



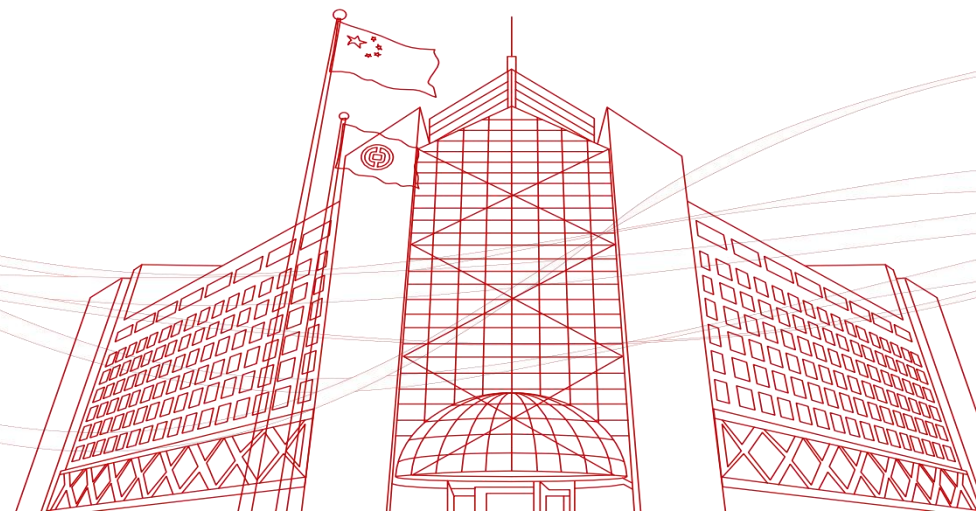
## 2022 Annual Results Release

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# Sustain Steady and Long-term Growth in Building a First-class Global Banking Group

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March 31, 2023



This presentation and subsequent discussions may contain forward-looking statements that involve risks and uncertainties. These statements generally use the words “believe”, “expect”, “anticipate”, “estimate”, “plan”, “forecast”, “target”, “may”, “will” and other forward-looking terms. You should not place undue reliance on such forward-looking statements, which speak only as at the date of this presentation. These forward-looking statements are based on our own information and information from other sources that we deem as reliable. They relate to future events or the future financial, business or other performance of the Bank and are subject to a number of uncertainties that could cause actual results to differ materially.



