



中國銀行

BANK OF CHINA



Delivering Growth and Excellence

Bank of China Limited

2009 Third Quarter Results

Oct 30, 2009

Forward-looking Statement Disclaimer

This presentation and subsequent discussions may contain forward-looking statements that involve risk and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may, will or may be expressed to be results of actions that may or are expected to occur in the future. You should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of this presentation. These forward-looking statements are based on our own information and on information from other sources we believe to be reliable. They relate to future events or our future financial, business or other performance and are subject to a number of uncertainties that may cause our actual results to differ materially.

Profit & Loss Summary

Net profit for the first three quarters of 2009 reached RMB 62.23 billion, up by 3.8% YoY. Net profit for the third quarter increased by 18.8% YoY

Key Operating Figures (RMB million)	2009. 1-9	2008. 1-9	2009. 7-9	2008. 7-9	% Growth (1-9)	% Growth (7-9)
Net interest income	115,610	122,250	40,888	40,727	-5.4%	0.4%
Non-interest income	53,150	55,258	20,019	17,917	-3.8%	11.7%
- Net fee and commission income	34,513	31,841	11,558	9,476	8.4%	22.0%
Operating income	168,760	177,508	60,907	58,644	-4.9%	3.9%
Operating expenses	(72,553)	(70,473)	(30,733)	(25,598)	3.0%	20.1%
Impairment losses on assets	(11,730)	(26,313)	(1,649)	(9,169)	-55.4%	-82.0%
Profit before income tax	84,477	80,722	28,525	23,877	4.7%	19.5%
Profit for the year	65,253	62,533	21,901	17,888	4.3%	22.4%
Profit attributable to equity holders of the Bank	62,230	59,943	21,107	17,762	3.8%	18.8%
EPS (RMB)	0.25	0.24	0.09	0.07	3.8%	18.8%

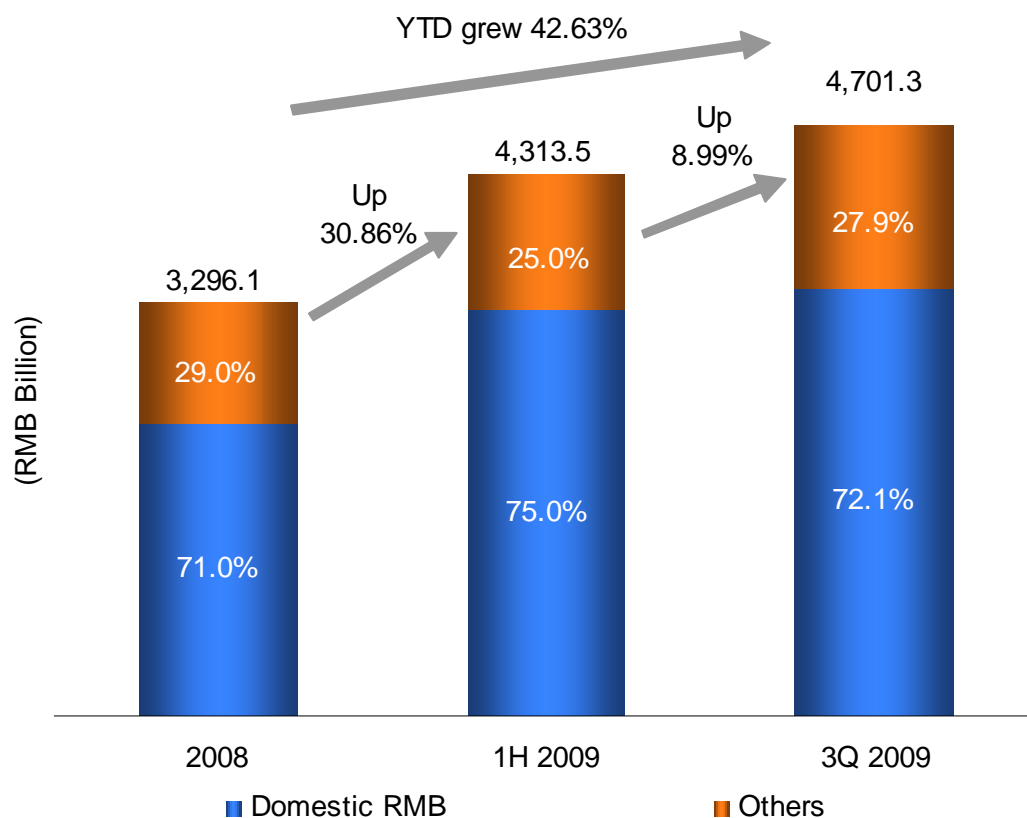
Key assets & Liabilities Figures	As at 30 Sep 09	As at 30 Sep 08	Change
Loans, net	4,592,321	3,189,652	44.0%
Total assets	8,338,495	6,951,680	19.9%
Due to customers	6,402,441	5,102,111	25.5%
Total liabilities	7,818,002	6,461,793	21.0%

