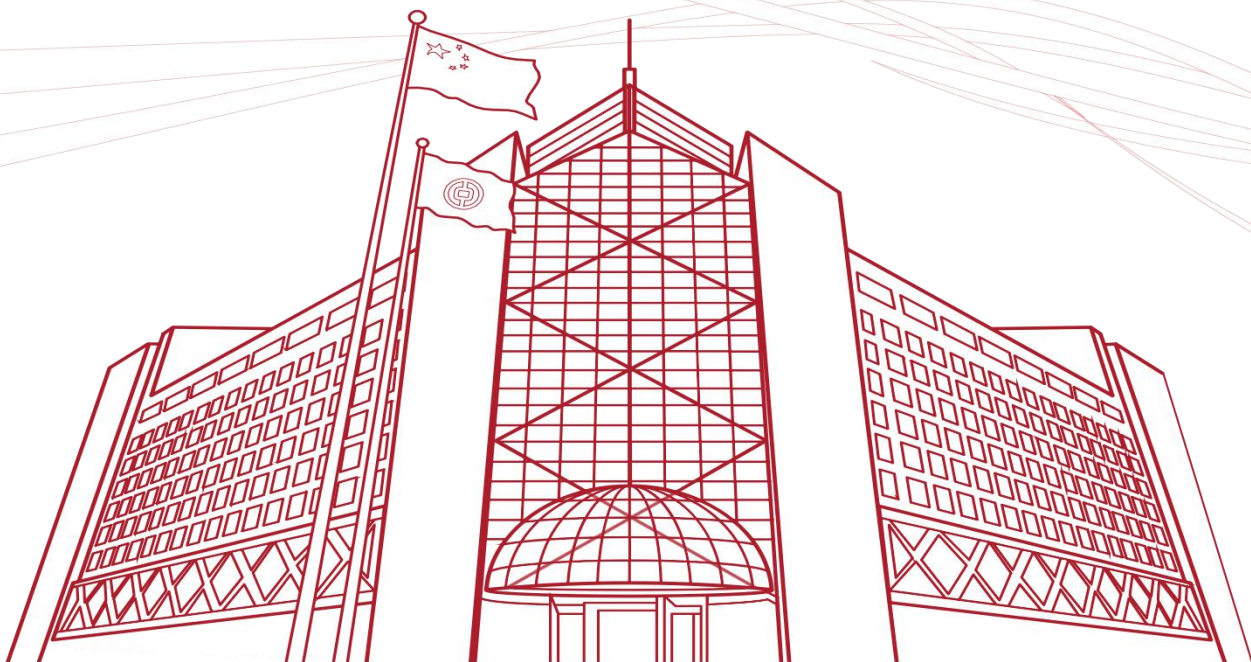


2023 Interim Results Release

2023.08.30



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.

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- I Interim Operating Results
 - II Progress in Key Business
 - III Outlook for 2H 2023

Delivered robust financial results



Operating income

RMB million

1H2023

319,707

1H2022

293,522

+8.92%



Net interest income

RMB million

1H2023

233,992

1H2022

223,380

+4.75%



Net fee & commission income

RMB million

1H2023

46,376

1H2022

44,446

+4.34%



PPOP

RMB million

1H2023

215,407

1H2022

203,745

+5.72%



Profit after tax

RMB million

1H2023

127,688

1H2022

123,555

+3.35%



Profit attributable to shareholders of the Bank

RMB million

1H2023

120,095

1H2022

119,165

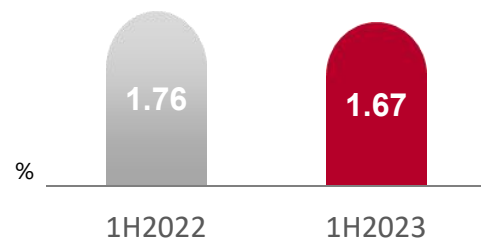
+0.78%

Maintained reasonable profitability



NIM

1.67%

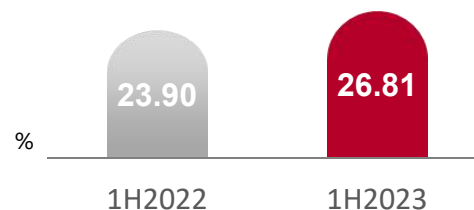


- Interest rate of domestic RMB loans decreased by **43** bps yoy, as the bank supported development of the real economy
- Interest payment ratio of domestic RMB customer deposits decreased by **7** bps yoy, with balanced development of deposit quantity and rates
- NIM of domestic foreign currencies and overseas institutions rose by **47** bps and **26** bps yoy respectively, due to effect of foreign currencies interest rate hikes