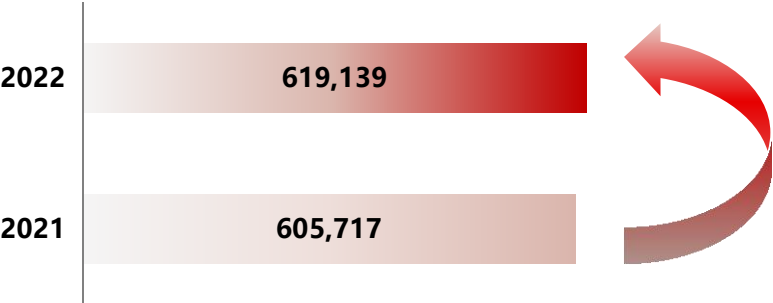
## I Annual Operating Results

## II Progress in Plan Implementation

## III Outlook for the Next Stage

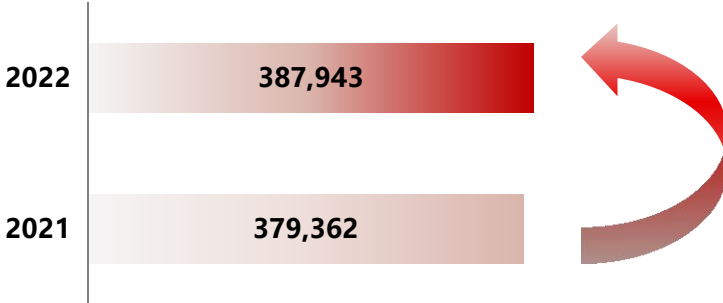
# Earning abilities enhanced steadily

Operating income **+2.22%**



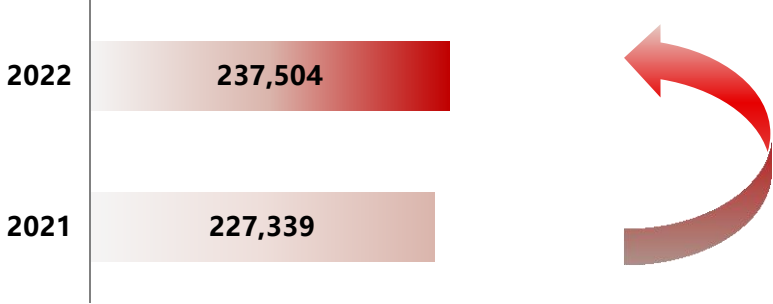
RMB million

PPOP **+2.26%**



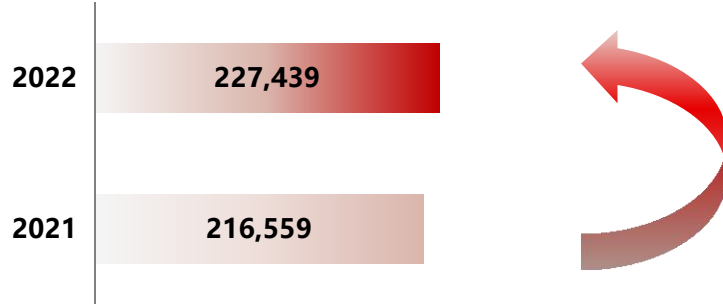
RMB million

Profit after tax **+4.47%**



RMB million

Profit attributable to shareholders of the Bank **+5.02%**



RMB million

Net interest income



General and administrative expenses



# Operating efficiency maintained robust

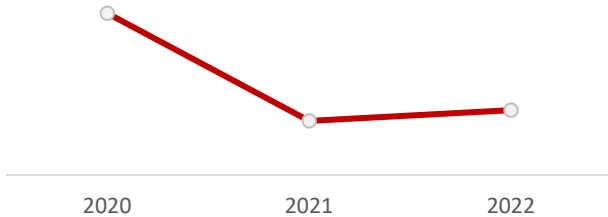
## ◆ Net interest margin

1.76%

+1bp

compared with the prior year

- Interest rate on newly granted domestic RMB loans decreased by **53** bps yoy, fully supporting the development of real economy
- Interest payment ratio of domestic RMB customer deposits decreased by **2** bps yoy, with a balanced development in deposit scale and price
- NIM of domestic foreign currencies and overseas institutions rose by **55** bps and **13** bps yoy respectively, as seized the opportunity of interest rate hikes of foreign currencies

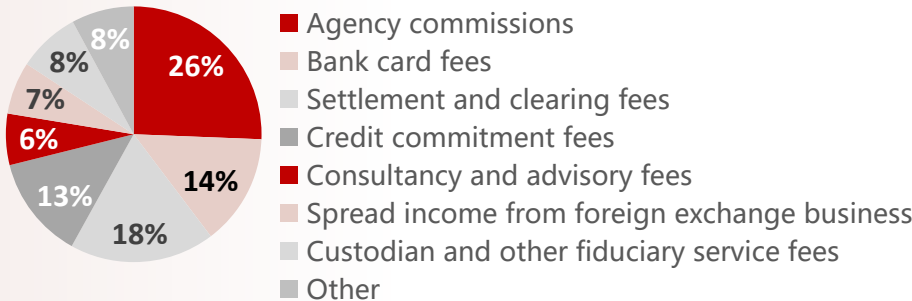


## ◆ Fee income

RMB **72,248**  
million

11.67% of operating income

- Consultancy and advisory fees totaled RMB**5,651** million, up **23.49%** yoy
- Custodian and other fiduciary service fees totaled RMB**6,844** million, up **6.94%** yoy
- Spread income from foreign exchange business totaled RMB**5,788** million, up **4.86%** yoy



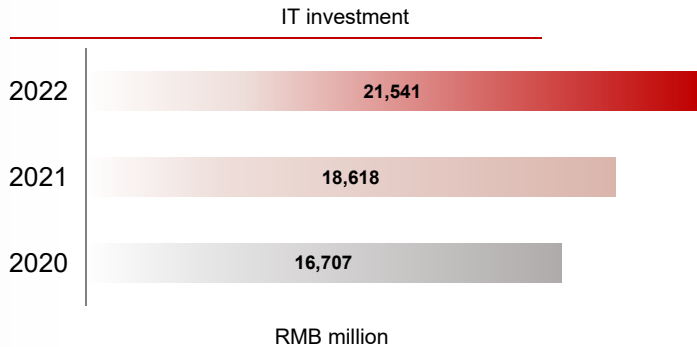
## ◆ Cost-to-income ratio

27.88%

-0.29 ppt

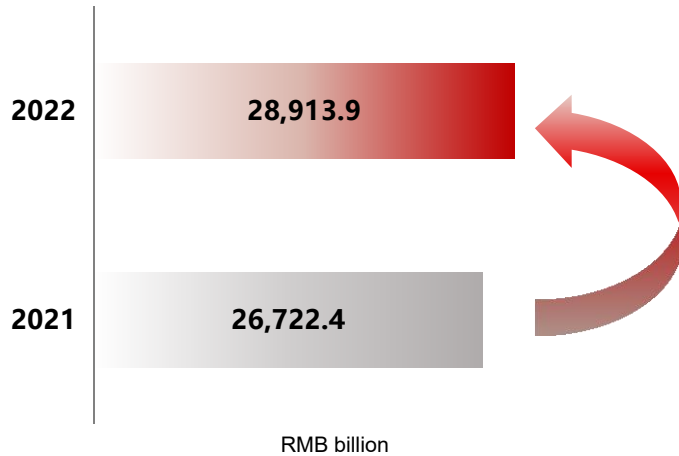
compared with the prior year

- Continuously optimised the structure of expenditures and allocated more resources to **key products, areas and regions**
- IT investment rose by **15.70%** yoy, accounting for **3.49%** of operating income