Key Financial Ratios (%)	2009.1-9	2008.1-9	Change
Cost to income ratio (excluding business & other taxes)	37.90%	34.88%	3.02 PPT
Net interest margin	2.03%	2.68%	-0.65 PPT
Credit cost	0.35%	0.41%	-0.06 PPT

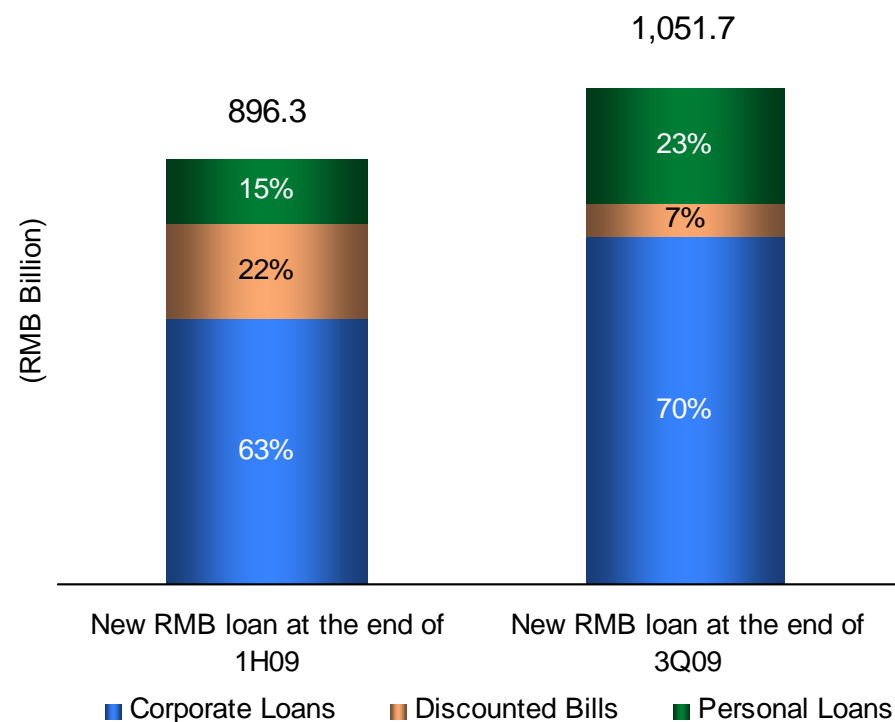
	As at 30 Sep 09	As at 30 Sep 08	Change
Non-performing loan ratio	1.60%	2.65%	-1.05 PPT
Non-performing loan balance	75,309	87,490	-12,181
Non-performing loan coverage ratio	144.66%	121.72%	22.94 PPT

Maintain Steady Loan Growth & Further Optimize Loan Structure

Maintain steady loan growth



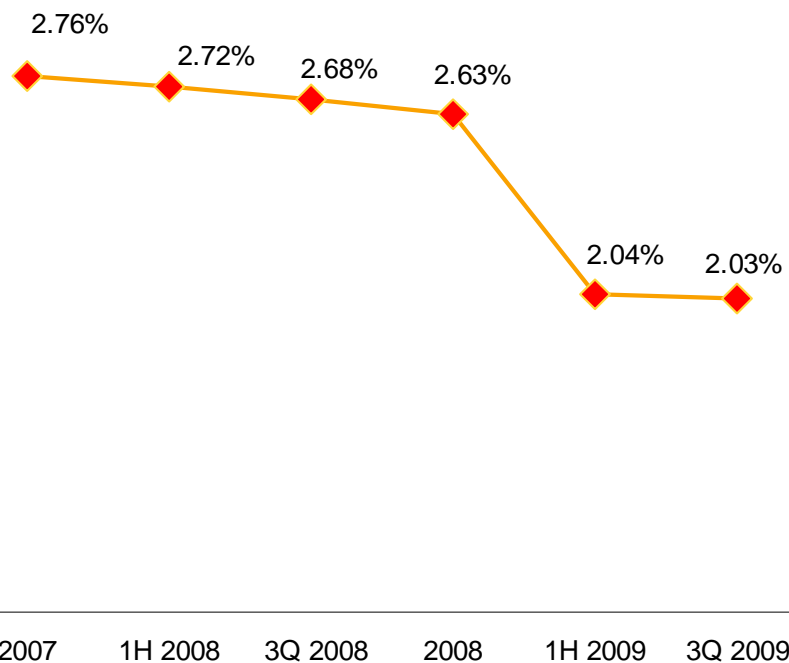
% of loan increased with % of discounted bills dropped



