Board of Directors of Macao Young Entrepreneur Incubation Centre. He is also the Deputy of the Macao SAR to the 13th 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, President of Association of Macao Engineering Consultant Companies. 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 Non-Executive Director of Luso International

Banking Ltd. and Board Member of Macao Science Centre. 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.

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
Zhang Keqiu	Chairman of the Board of Supervisors
Li Changlin	Employee Supervisor
Leng Jie	Employee Supervisor
Jia Xiangsen	External Supervisor
Zheng Zhiguang	External Supervisor

Zhang Keqiu, has served as the Chairman of the Board of Supervisors of the Bank since January 2021. Ms. Zhang joined the Bank in 2020. Ms. Zhang served as Executive Director and Executive Vice President of ABC from April 2019 to November 2020. She served as the Executive Vice President of ABC from July 2017. From June 2015 to April 2018, she served as Secretary to the Board of Directors of ABC. Before that, she successively served as the General Manager of the Asset and Liability Management Department, the General Manager of the Financial Accounting Department and the Chief Financial Officer of ABC. She graduated from Nankai University in 1988 with a Master's Degree in Economics. In addition, she holds the title of Senior Accountant.

Li Changlin, has served as Employee Supervisor of the Bank since December 2018. Mr. Li currently serves as General Manager of the Credit Approval Department of the Head Office and Director of Bank of China Group Investment Limited. He joined the Bank in September 1984 and used to serve as Deputy General Manager of the Risk Management Department of the Head Office and General Manager of the Credit Approval Division of the Risk Management Unit of the Head Office. He graduated from the finance major of Central University of Finance and Economics in 1984.

Leng Jie, has served as Employee Supervisor of the Bank since December 2018. Mr. Leng currently serves as General Manager of Hebei Branch of the Bank. He started working in November 1981 and joined the Bank in September 1988. He used to serve as Deputy General Manager of Shandong Branch, Deputy General Manager of Shanxi Branch, General Manager of Ningxia Branch and General Manager of Chongqing Branch of the Bank. He graduated from the economics administration major of Shandong Institute of Light Industry in 1999 and the accounting major of University of Jinan in 2009.

Jia Xiangsen, has served as External Supervisor of the Bank since May 2019. Mr. Jia had successively worked for PBOC and ABC. From December 1983 to April 2008, Mr. Jia was vice president of the Fengtai District sub-branch of PBOC Beijing Branch, and held various positions at ABC Beijing Branch, including, among others, deputy head of Fengtai District sub-branch, deputy division chief at the branch, president of Dongcheng District sub-branch, and vice president of the branch. He was also general manager of the corporate banking department of ABC head office and president of ABC Guangdong Provincial branch. From April 2008 to March 2010, Mr. Jia served as Head of Audit Bureau of the ABC Head Office. From March 2010 to March 2014, Mr. Jia was concurrently chief audit executive and head of the audit bureau at the ABC head office. Mr. Jia has been an external supervisor of the China CITIC Bank and an independent director of China Life Insurance Company Limited. He obtained his master's degree in monetary banking from the Chinese Academy of Social Sciences. Mr. Jia holds the title of Senior Economist.

Zheng Zhiguang, has served as External Supervisor of the Bank since May 2019. Mr. Zheng had successively worked for PBOC and ICBC. From March 1979 to August 2004, Mr. Zheng served as deputy section chief of the Luwan District sub-branch of PBOC Shanghai Branch, and held various positions at ICBC, including deputy division chief of Luwan District sub-branch of Shanghai Branch, division chief and vice president at the Shanghai Branch. From September 2004 to August 2009, Mr. Zheng served as Head of Internal Audit Bureau of the ICBC Shanghai branch. From September 2009 to January 2013, Mr. Zheng served as head of the precious metals business department of ICBC. From 2013 to 2014 Mr. Zheng served as a director of ICBC International Holdings Limited and a Chairman of the Board of Supervisors of ICBC AXA Life Insurance Co., Ltd. He obtained a Master of Business Administration degree from Fudan University. Mr. Zheng has qualification of senior economist.

Senior Management Members

The following table sets forth certain information concerning members of the Bank's senior management.