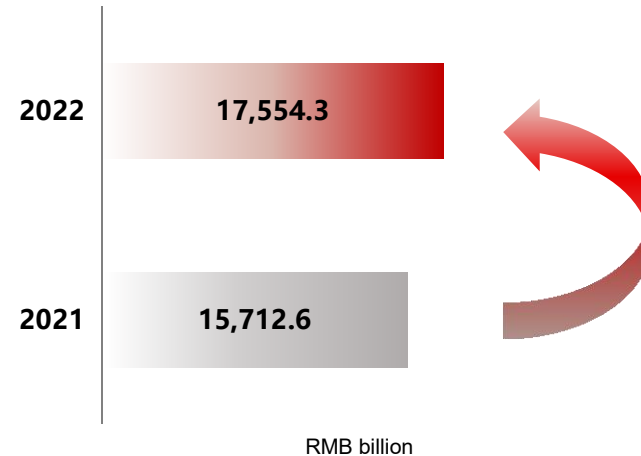


# Assets & liabilities optimised continuously

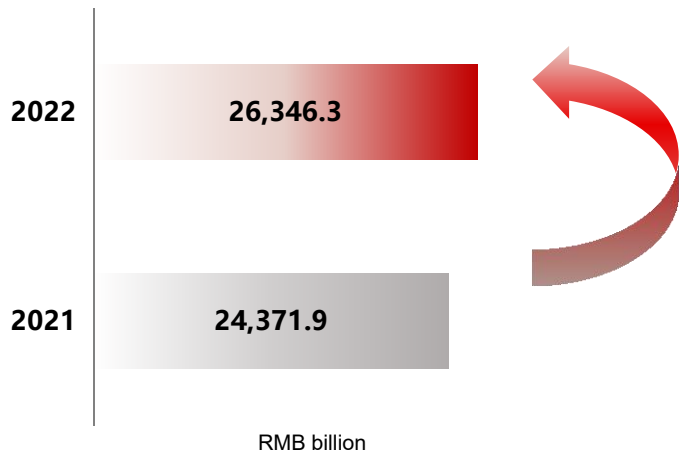
## Assets +8.20%



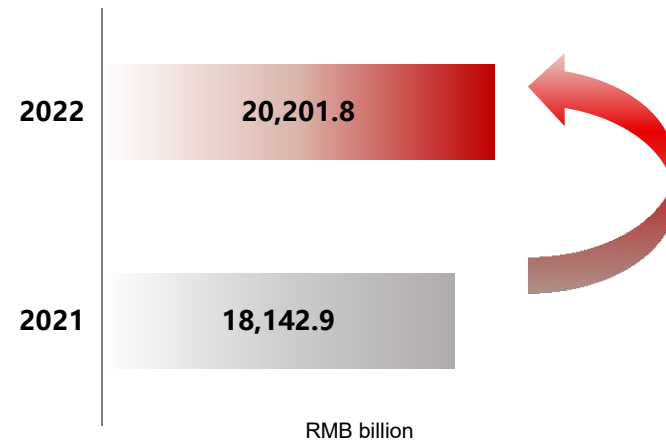
## Loans +11.72%



## Liabilities +8.10%



## Deposits +11.35%



### Increment reached a record high

- Domestic RMB loans increased by RMB**1.58** trillion, up **12.50%** yoy
- Domestic RMB deposits increased by RMB**1.73** trillion, up **12.54%** yoy

### Structure further optimised

- Proportion of net loans to total assets went up by **1.86** ppts to **59.20%**
- Proportion of average balance of domestic RMB medium and long-term loans to total reached **74.45%**
- Proportion of deposits to total liabilities went up by **2.24** ppts to **76.68%**
- Proportion of high-cost deposits decreased by **2** ppt

### Maintained a market leading position regarding domestic foreign currency deposits and loans

# Development foundation further consolidated

## ☑ Corporate customers

Active customers

up **9.1%** yoy



## ☑ Retail customers

Personal customers

nearly **510** million



- Technology-based enterprises with credit granted approached **50** thousand
- Credit customers under the "specialized, refined, featured and innovative" service model exceeded **18** thousand
- Provided trade settlement services for **nearly half** of the enterprises with actual records of importing or exporting via customs
- Maintained correspondent relationships with nearly **1,200** institutions worldwide and has opened **1,438** cross-border RMB clearing accounts for correspondent banks from **112** countries and regions, securing a leading position among domestic peers
- Custodian service for Qualified Foreign Investors (QFI) and agency service for overseas central banks and other sovereign institutions held **industry leading positions** in terms of both customer base and business scale

- Market share of personal customers **increased**
- AUM of personal customers approached RMB**13** trillion
- Active customers increased by **17.91** million, up **5.33%** yoy
- Growth rate of middle and high-end customer exceeded **14%**, reached a record high
- Private banking customers increased by **8.41%** to **159.6** thousand, and PB AUM increased by **11.81%** to RMB**2.42** trillion
- Number of issued credit cards reached **140** million, while the activity rate of new customers reached **80.7%**, up **13.9** ppts yoy

## ☑ Online customers



### ● Personal customers

- Monthly active mobile banking customers

**76.20** million  
up **7.26%** yoy



### ● Corporate customers

- Online banking customers reached

**7,230.1** thousand  
up **11.55%** yoy







Transaction customers up **9.80%** yoy

- Mobile banking transaction customers up **24.11%** yoy

Note: Personal customers, active customers, and middle and high-end customer all refer to customers of domestic branches

# Risk resistance capacity enhanced

## Ⓢ Major risk indicators

- **NPL ratio**  
**1.32%**
- **Special-mention loan ratio**  
**1.35%**
- **Overdue loan ratio**  
**1.10%**
- **Ratio of allowance for loan impairment losses to NPLs**  
**188.73%**