Non-interest income to operating income

26.81%

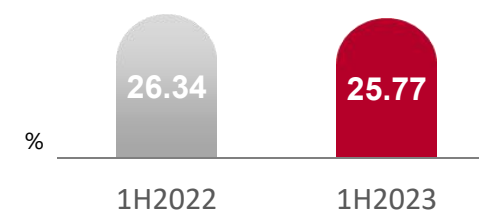


- Proportion of non-interest income increased by **2.91** pps yoy
- Net fee & commission income resumed positive growth yoy, with items such as consultancy& advisory fees, custodian & other fiduciary service fees and bank card fees increased significantly
- Net trading gains increased rapidly, as the valuation of financial assets improved due to fluctuations of market interest rates and exchange rates



Cost-to-income ratio

25.77%

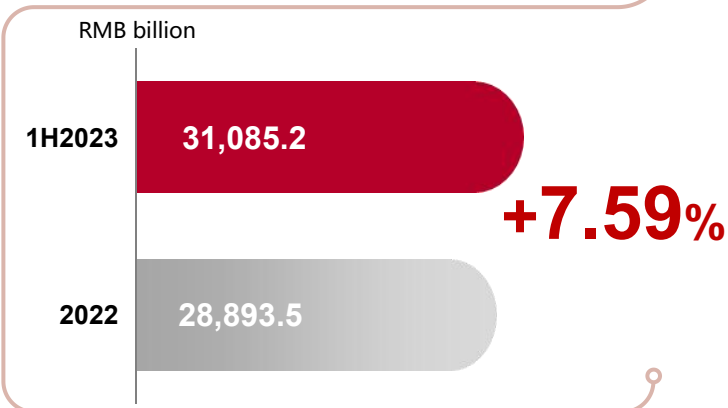


- Cost-to-income ratio decreased by **0.57** pps yoy
- Cost structure continued to optimise, as the bank allocated more resources to key products, areas and regions, and streamlined operation to cut general expenses
- IT expenses increased by **10.0%** yoy, supporting digital transformation and development

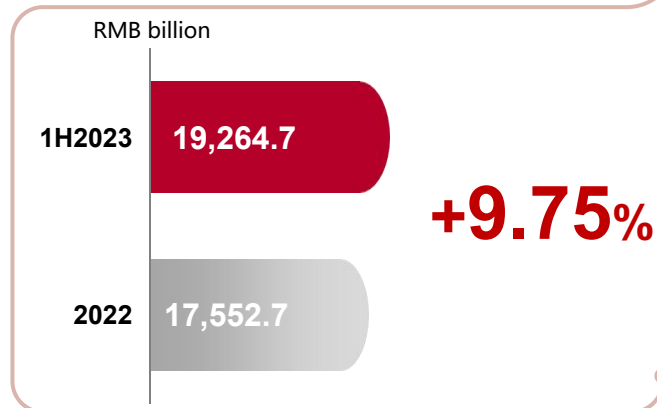
Optimised assets & liabilities continuously