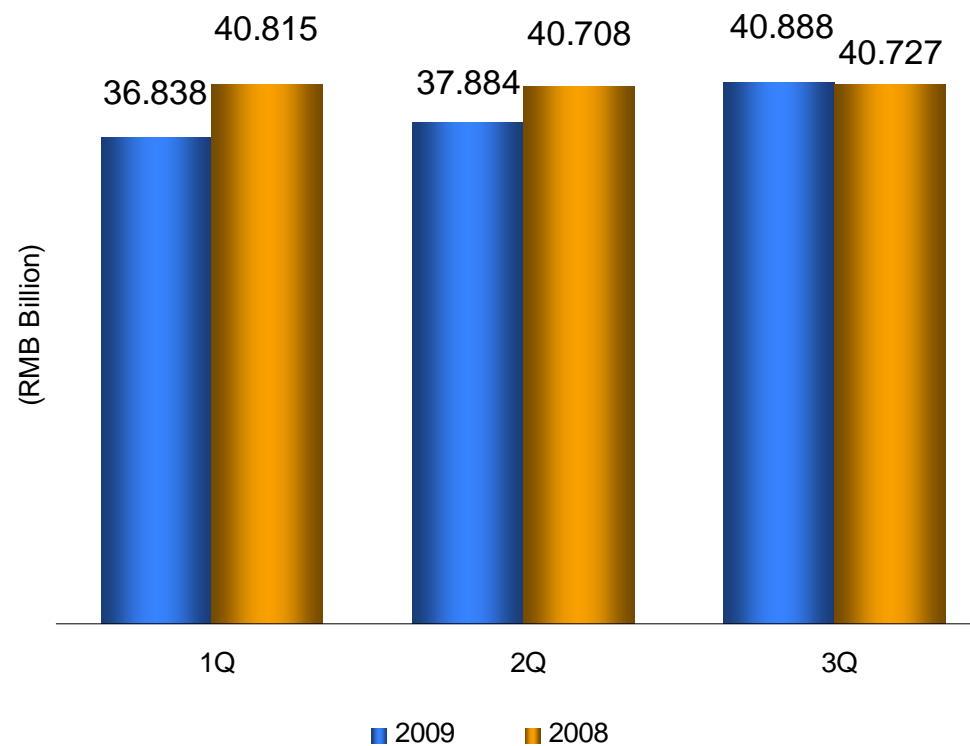
Net interest income & NIM

NIM stabled with net interest income further improved; net interest income in the third quarter increased by 7.93% QoQ & flat YoY

NIM stabled



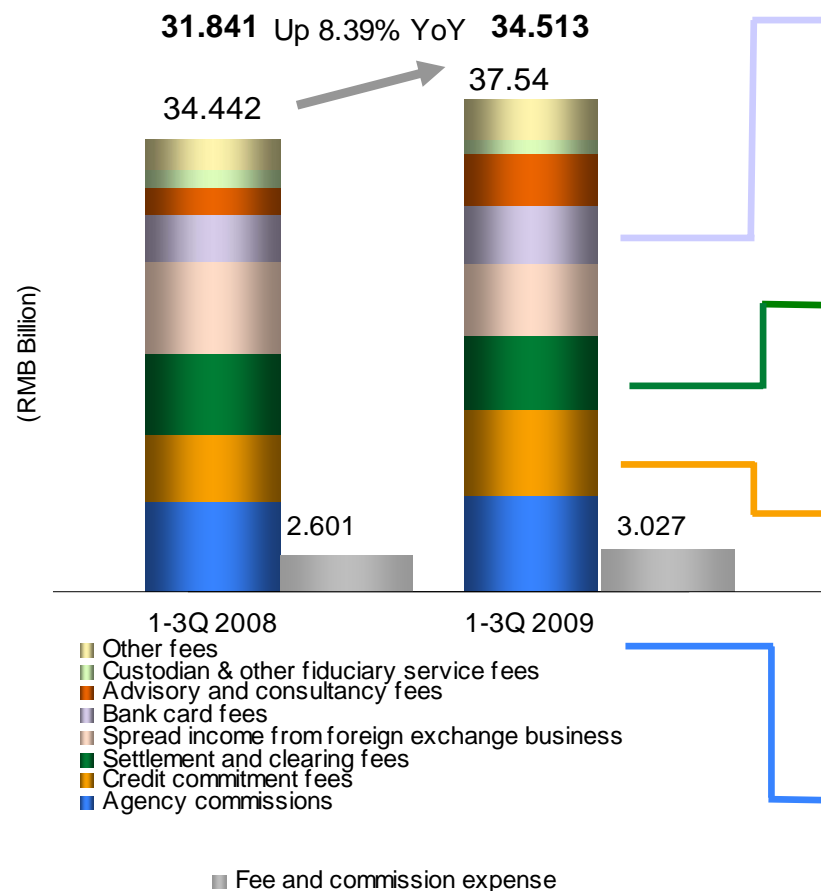
NII increased QoQ with 3Q09 NII stabled YoY