## Ⓢ Made solid progress in risk resolution

- Domestic and overseas institutions resolved a total of RMB**132.4** billion NPAs on/off B/S
- Expanded disposal channels, **making steady progress** in pilot programs for single corporate NPA transfers and batch individual NPA transfers
- Launched three batches of non-performing bank card assets-backed securities

## Ⓢ Asset quality in key sectors remained healthy and stable

	Loan balance (Unit: RMB million)	NPL ratio at the end of 2022	Change compared with the end of 2021(ppt)
Domestic corporate loans	8,818,584	1.84%	-0.36
Including:			
Commerce & services	1,974,498	1.70%	-0.19
Manufacturing	1,808,808	1.89%	-1.68
Transportation, warehousing and postal services	1,744,422	0.63%	-0.51



## Ⓢ Capital adequacy ratio reached a record high

- **CAR**  
**17.52% +99bps**
- **Core Tier 1 CAR**  
**11.84% +54bps**
- **Tier 1 CAR**  
**14.11% +79bps**





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- I Annual Operating Results
  - II Progress in Plan Implementation**
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# Contributed to the stability of the economy

## ☑ Provided financing support for key areas and weak links

- Leveraged a variety of monetary policy instruments, granted more **special purpose loans** to projects of carbon emission reduction, technological innovation, inclusive elderly care, equipment renewal, and supported development and policy-backed financial instrument
- Mainly granted loans to sectors such as **inclusive finance, green finance, "new infrastructure, new urbanization initiatives and major projects", high-end manufacturing industry, people's livelihood and consumption, digital economy** and ect.
- Actively answered the call for **"ensuring delivery of pre-sold homes and stabilizing people's livelihood"**, as real estate loans increased by **12.61%** and newly granted mortgage loans reached RMB**562.7** billion
- Balance of **long and mid-term manufacturing loans** increased by **39.33%**, and its proportion to the manufacturing industry increased by **6.23** ppts yoy. Loans to the **high-tech manufacturing industry** increased by **30.43%**, and its proportion increased by **2.31** ppts yoy
- Actively supported the healthy development of **private enterprises**, as the loan balance increased by **19.96%**. Proportion of newly granted loans to private enterprises increased by **1.72** ppts yoy

## ☑ Enhanced financial supply to stabilise foreign trade

- Annual international settlement volume of domestic institutions reached USD**3.4** trillion, and market share of international settlement business ranked first among peers
- The amount of directly provided import and export trade finance increase by **15%** yoy
- Maintained the **leading position** in the industry in terms of cross-border guarantee business

Actively implemented the national strategy for economic stabilization

Formulated action plans to support the real economy

Domestic RMB loans increased by **12.50%**

## ☑ Made great effort to support the bailout of distressed entities

- Launched special loans and rolled out an **"Inclusive Loan for Employment Promotion"** action plan and the **"Inclusive Employment Loan"**
- Supported the bailout of industries such as catering, retail, tourism, transportation & logistics, and actively implemented the policy of deferring principal and interest repayment on loans
- Supported the **supply chains to facilitate smooth freight and logistics** by preparing and releasing the "BOC Smart Chain - Cold Chain Logistics" branded service solution
- Maintained the smooth operation of local and foreign currency remittance and other **basic financial services** during the Covid pandemic

## ☑ Provided financing services via various channels

- Total amount of of bond underwriting in China interbank market reached RMB**1.38** trillion, and that of the Panda bond underwriting and offshore China bond underwriting reached RMB**21.191** billion and USD**4.437** billion respectively
- Total assets of the group's custody business exceeded RMB**16** trillion, as the market share in terms of scale and income both increased

## Technology finance



### Stepped up comprehensive support



#### Loans to strategic emerging industries

up RMB **600.5** billion **↑115%**



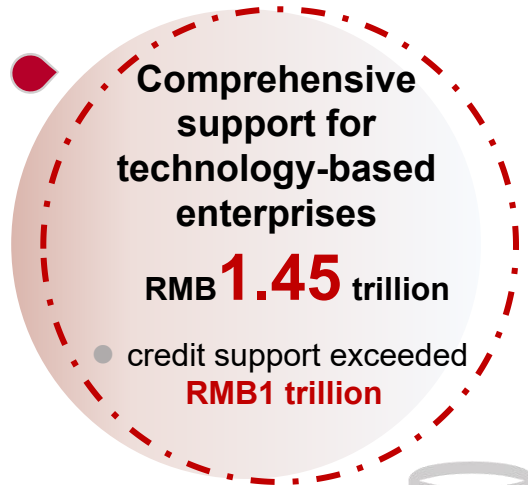
#### Outlets offering technology finance services

**184**



#### Credit customers

nearly **50** thousand



### Improved product and service system

- Innovated quantitative assessment tools for technology-based enterprises
- Optimised business models for credit granting, improved the quality and efficiency of business approval
- Enriched featured product matrix, covering the entire life cycle of the enterprises
- Extended RMB**345.0** billion of credit facilities to over **18** thousand “specialised, refined, featured and innovative” enterprises



### Continued to deepen cooperation with government entities

- Issue the Action Plan through “One Mainstay, Two Engines” of Technology Finance, meeting the financial service demands of high-tech zones and technology innovation enterprises across the country
- Establish a list sharing and refined management mechanism for “specialised, refined, featured and innovative” enterprises
- Actively expanded cooperative relationships with various scientific research institutions
- Supported science popularization for all