Assets



Loans

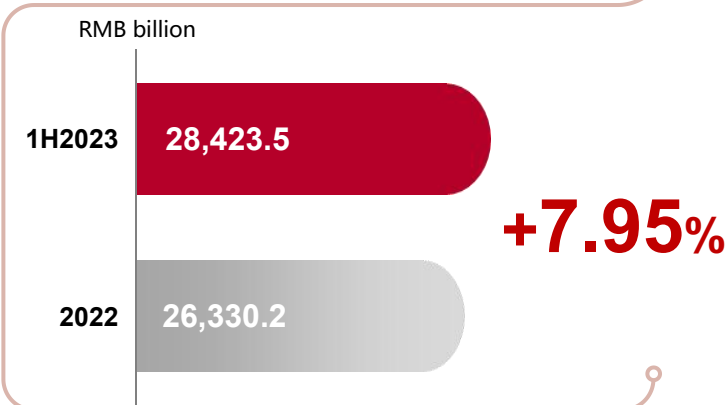


Increment reached a record high

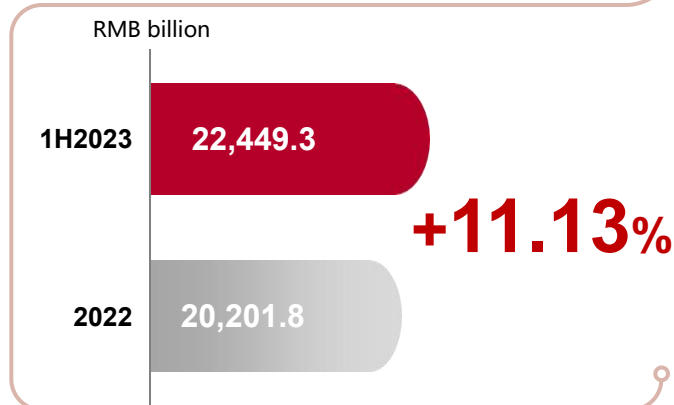
- Domestic RMB loans increased by RMB **1.46** trillion, up **10.26%**
- Domestic RMB customer deposits increased by RMB **1.80** trillion, up **11.54%**



Liabilities



Deposits



Structure further optimised

- Proportion of net loans to total assets went up by **1.24** pps to **60.48%**
- Proportion of average balance of domestic RMB medium and long-term loans to total reached **74.84%**
- Proportion of customer deposits to total liabilities went up by **2.26** pps to **78.98%**

Enhanced risk resistance capacity

Key risk indicators

- NPL ratio
1.28%
- Difference of overdue loans and NPLs
RMB -59.5billion
- Overdue loan ratio
0.98%
- Ratio of allowance for loan impairment losses to NPLs
188.39%

Made solid progress in risk resolution

- Strengthened NPL disposal, and refined management
- Actively expanded disposal channels, and issued **5 tranches** of securities backed by non-performing personal loans and bank cards

Carried out steady capital replenishment

- CAR
17.13%
- Core Tier 1 CAR
11.29%
- Successfully issued RMB**30** billion undated capital bonds and RMB**60** billion tier 2 capital bonds
- The Annual General Meeting deliberated and approved the capital replenishment plan of RMB**450** billion

Asset quality in key sectors

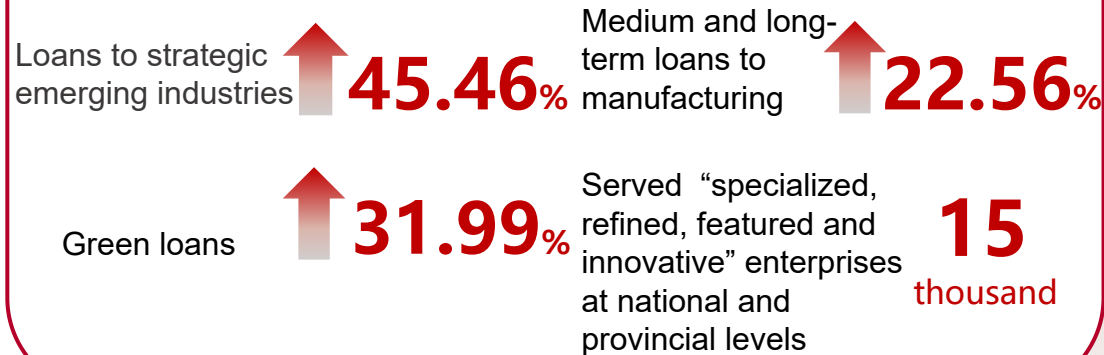
	Loan balance (Unit: RMB million)	NPL ratio as at 30 June 2023	Change compared with the end of 2022 (pps)
Domestic corporate loans	10,300,591	1.61%	-0.23
Incl.: Manufacturing	2,171,416	1.70%	-0.19
Transportation, warehousing and postal services	1,871,049	0.65%	+0.02
Real estate	846,173	5.11%	-2.12
Domestic personal loans	5,742,265	0.75%	+0.04
Incl.: Mortgages	4,246,724	0.49%	+0.02
Credit cards	514,794	1.93%	-0.09