Name	Position
Liu Jin	Vice Chairman and President
Wang Wei	Executive Vice President
Lin Jingzhen	Executive Vice President
Zheng Guoyu	Executive Vice President
Chen Huaiyu	Executive Vice President
Wang Zhiheng	Executive Vice President
Liu Qiuwan	Chief Information Officer
Liu Jiandong	Chief Risk Officer
Zhuo Chengwen	Chief Audit Officer
Mei Feiqi	Secretary to the Board of Directors and Company Secretary

Liu Jin – for Mr. Liu Jin's biography, please refer to "*Directors, Management and Supervisors –Liu Jin*".

Wang Wei – for Mr. Wang Wei's biography, please refer to "*Directors, Management and Supervisors – Wang Wei*".

Lin Jingzhen – for Mr. Lin Jingzhen's biography, please refer to "*Directors, Management and Supervisors – Lin Jingzhen*".

Zheng Guoyu, has served as Executive Vice President of the Bank since May 2019. Mr. Zheng joined the Bank in 1988. From June 2015 to March 2019, he served as General Manager of Sichuan Branch of the Bank. Mr. Zheng served as General Manager of Shanxi Branch of the Bank from January 2012 to June 2015. Previously, Mr. Zheng successively served as Assistant General Manager and Deputy General Manager of Hubei Branch. He graduated from Wuhan Institute of Water Transportation Engineering with a Bachelor's Degree in Engineering in 1988 and obtained a Master's Degree in business administration from Huazhong University of Science & Technology in 2000. He holds the title of Senior Economist.

Chen Huaiyu, has served as Executive Vice President of the Bank since April 2021. Mr. Chen joined the Bank in 1997. He served as General Manager of Bank of China Sydney Branch, Director of Bank of China (Australia) Limited, and Director of Bank of China (New Zealand) Limited from November 2017 to February 2021. Prior to that, Mr. Chen served as Assistant General Manager and Credit Risk Officer of Guangdong Branch of the Bank, Standing Deputy General Manager, General Manager and Executive Director of Bank of China (Hungary) Limited, as well as General Manager of Bank of China Hungarian Branch successively. Mr. Chen graduated from Beijing Foreign Studies University in 1992 and obtained a Master's Degree in Economics from University of International Business and Economics in 1999.

Wang Zhiheng, has serve as General Manager of Beijing Branch of the Bank from May 2021. He served as Employee Supervisor of the Bank from December 2018 to June 2021, General Manager of the Human Resources Department of the Head Office of the Bank from July 2018 to December 2020, General Manager of Qinghai Branch of the Bank from July 2015 to September 2018. Prior to that, Mr. Wang served as Deputy General Manager of the Human Resources Department of the Head Office of the Bank and Deputy General Manager of Guangdong Branch of the Bank. Mr. Wang graduated and obtained a Master's degree in Finance from Nankai University in 1999.

Liu Qiuwan, has served as Chief Information Officer of the Bank since June 2018. Mr. Liu joined the Bank in 1994. He served as General Manager of Information Technology Department of the Bank since December 2014. From September 2009 to December 2014, he served as General Manager of the Software Center of the Bank. Mr. Liu previously served as Deputy General Manager of Ningxia Branch and CEO of BOCSOFT Information Industrial (Shenzhen) Co., Ltd. He graduated from Xi'an Mining College with a Bachelor's Degree in Engineering in 1982. He holds the title of Senior Engineer.

Liu Jiandong, has served as Chief Risk Officer of the Bank since February 2019. Mr. Liu joined the Bank in 1991. Since March 2014, he has served as General Manager of the Credit Management Department of the Bank. Mr. Liu served as General Manager (Investment Banking) of the Corporate Banking Unit of the Bank from February 2011 to March 2014. Mr. Liu previously served as Deputy General Manager of the Corporate Banking Department and Corporate Banking Unit of the Bank. He graduated from RUC in 1991 with a Bachelor's Degree in Economics and obtained a Master's Degree in Economics from RUC in 2000.

Zhuo Chengwen, has served as Chief Risk Officer of BOC Hong Kong (Holdings) Limited from November 2019 to February 2021. Mr. Zhuo joined the Bank in 1995. 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 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 has the qualification of Certified Public Accountant.

Mei Feiqi, has served as Secretary to the Board of Directors of the Bank since April 2018 and concurrently serves as Company Secretary of the Bank. Mr. Mei joined the Bank in 1998. He served as Vice President of the Beijing Branch of the Bank, General Manager of the Wealth Management and Personal Banking Department under the Personal Banking Unit of the Bank, and General Manager of the Executive Office (Spokesman) of the Bank. Prior to joining the Bank, he worked at the Ministry of Geology and Mineral Resources and the General Office of the State Council. He graduated from Chengdu University of Technology with a Bachelor's Degree and had on-the-job postgraduate education. He holds the title of senior economist.