# Made all-out efforts in 8 Priority Areas

Technology

Green

Inclusive

Cross-border

Consumer

Wealth

Supply chain

County-level

## Green finance

### Built the “BOC Green+” global brand

- Domestic **green credit** balance reached RMB**1.98** trillion, up **41.08%** yoy
- Actively participated in **benchmark green projects** with international influence
- Issued the **world's first** green bond based on the *Common Ground Taxonomy for Sustainable Finance* (Updated Version), as well as the **first** USD-denominated biodiversity themed green bond among the global financial institutions
- Green assets under custody reached RMB**55.0** billion
- Green bond investment** - Ranked **1st**
- Green bond underwriting** - Ranked **1st**
- Green bond issuance** - Ranked **1st**
- Ranked **1st** among Chinese banks on the Bloomberg Global Green Loans, Sustainability-Linked Loans and Global Offshore Green Bonds lists
- Ranked **1st** on NAFMII's list of investors with green bonds for 2022
- Underwrote domestic green bonds for RMB**259.5** billion
- Underwrote overseas green bonds for USD**29.0** billion
- Scale of domestic and overseas issuance was equivalent to RMB**87.7** billion
- Five categories
- 35** green finance products and services

#### Actively participated in global green governance

- Engaged in the framework review of PRB and the preparation of China's disclosure guidelines
- Became the only Chinese bank in the first group of banks that joined the IFF Green Finance Working Group
- Became the Vice Chair of the China Council of the Sustainable Markets Initiative
- Participated in the formulation of standards related to the regulation of green finance

#### Continuously promoted green, low-carbon operation

- Became the first major state-owned bank to complete the operational emissions calculation work, covering its **11,000** branches in **62** countries and regions
- Provided carbon-neutral financial services to the Beijing 2022 Olympic and Paralympic Winter Games

#### Enhanced customers ESG risk management

Published the *Management Policy for Environmental (Climate), Social, and Governance Risks Associated with Customers*, completed the formulation of basic policies for single risks, and enhanced the full-process management of credit and investment





# Made all-out efforts in 8 Priority Areas

Tech-  
nology

Green

Inclu-  
sive

Cross-  
border

Con-  
sumer

Wealth

Supply  
chain

County-  
level

## Inclusive finance

### ⊕ Improved service quality and efficiency

- Layout and scale of inclusive finance improved



Balance

RMB **1,228.3** billion

↑ **39.34%**



Customers

**750** thousand

↑ **20.87%**



Average interest  
rate of newly  
granted loans

**3.81%**

↓ **15** bps

- loans structure opti-  
mised continiously



First-time borrowers

↑ **46.1** thousand



Proportion of unsecured loans

↑ **0.71** ppt



Proportion of medium and long  
term loans

↑ **0.40** ppt



Proportion of accumutively  
renewed loans

↑ **0.32** ppt



### ⊕ Accelerated digital transformation of inclusive finance

- Kept improving online inclusive finance product system, launched **17** products, and proportion of newly granted loans processed online exceeded **62%**
- Launched the **"Inclusive Loan" APP**, provided customers with comprehensive online services including financing application, business information and business opportunities matchmaking
- Upgraded and launched **"I-SMART - BOC Digital Inclusive Financial Services +"**, and improved inclusive finance service efficiency



### ⊕ Deepened services for key customer groups

- Endeavoured to help ease enterprises' burdens, implemented a **"loan assistance programme for SMEs"**, and channelled more financial resources to support their development
- Provided service for innovative high-tech enterprises, released 3 terms of **"Intellectual Property Pledge Financing Index"**, with both banlance and accounts of **intellectual property finance maintaining leading position among peers**
- Focused on stabilising foreign investment and foreign trade, launched the **"Micro and Small Foreign Trade Services"** business solutions, and helped addressing pain points and difficulties of foreign trade enterprises
- Innovated online products, served the **individually-owned business and SMEs**, increment of personal business loans **exceeded one hundred billion**
- Launched the **"Benefit for Common Prosperity"** service plan, granted **more than ten billion** personal business loans to the new citizens
- Served high-standard opening up, deepened **cross-border matchmaking services**, hosted the trade and investment matchmaking conference of CIIE for five consecutive years, attracting about **1,200 enterprises** from **40 countries and regions** in 2022 which reached cooperation intentions valuing more than **USD6 billion**



### ⊕ Market influence enhanced steadily



- "Inclusive Loan for Intellectual Property" product, "Inclusive Loan for Employment Promotion" action plan, "Inclusive Loan for Low-Carbon Development" and cases of serving "specialised, refined, featured and innovative" enterprises **were selected into the collection of typical cases of China Banking Association**
- Relative cases **were awarded for prizes as "specialised, refined, featured and innovative"** and **"New citizens"** in the 5th China Digital Inclusive Finance Conference, "Innovation China"



## Cross-border finance

### ⊕ Consolidated characteristic advantages

- **Maintained the first position in the industry** regarding international settlement, cross-border RMB business, foreign currency exchange and cross-border custody
  - International settlement volume of the Group reached USD**7.7** trillion
  - International settlement volume of domestic institutions reached USD**3.4** trillion
  - Volume of cross-border RMB settlement of the Group reached RMB**31.1** trillion, up **26.10%** yoy
  - Volume of cross-border RMB settlement of the domestic institutions reached RMB**10.4** trillion, up **23.61%** yoy
  - Volume of cross-border RMB clearing of the Group reached RMB**741.3** trillion, up **17.27%** yoy
- Market share of Cross-border Wealth Management Connect contracted customers exceeded **60%**, and the market share of cross-border fund transfer exceeded **50%**
- Followed up with over **900** corporate credit projects in countries along the Belt and Road accumulatively, and granted a variety of credit facilities surpassing USD**269.0** billion to countries along the route accumulatively