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- I Interim Operating Results
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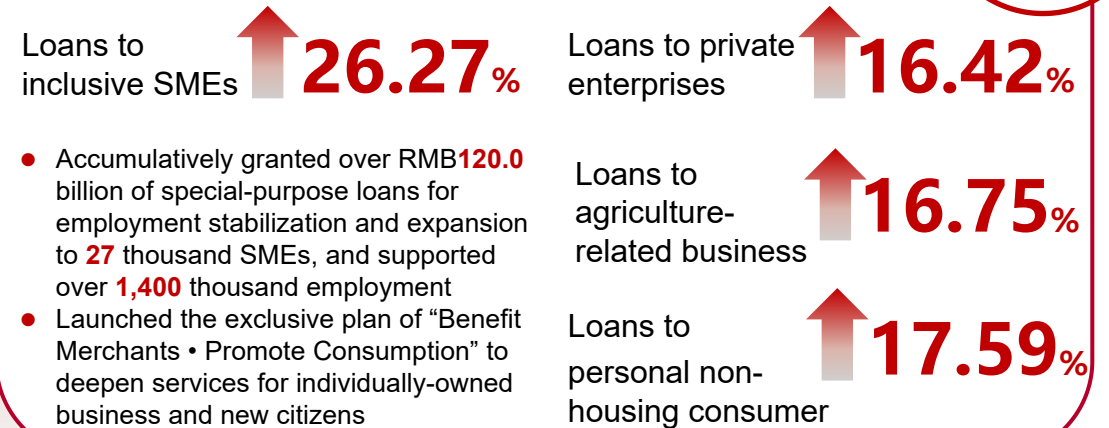
Improved the quality and efficiency to serve the real economy



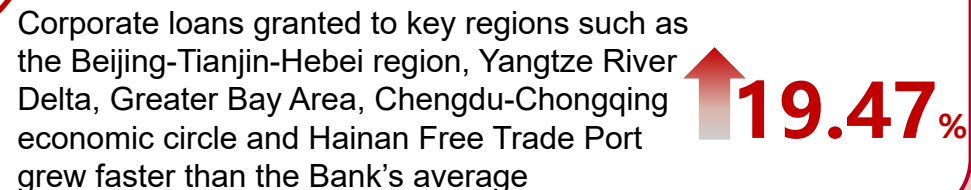
Supported acceleration of modern industry system development



Supported key areas and weak links of the economy



Facilitated the strategies of regional coordinated development

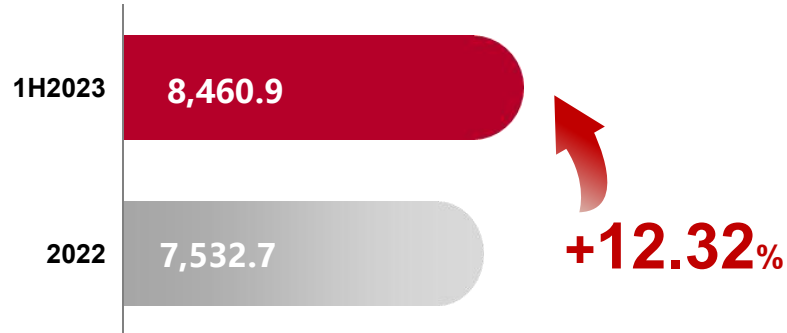


Served the country's high-level opening-up

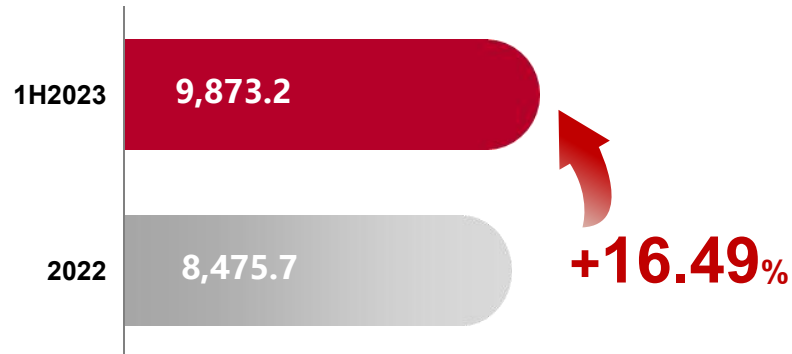
Granted more than **USD 290.0** billion of credit facilities to projects in countries involved in the Belt and Road Initiative (BRI), contributing to new achievements in the high-quality development of BRI

