

Bank of China (UK) Limited

The Capital Requirements (Country-by-Country-Reporting) Regulations 2013

31 December 2019

This report has been prepared for Bank of China (UK) Limited (“the Bank”) to comply with the Capital Requirements (Country by Country Reporting) Regulations 2013 which implement Article 89 of the Capital Requirements Directive IV.

This report shows the income, profit/(loss) before tax, tax paid/(received), average employee numbers on a full-time equivalent basis for the entities located in the countries in which we operate.

Basis of preparation

(a) Country

Each subsidiary or branch is allocated to the country in which it is resident for tax purposes. The data is consolidated for all the subsidiaries and branches allocated to each country.

(b) Income and profit/(loss) before tax

Income and profit/(loss) before tax are compiled from the financial statements for the year ended 31 December 2019, which are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

(c) Tax paid/(received)

Tax paid/(received) disclosed under CRD IV relates to corporate tax.

Corporate tax paid represents net cash taxes paid to/(received) from the tax authorities in each jurisdiction.

Corporate tax paid is reported on a cash basis as opposed to an accounting basis and therefore does not necessarily have a direct correlation to the reported profits or losses arising in the year.

(d) Full-time equivalent employees (“FTEs”)

FTEs are allocated to the country in which they are primarily based for the performance of their employment duties. The figures disclosed represent the average number of FTEs, including temporary staff, in each country during the period.

(e) Public subsidies received

There were no public subsidies received during the period.

Bank of China (UK) Limited
Company Registration Number 6193060

Country by Country Reporting at 31 December 2019
Disclosure in accordance with the Capital Requirements Directive as enacted
in the UK by the Financial Services and Markets Act 2000

	<u>Business</u>	<u>Income</u> £000	<u>Profit (loss)</u> <u>before tax</u> £000	<u>Tax paid/</u> <u>(received)</u> £000	<u>Public subsidies</u> <u>received</u> £000	<u>Average</u> <u>employees</u>
United Kingdom:						
Bank of China (UK) Limited	Banking	114,442	42,991	14,063	0	484
China Bridge Group (UK) Limited	Travel visa services	10,703	1,605	399	0	54
Ireland:						
Bank of China (UK) Limited, Dublin Branch	Banking	795	(1,056)	0	0	10
Italy:						
China Bridge Group (Italy) S.R.L.	Travel visa services	* 0	(191)	0	0	1
Total		** <u>125,940</u>	<u>43,349</u>	<u>14,462</u>	<u>0</u>	<u>549</u>

*China Bridge Group (Italy) S.R.L. is in liquidation pending agreement with Italian tax authorities, having ceased trading from October 2018

** Figures in the above table have been audited



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INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF BANK OF CHINA (UK) Limited

Opinion

We have audited the country-by-country schedule ('the Schedule') of Bank of China (UK) Limited ('the Company') for the year ended 31 December 2019.

In our opinion the accompanying country-by-country information, labelled as audited in the Schedule, of the Company as at 31 December 2019 is prepared, in all material respects, in accordance with the requirements of The Capital Requirements (Country-by-Country Reporting) Regulations 2013 ('the Regulations').

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Schedule* section of our report below. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the Schedule in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to the Basis of Preparation of the Schedule, which describes the basis of accounting. The Schedule is prepared to assist the Company in meeting the requirements of the Regulations. As a result the Schedule may not be suitable for another purpose.

This report is made solely to the Company's directors, as a body, in accordance with our engagement letter dated 19 December 2019. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body, for our audit work, for this report, or for the opinions we have formed. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Schedule

Management is responsible for the preparation of the Schedule in accordance with the Regulations, for the appropriateness of the basis of preparation and the interpretation of the Regulations as they affect the preparation of the Schedule, and for such internal control as management determines is necessary to enable the preparation of the Schedule that is free from material misstatement, whether due to fraud or error.

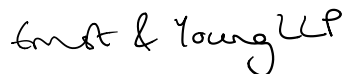
In preparing the Schedule, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Schedule.

A further description of our responsibilities for the audit of the Schedule is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



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15 December 2020

Notes:

1. The maintenance and integrity of the Bank of China (UK) Limited web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the Schedule since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of the Schedule may differ from legislation in other jurisdictions.