### Enhanced financial services for ensuring stable foreign trade

- ✓ Issued the BOC **Action Plan** for Supporting High-quality Development of Foreign Trade and Making Cross-cyclical Adjustments to Ensure Stable Foreign Trade
- ✓ Continued to provide high-quality services for CIIE, CIFTIS, Canton Fair, CICPE and other **national trade fairs**
- ✓ Held **150 “100 Activities for 10,000 Enterprises” campaigns** to support the high-quality development of trade, and directly served more than **33** thousand foreign trade enterprises

### ⊕ Led service innovation

- Enhanced the innovation of products for new trade patterns, and settled more than RMB**280.0** billion of cross-border funds for trade customers in terms of cross-border e-commerce and market procurement, representing an increase of **85%** yoy
- Launched “**BOC Cross-border Remittance Express**”, provided automatic crediting service in seconds for cross-border SWIFT inward remittance, with a total amount of **nearly USD100 billion**
- Became the first and only bank to launch a self-service machine that supported the **conversion of foreign currencies to e-CNY**

## Consumer finance

- Actively implemented relevant policies and measures for real estate industry, seized market opportunities, and promoted the stable and healthy development for real estate industry
- Closely followed the strategy of expanding domestic demand, focused on housing improvements, new energy vehicles, daily household consumption and other demands, and gave full play to provide finance support in promoting consumption



- Promoted the synergy among consumer credit, card installment business and loan granting by BOC Consumer Finance, continuously improved financing support for household consumption and served the goal of expanding domestic demand and promoting consumption
- Supported COVID-19 containment, and provided a package of deferred repayment tools for those affected by the pandemic
- Promoted the coordinated development of government-sponsored student loans at the origins of students and schools, and implemented the policy on the interest-free and deferred repayment of loans for students
- Enhanced the agriculture-related financial services and the financial services for the new citizens, as well as the research and innovation of products for rural customers and young customers

- Non-housing consumer loans increased by **50.7%**, and personal loans were transformed online with a ratio of **82.63%**
- Auto installment loans granted via credit card stood at RMB**115.4** billion, an increase of **7.2%** yoy, with the annual loan amount, the increment and growth rate of outstanding accounts receivable all leading the market
- Loans granted by BOC Consumer Finance expanded by more than **60%**



# Made all-out efforts in 8 Priority Areas

Technology

Green

Inclusive

Cross-border

Consumer

Wealth

Supply chain

County-level

## Wealth finance



Continuously consolidated brand advantages



中國銀行  
BANK OF CHINA



私人銀行  
PRIVATE BANKING

**CBN--“Best Bank in Wealth Management”**  
**China Securities Journal--“Golden Bull Award for Banking Wealth Management Sales”**  
**Global Finance--“Winner of the Stars of China Awards – Best Private Bank”**  
**Asiamoney--“China Private Banking Award - Best State-owned Bank”**  
**Asian Private Banker--“Best Private Bank in China Services for Business Entrepreneurs”**



Customer volume increased and customer quality improved



Asset scale grew steadily



Personal customers

nearly **510** million

➢ of which: mid and high-end customers

↑ exceeded **14%**



Personal customers' AUM

nearly RMB**13** trillion

➢ of which: domestic investment financial assets

**market share increased**



Private banking customers

**159.6** thousand

up **8.41%** yoy



Private banking customers' AUM

RMB**2.42** trillion

up **11.81%** yoy

- **Improved the quality of inclusive services:** enriched product varieties, increased the supply of inclusive products, implemented the favorable rate policy, and ranked among top regarding the number of personal pension funds and insurance products distributed by banks as an agency as well as the number of wealth management companies in cooperation with banks
- **Upgraded professional capabilities:** enhanced the sales of asset allocation products, provided more intelligent solutions for customers in terms of asset analysis and improvement, and realised risks mitigation and investment profit growth for customers
- **Improved customer companion:** accelerated transformation from front-end transactions to full-process companion, expanded the online operation ecosystem introduced a total of 31 external institutions and published more than 10,000 news & information articles throughout the year
- **Consolidated characteristic advantages:** launched an innovative service of “Entrepreneur Office”, fostered resources synergy of Group’s commercial banking and investment banking business to support for enterprises all-round development, and made progress in building its Asia-Pacific private banking platform



## Supply chain finance



Assisted in safeguarding the stability and security of supply chains, and reached a new high in supply chain finance credit granted



Provided liquidity support for **core supply chain enterprises**

RMB**2.46** trillion  **14%**



Provided credit support for **upstream and downstream enterprises of supply chains**

RMB**2.23** trillion  **31%**



**Online finance grew significantly**

in which: **online bill finance** increased by **35%** yoy, and **online factoring finance** increased by **67%** yoy



**Enhanced technology empowerment and further upgraded the experience of digital services**

Launched the new online finance product "**BOC Smart Chain · Rong Yi Xin**", provided unsecured factoring finance online services throughout the whole process for upstream suppliers at different levels in the industrial chain