Corporate banking business consolidated sound foundations

Increment of corporate deposits hit a new high for the past ten years



Corporate loans achieved rapid growth



Propelling the transformation and upgrading of corporate banking

Financial institution business

- Maintained correspondent bank relationship with nearly **1,200** institutions and opened **1,438** cross-border RMB interbank accounts for correspondent banks in **112** countries, leading domestic peers
- Promoted the CIPS and established indirect participating bank relations with **626** domestic and overseas financial institutions, and **ranked 1st in terms of market coverage ratio**
- **Led the industry in terms of customer numbers and business scale** for QFI custody services and agency services for overseas central banks and other sovereign institutions
- **Ranked 1st** in the amount under custody of bonds invested by overseas institutions in the CIBM
- Served as **the sole major participating bank** of "Swap Connect" for central counterparty clearing
- Became one of the **first batch of clearing members** of Shanghai Clearing House for commodity digital currency spot clearing
- Served as the main exchange settlement bank of "**Hong Kong Stock Connect**" and exclusive clearing bank of "**Shanghai-Shenzhen Stock Connect**"

Transaction banking

- **Continued to lead its domestic peers** in regards of international trade settlement, cross-border RMB settlement and clearing, cross-border L/G and cross-border fund pool business
- Trade finance business of overseas institutions **grew steadily**, and quality and efficiency of the Group's global strategic synergy effect were improved
- Cross-border e-commerce settlement business grew by over **130%** yoy
- Investment in import and export trade finance increased by **10%** yoy
- Provided high-quality services for the 3rd **CICPE** and the 133rd **Canton Fair**, and fully supported preparations for the **CIIE**, **CIFTIS** and **CIFIT**
- Upgraded the "**BOC Enterprise e-Manager**" to build a one-stop "non-financial + financial" service platform

Inclusive finance

- Improved scale and expanded coverage of inclusive loans and served nearly **900** thousand customers, with the average interest rate of newly granted loans at **3.64%**, down by 17bps from the previous year
- Provided lifecycle services to "specialized, refined, featured and innovative" enterprises, strengthened intellectual property finance and **took the lead** among peers in terms of scale
- Relied on the BOC E-cooperation platform and leveraged on its advantages in cross-border matchmaking services, cumulatively served over **50** thousand enterprises in **126** countries, and reached over 10,000 cooperation intentions
- Promoted inclusive digital transformation, and the proportion of new inclusive online loans increased to nearly **80%**

Pension finance

- Improved pension financial products and services and **fully supported the development of the silver economy**
- The scale of pension funds entrusted reached RMB**191,684** million, up **12.59%** over the prior year-end
- Number of personal enterprise annuity accounts under management reached **3,996.2** thousand, up **2.50%** over the prior year-end
- Pension funds under custody amounted to RMB**972,828** million, up **7.30%** over the prior year-end
- Served over **17.6** thousand enterprise annuity customers

Note: The above data are calculated in billion for RMB business of domestic commercial banking

Personal banking business achieved continuous improvements

► Personal banking

total customers

nearly **516** million
of which:
mid and high-end customers up **8.64%**

Customers' AUM

nearly RMB **14** trillion up **7.05%**

► Private banking

total customers

172.9 thousand up **8.29%**

Customers' AUM

RMB **2.69** trillion up **11.03%**

► Outlets established in Chinese mainland

8,235 wealth management centers

1,016 prestigious wealth management centers

175 private banking centers

► Debit cards

660 million up **2.01%**

Credit cards

142 million up **2.97%**

Building a leading bank for delivering full-stack personal financial services



Wealth finance

- Built a diversified wealth management product shelf, selected high-quality products from **"Market-wide + Group-wide"**, and steadily expanded cooperation with wealth management companies
- Developed a **whole-journey service accompaniment** model and improved the "BOC Investment Policy" global investment advisory information service system covering all time periods and all asset types
- Continued to provide account opening and **cross-border wealth management** services for customers in the **Greater Bay Area**, opened 295.5 thousand accounts via its "Greater Bay Area Account Opening" service, and signed up 40.2 thousand customers via the **Cross-border Wealth Management Connect**, maintaining the **leading market share**



