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**中國銀行股份有限公司**  
**BANK OF CHINA LIMITED**

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

**(the "Bank")**

**(Stock Code: 3988 and 4619 (Preference Shares))**

## **Report for the Third Quarter ended 30 September 2021**

The Board of Directors (the "Board") of the Bank is pleased to announce the unaudited results of the Bank and its subsidiaries (the "Group") for the third quarter ended 30 September 2021. This announcement is made by the Bank pursuant to Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

## I. KEY FINANCIAL DATA AND PERFORMANCE INDICATORS

### 1.1 Key financial data and performance indicators for the Group prepared in accordance with International Financial Reporting Standards (“IFRS”)

Unit: RMB million (unless otherwise stated)

| Items   | As at<br>30 September<br>2021                       | As at<br>31 December<br>2020 | Change<br>(%)                                      |                             |
|---|---|------------------------------|--|-----------------------------|
| Total assets  | <b>26,229,920</b>                                   | 24,402,659                   | 7.49   |                             |
| Capital and reserves attributable to equity holders of the Bank | <b>2,160,500</b>                                    | 2,038,419                    | 5.99   |                             |
| Net assets per share (RMB)                                      | <b>6.32</b>   | 5.98                         | 5.68   |                             |
| Items   | Three-month<br>period ended<br>30 September<br>2021 | Change<br>(%)                | Nine-month<br>period ended<br>30 September<br>2021 | Change<br>(%)               |
| Operating income  | <b>153,042</b>                                      | 6.78                         | <b>455,897</b>                                     | 5.95                        |
| Profit for the period   | <b>53,811</b>                                       | 11.70                        | <b>172,358</b>                                     | 10.50                       |
| Profit attributable to equity holders of the Bank               | <b>50,710</b>                                       | 13.21                        | <b>163,523</b>                                     | 12.22                       |
| Basic earnings per share (RMB)*                                 | <b>0.17</b>   | 22.69                        | <b>0.53</b>  | 15.96                       |
| Diluted earnings per share (RMB)*                               | <b>0.17</b>   | 22.69                        | <b>0.53</b>  | 15.96                       |
| Return on average equity (%)*                                   | <b>10.80</b>  | Up by 1.29 percentage points | <b>11.57</b>                                       | Up by 0.93 percentage point |
| Net cash inflow from operating activities                       | N/A   | N/A                          | <b>447,669</b>                                     | 798.14                      |
| Net cash inflow from operating activities per share (RMB)       | N/A   | N/A                          | <b>1.52</b>  | 798.14                      |

\* The impact of annualised preference shares dividends and perpetual bonds interest declared in the current reporting period has been considered in the calculation of the above data and/or indicators.

### 1.2 Changes in major financial data and indicators and the reasons thereof

For the nine-month period ended 30 September 2021, the Group’s net cash flow from operating activities was an inflow of RMB447.669 billion, representing an increase of 798.14% compared with the same period of 2020. This was mainly attributable to net change in placements from banks and other financial institutions.

### 1.3 Differences between IFRS and Chinese Accounting Standards (“CAS”) consolidated financial statements

There are no differences in the Group’s operating results for the nine-month period ended 30 September 2021 and 2020 or the total equity as at 30 September 2021 and as at 31 December 2020 presented in the Group’s consolidated financial statements prepared under IFRS and those prepared under CAS.