Launched Rong Yi Da, domestic factoring, export factoring and other new online finance services, supported online interaction via multiple channels and platforms, and facilitated a **digital, scenario-based and intelligent** user experience of supply chain finance for customers



**Launched new sub-chains of "**BOC Smart Chain**" to facilitate industrial transformation and upgrading**

Launched four new sub-chains -- **BOC Cold-chain Logistics Chain, BOC Green Chain, BOC Aviation Chain and BOC Home Appliance Chain**

Facilitated the shortcoming improvement and advantage fortification of the modern industrial system

# Made all-out efforts in 8 Priority Areas

Technology

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Cross-border

Consumer

Wealth

Supply chain

County-level

## County-level finance

### ④ County-level finance developed steadily

- Deposits of county-level outlets RMB**3,258.0** billion ↑**15%**
- Loan balance of county-level outlets RMB**2,757.8** billion ↑**15%**

- Agriculture-related loans balance RMB**2,074.8** billion ↑**20%**
- Inclusive agriculture-related loans balance RMB**260.3** billion ↑**38%**

● Loan balance of outlets in the 160 key counties to receive assistance in pursuing rural revitalisation ↑**17%**

● No. of finance services covered counties to receive assistance in pursuing rural revitalisation **157** with coverage of **98%**



### ④ Service channels gradually improved

- Institutions covered **1,178** counties, county-level institution coverage was over **63%**
- Opened **28** new county-level institutions, of which **3** were in the counties to receive assistance in pursuing rural revitalisation, and built more than **550** featured outlets
- MAU of county-level mobile banking **increased rapidly**, with the “**Beautiful Countryside**” version launched

### ④ Accelerated innovation of products and services

- Focused on key areas such as national food security, launched “**Seed Industry Loan**” and “**Agricultural Machinery Loan**”
- Supported the development of creditworthy villages under the guidance of CPC Party building, and launched online products with regional features such as “**Farmer Supporter Quick Loan**”



### ④ Market influence enhanced steadily

- FinTech-empowered Rural Revitalization Project won the 2022 “Innovation China” **Innovation Achievement Award**
- Case of high-standard farmland was selected as a **typical case of China Banking Association**

● BOC Fullerton Community Bank gave full play to leverage advantages as the largest village bank and adhered to “**focusing on county area development, and supporting farmers and small-sized enterprises**”

### ④ Leveraging Group’s advantages of the “One Mainstay, Two Engines” strategy

- Controlled **134** village banks with **189** sub-branches
- Outstanding loans were nearly RMB**73.4** billion, which were granted to over **440** thousand customers with average amount less than RMB**170** thousand

# Effectively coordinated "One Mainstay, Two Engines"

## ⊕ Overseas commercial banking

### Soundly recovered

- Asset & profit contribution of overseas institutions maintaining **leading position among Chinese peers**

- Further optimised the global network, with BOC (Macau) Limited officially opened for business
- Optimized strategical categorization of overseas operations, revising and **adapting market-by-market plans** as necessary to reflect the latest trends and developments
- Completed the establishment of the **IPU headquarters** in the EU
- Steadily advanced the regional **harmonious development**
- Overseas institutions **achieved safe and stable operation**
- **Contribution** of overseas commercial banking institutions to the Group **rebounded**
  - The profit contribution of BOCHK rose
  - The income of Macau Branch and Taipei Branch reached a record high in recent years
  - The income of New York Branch, London Branch and Singapore Branch grew well

## Domestic commercial banking primary role further highlighted

## ⊕ Integrated operations

Developed in a standardized and orderly way

Properly addressed changes in external situation with the capabilities of business development and Group-wide synergy further heightened

- Set up comprehensive operation and synergy offices in **11 key national strategic regions**
- Improved **management mechanism** for integrated operations
- Steadily grew in business scale, and **enhanced market competitiveness**
  - Bank of China Consumer Finance's loan balance increased by 18%
  - BOCL's asset lease balance increased by 26%
  - BOC-Samsung Life's new policy premiums for risk protection and long-term savings business increased by 70% yoy
  - BOC Wealth Management's share of the market increased
  - BOC Asset Investment continued to increase the investment in green and technology industries

# Solidly promoted digital transformation



Number of employees in the IT line **13,318**  
Proportion to the total number of the Group's employees **4.35%**

Built **10** teams of leading digital talents, talents for digital architecture design, talents for digital operation and IT talents, and registered more than **5,500** talents reserves for the first batch



IT investment  
RMB**21.541** billion

Proportion to operating income **3.49%**



Patent applications submitted  
over **5,000**  
Newly licensed patents **611**



**6** technological achievements won  
PBOC Financial Technology  
Development Awards

## Foundation for digital transformation

- Iteratively updated the OASIS Project
- Continuously enriched digital procedures, data and mechanism support
- Data governance based on "Three Horizontals, Two Verticals":  
Sorted out **2.80 million** data items  
Developed **220 thousands** data dictionary items