Consumer finance

- **Optimized housing loan credit policies** and provided differentiated housing credit services
- Accelerated the online transformation of non-housing consumer loans and **expanded business scenarios**
- Focused on the "main battlefield" of consumer finance scenarios, and **gave play to its advantages in featured auto installment products and services**
- Promoted the integration of **"BOC E Installment"** products and services with scenarios, and developed exclusive service plans for customers such as teachers and new citizens
- Expanded the service scope of **government-sponsored student loan** business



Private banking

- Number of family trust customers **increased by 52.59%** over the prior year-end
- **Focusing on the needs of entrepreneurs**, continued to improve the "Entrepreneur Office" service, and launched a number of innovative service businesses, including ESOP trust and enterprise-established charitable trust
- Continuously improved the overseas private banking service system and **consolidated advantages in global integrated services**
- Accelerated the pace to cultivate and expand the **specialized private banking team** focusing on private bankers and investment advisors



Bank card business

- Built an online-offline integrated service mode for the **social security system**
- Enriched the functions of **"Railway e-Card"**
- Promoted the issuance of debit cards with the theme of **"rural revitalization"**
- Strengthened the development of **digital credit card**
- Deepened cooperation in **mobile payment**
- Focused on **large-amount consumption** scenarios such as automobiles, and **people's livelihood consumption** scenarios

Financial market business traditional strength realised new advances

Securities investment

- Increased RMB investment in key areas such as local government bonds and green bonds, and retained **leading position** in terms of green debt financing instruments
- Optimised the product and currency structure of foreign currency investment portfolios, seized market opportunities, rationally controlled market risk and strived to **increase the yield of portfolios**

Trading business

- Maintained **top position** in terms of market share in foreign exchange settlement
- **Took the lead** among domestic peers in terms of types of FX trading currencies
- Maintained the **leading position** in market-making rankings for precious metals on the Shanghai Gold Exchange and Shanghai Futures Exchange
- Innovated the **value preservation service** mode for SME customers, and assisted enterprises to prevent FX risk
- Implemented "**Northbound Swap Connect**" business, and maintained the **market leadership** in cash bond trading with overseas institutions

Investment banking

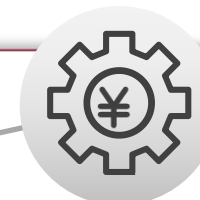
- Provided all-round, specialised, customised "onshore + offshore" and "financing + intelligence" **integrated service plans**
- Underwrote RMB**681.1** billion in China's interbank bond market, and **led the market** in terms of sales volume of NAFMII unsecured bond
- Ranked **1st** among commercial banks in terms of market share of asset securitization underwriting in interbank market
- Issued RMB229.04 billion green bonds, ranking **1st** in the market
- Ranked **1st** in terms of market share of China's offshore bond underwriting, and **ranked 1st again** in terms of Panda bond underwriting market share

Asset management

- Accelerated the construction of the overseas asset management platform and built up the **BOC Asset Management (Global) brand**
- Provided individual and institutional investors with a wide range of asset classes, diverse investment strategies and complete investment cycles across both domestic and foreign currency products, through coordinated synergy within the Group
- The Group's AUM reached RMB**3.02** trillion

Custody business

- Ranked **1st** in terms of new pension FOFs under custody
- Served as custodian for the **market first** hybrid valuation method fund and the largest state-owned enterprise reform-themed fund of the year
- Achieved **rapid growth** in the scale of asset servicing trust property custody business
- **Innovatively** supported optimisation of Hong Kong Stock Connect trading calendar
- Total assets of the Group's custody business reached RMB**16.48** trillion



Globalised and comprehensive operations presented new highlights

Overseas commercial banks **increased contribution** to the Group

- Contribution to profit before income tax of overseas commercial banks rose by 4.45 pps

- Global network optimised

The Bank had established overseas institutions covering 63 countries and regions, with BOC Papua New Guinea Representative Office opened for business

- Development of overseas regional headquarters

BOCHK strengthened management of its Southeast Asian branches and subsidiaries
BOC (Europe) launched the Shared Service Centre

- Regional synergetic development

Implemented regional synergy mechanism for institutions in Latin America, South Asia and the South Pacific
Implemented the coordination mechanism between central branches and representative offices