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.

SUBSTANTIAL SHAREHOLDERS

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 2021, the shareholders indicated in the following table were substantial shareholders (as defined in the SFO) having the following interests in shares of the Bank:

Name of shareholder	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)[2]			
Central Huijin Investment Ltd	Beneficial owner	188,461,533,607	A	89.42	–	64.02
	Interest of controlled corporations	1,810,024,500	A	0.86	–	0.61
	Total	190,271,558,107	A	90.28	–	64.63
National Council for Social Security Fund	Beneficial owner	5,798,893,213	H	–	6.93	1.97
BlackRock[1]	Interest of controlled corporations	4,927,663,915	H	–	5.89	1.67
		22,172,000(S)	H	–	0.03	0.01

Notes:

(1) BlackRock, Inc. holds the entire issued share capital of BlackRock Holdco 2 Inc., while BlackRock Holdco 2 Inc. holds the entire issued share capital of BlackRock Financial Management, Inc. Thus BlackRock, Inc. and BlackRock Holdco 2 Inc. are deemed to have equal interests in shares of the Bank as BlackRock Financial Management, Inc. under the SFO. BlackRock, Inc. holds a long position of 4,927,663,915 H Shares and a short position of 22,172,000 H Shares of the Bank through BlackRock Financial Management, Inc. and other corporations controlled by it. In the long position of 4,927,663,915 H Shares, 74,701,000 H Shares are held through derivatives. In the short position of 22,172,000 H Shares, 14,620,000 H Shares are held through derivatives.

(2) "S" denotes short position.

Unless stated otherwise, all interests stated above represented long positions. Save as disclosed above, as at 30 June 2021, no other interests (including derivative interests) or short positions were recorded in the register maintained by the Bank under section 336 of the SFO.

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. For the six months ended 30 June 2021, the Bank had no significant connected transactions.

TAXATION

The taxation for "Hong Kong" in the Principal Offering Circular shall be deleted in its entirety and replaced with the following:

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.

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 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

Stamp duty will not be payable on the issue of Bearer Notes provided that either:

(i) such Bearer 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 Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable, it is payable by the Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue. No stamp duty will be payable on any subsequent transfer of Bearer Notes.

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 1 August 2021, if stamp duty is payable in respect of the transfer of Registered Notes it will be payable at the rate of 0.26 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 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 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.

SUBSCRIPTION AND SALE

The selling restriction for "United Kingdom" in the Principal Offering Circular shall be deleted in its entirety and replaced with the following:

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 represents and agrees, 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 European Union (Withdrawal) Act 2018 ("**EUWA");** or

 (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (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 either (i) has been approved by the Financial Conduct Authority, or (ii) is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provision in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, 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 relevant Issuer for any such offer; or

(d) at any time in any other circumstances falling within section 86 of the FSMA.

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant 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, warranted and agreed and each further Dealer appointed under the Programme will be required to represent, warrant and agree that:

(a) *No deposit-taking*: in relation to any Notes having 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 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,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant 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 relevant 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 any Notes in, from or otherwise involving the UK.

GENERAL INFORMATION

1. **Listing**

The Programme has been listed on the Hong Kong Stock Exchange under which Notes may be issued by way of debt issues to Professional Investors only during the 12-month period after the date of the Principal Offering Circular. Separate application will be made for the listing of Notes issued under the Programme on the Hong Kong Stock Exchange. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. Transactions will normally be effected for settlement in the relevant specified currency and for delivery by the end of the second trading day after the date of the transaction. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the next business day following the date of listing of the relevant Notes. Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board lot size of at least HK$500,000 (or equivalent in other currencies).

2. **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Bank is 54930053HGCFWVHYZX42.

3. **Authorisation**

The Bank and each Relevant Obligor have obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of their respective obligations under the Notes.

4. **Legal and Arbitration Proceedings**

None of the Relevant Obligor(s), the Relevant Group, the Bank 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 Supplement, 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**

Since 30 June 2021, 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.

ANNEX I - PRINCIPAL OFFERING CIRCULAR DATED 12 APRIL 2021