- **Made planning**--Steadily implemented plans for all aspects  
Strategic Capability Map, enterprise-level business architecture and enterprise-level IT architecture
- **Consolidated foundation**--Continued to consolidate IT empowerment  
Stable operation of both multi-center IT infrastructure distributed in four places and distributed IT infrastructure  
Full-stack application of domestic software and hardware  
Independence and controllability of key and core technologies  
Put the "3+N" technology platform system into operation to achieve the sharing and reuse of **OCR, RPA** and other enterprise-level technological capabilities
- **Strengthened middle office**--Continuously developed enterprise-level capabilities  
Integrated and unified basic public information, as the enterprise-level capabilities for product factories, contract management and services for intensive operation began to show
- **Driving force**--Furthered progress in pilot areas  
Launched a series of basic products such as payment & settlement, debit cards and credit cards, synchronously upgraded customer services, improved operation management, and optimized business procedure



## Empowerment of digital transformation

### Provided more stable and robust support for business operation

- Established the **Group-wide cyber security center and cyber attack and defense laboratory**
- Provided effective technological support regarding financial services for **Olympic and Paralympic Winter Games, CIIIE and CICPE**
- Provided **effective technological support for business continuity**
- Promoted teleworking

### Digital financial services became more convenient

- **Released the mobile banking 8.0 version**  
Upgraded services for **private banking zone**, set service scenarios of **new citizens, payroll service and pension participants**, and launched the "Beautiful Countryside" version of the mobile banking
- Corporate online banking: The proportion of corporate online transactions via mobile banking channels continued to increase
- The open ecosystem of scenario-based finance reached over 230 million users
- White paper of scenario-based financial services version 2.0, "digital CIIIE", "smart Hainan", and BOC e-CNY
- Featured e-CNY in Winter Olympics scenarios, built the largest network of merchants using e-wallet services in China
- BOC Corporate E-manager, BOC Corporate Cloud Direct Connection
- Delivered more than 900 government affair services at smart counters





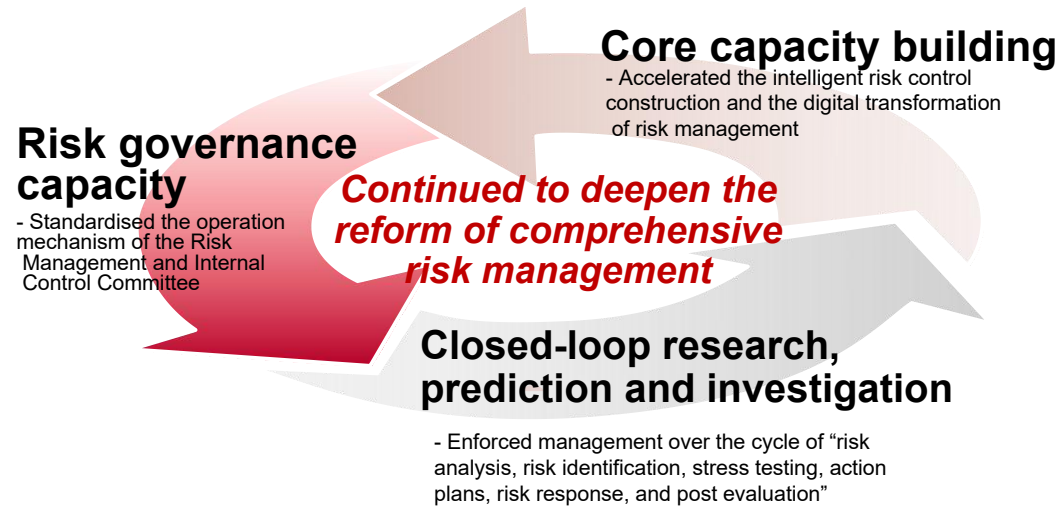
# Continued to improve the capability of comprehensive risk management

## Credit risk management

- Improve the foresight and practicality of industry policies, and continuously optimise its credit structure
- Asset quality remained stable with the NPL balance and the special-mention loan balance still at low levels
- Achieved breakthroughs in the collection and disposal of some key non-performing projects and further improved the capacity to mitigate risks

## Liquidity risk management

- Made proper forward-looking arrangement of fund position, and optimized the scale, term and currency structure of liquidity reserves
- Successfully addressed the impact of unexpected interest rate hikes and balance sheet reduction by the US Federal Reserve, etc.
- All major risk indicators of the Group were in compliance with regulatory requirements



## Internal control & compliance management

- Continuously strengthened the internal control case prevention, launched specific governance campaigns for high-risk fields regarding case prevention, and facilitated the fostering of a strict governance atmosphere
- Further improved the refined management of AML and sanction compliance, and solidly deepened the development of a compliance culture


## Market risk management

- Properly coped with complicated situations, actively conducted situation research and analysis
- Implemented three sessions of debenture investigation throughout the year to enhance the management and control of investment risk
- Conducted emergency drills for market risk, solidly prepared response and underpinning plans, and further improved the emergency system and contingency capability

## IT risk management

- Established an enterprise-level cybersecurity operation center to effectively handle external threats
- Participated in a national cybersecurity drill and ranked among the top
- Put an enterprise-level smart operation & maintenance platform into operation, which maintained the availability ratio of business services in information systems at a high level

## The continuity of business withstood the test of multiple rounds of outbreaks of COVID-19

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- I Annual Operating Results
  - II Progress in Plan Implementation
  - III Outlook for the Next Stage**

# Outlook

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- Actively implement **national strategies** and improve the quality and efficiency of **services for the real economy**
- Seize **strategic opportunities** and fortify **advantages in globalized and integrated operations**
- Deepen **integration of business and technology** and continue to enhance the **efficiency of operation services**
- Reinforce **comprehensive risk management** and consolidate the **bottom line of security for development**