## II. SHAREHOLDERS INFORMATION

### 2.1 Number of ordinary shareholders and top ten ordinary shareholders

**2.1.1 Number of ordinary shareholders as at 30 September 2021: 743,284 (including 567,084 A-Share Holders and 176,200 H-Share Holders)**

**2.1.2 Top ten ordinary shareholders as at 30 September 2021**

Unit: Share

| No. | Name of ordinary shareholder  | Number of shares held as at the end of the reporting period | Percentage of total ordinary shares | Number of shares subject to selling restrictions | Number of shares pledged, labelled or frozen | Type of shareholder                   | Type of ordinary shares |
|-----|---|---|-------------------------------------|--|--|---------------------------------------|-------------------------|
| 1   | Central Huijin Investment Ltd.  | 188,461,533,607   | 64.02%                              | –  | None   | State                                 | A                       |
| 2   | HKSCC Nominees Limited  | 81,851,724,463  | 27.80%                              | –  | Unknown                                      | Foreign legal person                  | H                       |
| 3   | China Securities Finance Co., Ltd.  | 7,941,164,885   | 2.70%                               | –  | None   | State-owned legal person              | A                       |
| 4   | Central Huijin Asset Management Ltd.  | 1,810,024,500   | 0.61%                               | –  | None   | State-owned legal person              | A                       |
| 5   | HKSCC Limited   | 1,007,918,100   | 0.34%                               | –  | None   | Foreign legal person                  | A                       |
| 6   | MUFG Bank, Ltd.   | 520,357,200   | 0.18%                               | –  | Unknown                                      | Foreign legal person                  | H                       |
| 7   | China Pacific Life Insurance Co., Ltd. — China Pacific Life Insurance Dividend Equity Portfolio (Traditional) with management of Changjiang Pension Insurance Co., Ltd. | 382,238,605   | 0.13%                               | –  | None   | Other                                 | A                       |
| 8   | China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH   | 335,393,250   | 0.11%                               | –  | None   | Other                                 | A                       |
| 9   | Beijing Dadi Yuantong Group Co., Ltd.   | 152,000,037   | 0.05%                               | –  | None   | Domestic non-state-owned legal person | A                       |
| 10  | Beijing Yuantong Xinhai Trading Co., Ltd.   | 133,000,000   | 0.05%                               | –  | None   | Domestic non-state-owned legal person | A                       |

Notes:

- The number of shares held by H-Share Holders was recorded in the register of members kept at the H-Share Registrar of the Bank.
- HKSCC Nominees Limited acted as the nominee for all the institutional and individual investors that maintain an account with it as at 30 September 2021. The aggregate number of the Bank's H Shares held by HKSCC Nominees Limited included the number of shares held by the National Council for Social Security Fund.
- Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.
- HKSCC Limited is the nominee holder who holds securities on behalf of others. The securities included the SSE securities acquired by Hong Kong and overseas investors through Shanghai-Hong Kong Stock Connect.
- Beijing Yuantong Xinhai Trading Co., Ltd. is a wholly-owned subsidiary of Beijing Dadi Yuantong Group Co., Ltd.
- Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.
- As at 30 September 2021, Beijing Dadi Yuantong Group Co., Ltd. held 152,000,037 ordinary shares of the Bank, including 147,000,000 ordinary shares of the Bank held through investor credit account. Beijing Yuantong Xinhai Trading Co., Ltd. held 133,000,000 ordinary shares of the Bank, all of which are held through investor credit account.

## 2.2 Number of preference shareholders and top ten preference shareholders

### 2.2.1 Number of preference shareholders as at 30 September 2021: 65 (including 64 domestic preference shareholders and 1 offshore preference shareholder)