Continuous Growth in Fee Income

Solidify traditional advantages & explore new growth drivers. Fee income for the first three quarters reached RMB 34.513 billion, grew by 8.39% YoY

Net fee and commission income breakdown



Bank card fee income rose 24.2% YoY as the issuance and spending volume of bank cards increased

Robust growth in domestic settlement income, partly offsetting the negative impact of the decline in international settlement business. Decline in settlement & clearing fee income narrowed to 8.3% YoY

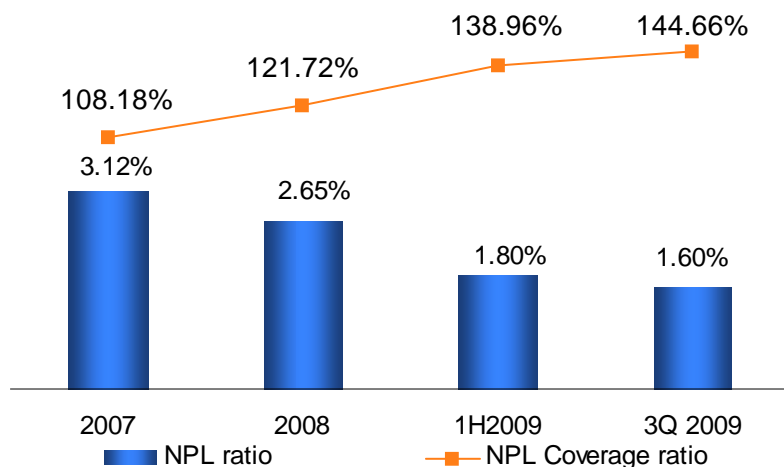
Helped by the robust loan & deposit growth, advisory & consultancy fee income rose by 83.3% YoY, while credit commitment fee income rose by 27.4%

Agency commission income rose by 7.3% YoY, significantly improved from the 12.8% decline in 1H2009

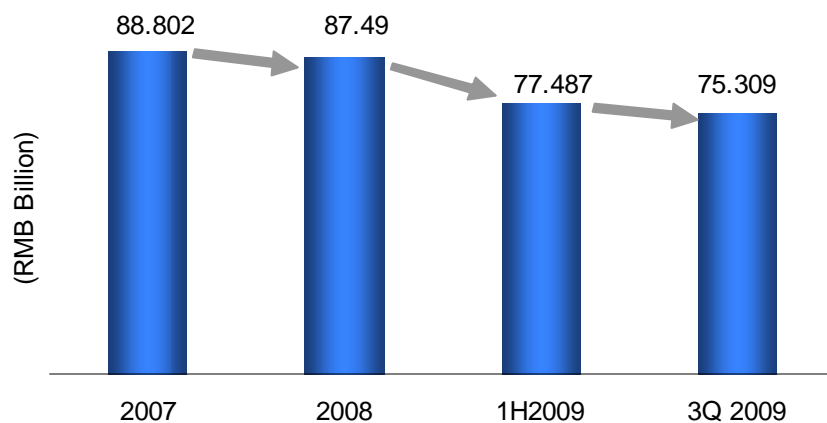
Improved Risk Management

Credit risk under control with good asset quality. Small writeback in investment securities

NPL Ratio & Coverage Ratio



NPL Balance continues to decline



Exposure in US mortgage related bond investment further reduced

(USD million)	3Q 2009	1H 2009	2008
US-Subprime mortgage related debt securities	1,973	1,938	2,590
- Impairment allowances	2,328	2,382	2,245
- Reserve for fair value changes	155	316	261
US Alt-A mortgage-backed securities	825	932	1,148
- Impairment allowances	569	748	709
Non-Agency US mortgage-backed securities	2,356	2,749	3,512
- Impairment allowances	1,140	1,541	1,506
Fannie Mae & Freddie Mac related bonds	3,799	4,350	8,756
Total Carrying Value	8,953	9,969	16,006

Confidence in Achieving Good Results for 2009

Outlook in the Fourth Quarter

- ✓ Continue to implement national macro-economic policies under the guiding principles of a scientific approach to development
- ✓ Adhere to the strategic development plan. Steady expansion of scale & optimize structure
- ✓ Increase efforts to expand customer base to broaden deposit inflow
- ✓ Increase marketing efforts in reserving high-quality projects
- ✓ In the third quarter, a charge of HK\$3.008 billion was included in the operating expenses of BOCHK, which incurred one time impact on the Bank's profit. Currently, pressure on provisioning has significantly reduced
- ✓ Enhance risk management to build a solid foundation for future sustainable growth

Q&A