- Differential management of overseas institutions

Reviewed and revised the “market-by-market” differential development strategies for overseas operations

Comprehensive operation companies **realised high-quality development**

- Improved the Group-wide management mechanism for integrated operations, and deepened the regional synergy mechanism

- Comprehensive operation companies had sound development momentum

- BOCIM's publicly-offered funds increased by 15%
- BOC Wealth Management's AUM market share grew steadily
- Written premiums and premium deposits of BOC-Samsung Life increased by 42.2% yoy
- BOC Aviation achieved its best performance since 2020
- BOC Financial Leasing's green leasing business proportion reached 38%
- Loan balance of BOC Consumer Finance rose to the 4th place in the industry

Digital transformation and empowerment made new breakthroughs

◆ Took the OASIS project to a new stage

Completed the nationwide promotion of new-generation **debit card and credit card** systems

Re-engineered and upgraded the Group's new-generation integrated **AML system**

Applied **enterprise-level technology platform** and achieved preliminary effect

Consolidated digitalised technology base and provided stronger support to the business development and smooth operations.

◆ Made new achievements in digitalisation of key areas

Incorporated intelligent recommendations, dynamic themes into **mobile banking**, and improved the front-end experience

Corporate online banking launched new functions such as CD transfer, fee& tax payment and e-CNY B2B payment

Corporate mobile banking upgraded the cross-border finance zone and integrated services including the collection, settlement and payment of foreign exchange

Launched "**smart business treasurer**" product with independent intellectual property rights, and energised intelligent upgrading for corporate customer finance management

"**BOC Inclusive Finance**" APP created an inclusive and comprehensive service ecosystem for SMEs

◆ Generated new driving forces via FinTech innovation

Expanded the application of **blockchain** in payment settlement, fund supervision, bond issuance, and trade finance etc.

Facilitated outlets' intelligent security system building base on **edge computing technology**

Accelerated the building of enterprise-level technological platforms related to **Internet of Things, privacy computing and artificial intelligence**

Jointly researched and enriched the reserves of emerging technologies such as **large models, the Metaverse and quantum computing**

Applied for **1,510** patents and **376** patents were newly granted in the first half of 2023

◆ Kept promoting smart operation and outlets transformation

Continued to promote **the outlets transformation**, and built **featured outlets focusing on key business fields**

Expanded service ecosystem of **smart counters** and enriched the service scenarios for government affairs and people's livelihood etc.

◆ Kept optimising construction of e-CNY ecosystem

Comprehensive risk management capability achieved new improvements

Continued to deepen the building of comprehensive risk management system

Applied three tools

- Applied three tools of judgment and screening, inspection and rectification, and unified risk view

Promoted review of “market-by-market” strategies for overseas institutions

- Analysed major risks faced by overseas institutions, assessed risk management capabilities, defined overall risk strategies, and clarified respective risk management priorities

Strengthened penetrated risk management of comprehensive operation companies

- Established a regular reporting mechanism, conducted accurate portrait and carried out assessment and survey

Effectively controlled credit risk

- Pushed forward the implementation of new risk classification rules and the expected credit loss approach, and strengthened the Group’s risk management
- Steadily pushed forward the disposal of NPAs and maintained stable asset quality

Proper response to market risk


- Set up a special committee on cross-border risk analysis and judgment, executed 24/7 global markets monitoring , and properly dealt with risk events of EU and US banks
- Actively adjusted the business structure, and effectively ensured the safety of overseas institutions liquidity

Further enhanced internal control and case prevention capability

- Continued to deepen the governance of institutions with weak internal control and case prevention in high-risk areas
- Improved the non-compliance accountability management mechanism and held material accountability for major violations

Further solidified compliance and AML foundation

- Reconstructed and upgraded the AML system and established the AML assessment mechanism for large-amount suspicious data monitored
- Strengthened overseas compliance management, investigated compliance risk of all overseas institutions, and formulated and implemented improvement action plans

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Outlook



Focus on **serving the real economy**
and fulfill responsibilities as a major SOE bank

Solidify **business development foundations**
and enhance market competitiveness

Consolidate **featured business advantages**
and foster development synergies across the Group

Promote **digital transformation and reform**
and stimulate technological innovation vitality

Enhance **risk prevention and control**
and strengthen sound operations foundation



Thanks!