### 2.2.2 Top ten preference shareholders as at 30 September 2021

Unit: Share

| No. | Name of preference shareholder  | Number of shares held as at the end of the reporting period | Percentage of total preference shares | Number of shares pledged, labelled or frozen | Type of shareholder      | Type of preference shares  |
|-----|---|---|---------------------------------------|--|--------------------------|----------------------------|
| 1   | Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-customer Assets Management Plan             | 200,000,000   | 16.70%                                | None   | Other                    | Domestic Preference Shares |
| 2   | Bank of New York Mellon Corporation   | 197,865,300   | 16.52%                                | Unknown                                      | Foreign legal person     | Offshore Preference Shares |
| 3   | CCB Trust Co., Ltd. — “Qian Yuan — Ri Xin Yue Yi” Open-ended Wealth Management Single Fund Trust                          | 133,000,000   | 11.10%                                | None   | Other                    | Domestic Preference Shares |
| 4   | CICC — ABC — CICC ABC Rui Chi No. 1 Collective Asset Management Plan  | 105,590,000   | 8.81%                                 | None   | Other                    | Domestic Preference Shares |
| 5   | China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH                           | 70,000,000  | 5.84%                                 | None   | Other                    | Domestic Preference Shares |
| 6   | BOCOM Schroder Asset Management — BOCOM — BOCOM Schroder Asset Management Zhuoyuan No. 2 Collective Asset Management Plan | 54,400,000  | 4.54%                                 | None   | Other                    | Domestic Preference Shares |
| 7   | Postal Savings Bank of China Co., Ltd.  | 40,000,000  | 3.34%                                 | None   | State-owned legal person | Domestic Preference Shares |
| 8   | CICC — ABC — CICC ABC No. 10 Collective Asset Management Plan   | 38,720,000  | 3.23%                                 | None   | Other                    | Domestic Preference Shares |
| 9   | TruValue Asset Management — China Merchants Bank — China Merchants Bank Co., Ltd.   | 30,000,000  | 2.50%                                 | None   | Other                    | Domestic Preference Shares |
| 9   | Shanghai Tobacco Group Co., Ltd.  | 30,000,000  | 2.50%                                 | None   | State-owned legal person | Domestic Preference Shares |
| 9   | Ping An Life Insurance Company of China — universal — individual universal insurance                                      | 30,000,000  | 2.50%                                 | None   | Other                    | Domestic Preference Shares |

#### Notes:

1. The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintain an account with Euroclear and Clearstream as at 30 September 2021, held 197,865,300 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.
2. “CICC — ABC — CICC ABC Rui Chi No. 1 Collective Asset Management Plan” and “CICC — ABC — CICC ABC No. 10 Collective Asset Management Plan” are both under management of China International Capital Corporation Limited.
3. As at 30 September 2021, “China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH” is one of both the Bank’s top ten ordinary shareholders and top ten preference shareholders.
4. Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank’s top ten ordinary shareholders.

### III. OTHER SIGNIFICANT INFORMATION

#### 3.1 Summary of analysis on overall operating activities

During the first three quarters of 2021, the Group achieved a profit for the period of RMB172.358 billion and a profit attributable to equity holders of the Bank of RMB163.523 billion, an increase of 10.50% and 12.22% respectively compared with the same period of 2020. Return on average total assets (ROA) was 0.91%, and return on average equity (ROE) was 11.57%. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 11.12%, 13.03% and 16.00% respectively.

##### *3.1.1 The principal components of the Group's consolidated income statement for the nine-month period ended 30 September 2021 were as follows:*

1. The Group's net interest income amounted to RMB316.015 billion, representing an increase of RMB5.897 billion or 1.90% compared with the same period of 2020. The net interest margin was 1.75%.
2. The Group's non-interest income amounted to RMB139.882 billion, representing an increase of RMB19.698 billion or 16.39% compared with the same period of 2020. Non-interest income represented 30.68% of the total operating income. Particularly, net fee and commission income amounted to RMB63.871 billion, an increase of RMB4.410 billion or 7.42% compared with the same period of 2020.
3. The Group's operating expenses amounted to RMB160.186 billion, an increase of RMB15.116 billion or 10.42% compared with the same period of 2020. The cost to income ratio (calculated under domestic regulations) was 25.79%.
4. The Group's impairment losses on assets amounted to RMB84.892 billion, a decrease of RMB12.011 billion or 12.39% compared with the same period of 2020. The Group reported non-performing loans RMB200.502 billion, and the ratio of non-performing loans to total loans was 1.29%, a decrease of 0.17 percentage point compared with the prior year-end. The ratio of allowance for loan impairment losses to non-performing loans was 192.45%, an increase of 14.61 percentage points compared with the prior year-end.

**3.1.2 The principal components of the Group's financial position as at 30 September 2021 were as follows:**

The Group's total assets amounted to RMB26,229.920 billion, an increase of RMB1,827.261 billion or 7.49% compared with the prior year-end. Total liabilities amounted to RMB23,943.604 billion, an increase of RMB1,703.782 billion or 7.66% compared with the prior year-end.

1. The Group's due to customers amounted to RMB17,940.807 billion, an increase of RMB1,061.636 billion or 6.29% compared with the prior year-end. Particularly, domestic RMB-denominated deposits amounted to RMB13,623.294 billion, an increase of RMB827.248 billion or 6.46% compared with the prior year-end.
2. The Group's loans and advances to customers amounted to RMB15,553.179 billion, an increase of RMB1,336.702 billion or 9.40% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB12,396.621 billion, an increase of RMB1,125.712 billion or 9.99% compared with the prior year-end.
3. The Group's financial investments amounted to RMB5,982.829 billion, an increase of RMB391.712 billion or 7.01% compared with the prior year-end. The RMB-denominated investments amounted to RMB4,628.412 billion, an increase of RMB262.102 billion or 6.00% compared with the prior year-end. Foreign currency-denominated investments amounted to USD208.841 billion, an increase of USD21.128 billion or 11.26% compared with the prior year-end.

**3.2 Implementation of cash dividend policy during the reporting period**

The Board of Directors of the Bank considered and approved the dividend distribution plan for the Bank's Domestic Preference Shares (Fourth Tranche) on 29 April 2021. The Bank distributed a total of RMB1.1745 billion (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 30 August 2021, with an annual dividend rate of 4.35% (before tax). The dividend distribution plan has been accomplished.

**3.3 Other significant events**

For announcements regarding other significant events made in accordance with the regulatory requirements during the reporting period, please refer to the websites of the Shanghai Stock Exchange, Hong Kong Exchanges and Clearing Limited and the Bank.

#### IV. FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH IFRS)

##### Consolidated Income Statement

|   | Unit: RMB million                                |                     |   |                     |
|---|--|---------------------|---|---------------------|
|   | For the three-month period<br>ended 30 September |                     | For the nine-month period<br>ended 30 September |                     |
|   | 2021<br>(unaudited)                              | 2020<br>(unaudited) | 2021<br>(unaudited)                             | 2020<br>(unaudited) |
| Interest income                                   | 199,856  | 187,062             | 586,790   | 571,510             |
| Interest expense                                  | (92,614)   | (82,357)            | (270,775)                                       | (261,392)           |
| <b>Net interest income</b>                        | <b>107,242</b>                                   | <b>104,705</b>      | <b>316,015</b>                                  | <b>310,118</b>      |
| Fee and commission income                         | 20,344   | 20,925              | 73,256  | 68,911              |
| Fee and commission expense                        | (3,286)  | (3,288)             | (9,385)   | (9,450)             |
| <b>Net fee and commission income</b>              | <b>17,058</b>                                    | <b>17,637</b>       | <b>63,871</b>                                   | <b>59,461</b>       |
| Net trading gains                                 | 10,776   | 2,433               | 20,530  | 4,606               |
| Net gains on transfers of financial asset         | 1,278  | 2,170               | 3,130   | 9,793               |
| Other operating income                            | 16,688   | 16,374              | 52,351  | 46,324              |
| <b>Operating income</b>                           | <b>153,042</b>                                   | <b>143,319</b>      | <b>455,897</b>                                  | <b>430,302</b>      |
| Operating expenses                                | (57,829)   | (54,124)            | (160,186)                                       | (145,070)           |
| Impairment losses on assets                       | (31,947)   | (30,419)            | (84,892)  | (96,903)            |
| <b>Operating profit</b>                           | <b>63,266</b>                                    | <b>58,776</b>       | <b>210,819</b>                                  | <b>188,329</b>      |
| Share of results of associates and joint ventures | 397  | 387                 | 1,146   | 450                 |
| <b>Profit before income tax</b>                   | <b>63,663</b>                                    | <b>59,163</b>       | <b>211,965</b>                                  | <b>188,779</b>      |
| Income tax expense                                | (9,852)  | (10,989)            | (39,607)  | (32,793)            |
| <b>Profit for the period</b>                      | <b>53,811</b>                                    | <b>48,174</b>       | <b>172,358</b>                                  | <b>155,986</b>      |
| <b>Attributable to:</b>                           |  |                     |   |                     |
| Equity holders of the Bank                        | 50,710   | 44,794              | 163,523   | 145,711             |
| Non-controlling interests                         | 3,101  | 3,380               | 8,835   | 10,275              |
|   | <b>53,811</b>                                    | <b>48,174</b>       | <b>172,358</b>                                  | <b>155,986</b>      |
| Earnings per share (in RMB)                       |  |                     |   |                     |
| — Basic   | 0.17   | 0.14                | 0.53  | 0.46                |
| — Diluted   | 0.17   | 0.14                | 0.53  | 0.46                |

## Consolidated Statement of Comprehensive Income

|  | Unit: RMB million                                |                     |   |                     |
|--|--|---------------------|---|---------------------|
|  | For the three-month period<br>ended 30 September |                     | For the nine-month period<br>ended 30 September |                     |
|  | 2021<br>(unaudited)                              | 2020<br>(unaudited) | 2021<br>(unaudited)                             | 2020<br>(unaudited) |
| <b>Profit for the period</b>   | <b>53,811</b>                                    | <b>48,174</b>       | <b>172,358</b>                                  | <b>155,986</b>      |
| <b>Other comprehensive income:</b>   |  |                     |   |                     |
| <b>Items that will not be reclassified to profit or loss</b>   |  |                     |   |                     |
| — Actuarial (losses)/gains on defined benefit plans  | (58)   | 91                  | (96)  | 12                  |
| — Changes in fair value on equity instruments designated at fair value through other comprehensive income    | (333)  | (659)               | 489   | (1,292)             |
| — Other  | 14   | (70)                | 51  | (31)                |
| Subtotal   | (377)  | (638)               | 444   | (1,311)             |
| <b>Items that may be reclassified to profit or loss</b>  |  |                     |   |                     |
| — Changes in fair value on debt instruments measured at fair value through other comprehensive income        | 5,122  | (12,648)            | 4,328   | (7,059)             |
| — Allowance for credit losses on debt instruments measured at fair value through other comprehensive income  | 210  | (210)               | 342   | 2,998               |
| — Share of other comprehensive income of associates and joint ventures accounted for using the equity method | 7  | (12)                | 56  | (59)                |
| — Exchange differences from the translation of foreign operations  | (158)  | (12,681)            | (4,362)   | (8,331)             |
| — Other  | 108  | 420                 | 200   | 70                  |
| Subtotal   | 5,289  | (25,131)            | 564   | (12,381)            |
| <b>Other comprehensive income for the period, net of tax</b>   | <b>4,912</b>                                     | <b>(25,769)</b>     | <b>1,008</b>                                    | <b>(13,692)</b>     |
| <b>Total comprehensive income for the period</b>   | <b>58,723</b>                                    | <b>22,405</b>       | <b>173,366</b>                                  | <b>142,294</b>      |
| <b>Total comprehensive income attributable to:</b>   |  |                     |   |                     |
| Equity holders of the Bank   | 55,314   | 24,262              | 165,670   | 135,447             |
| Non-controlling interests  | 3,409  | (1,857)             | 7,696   | 6,847               |
|  | <b>58,723</b>                                    | <b>22,405</b>       | <b>173,366</b>                                  | <b>142,294</b>      |



## Consolidated Statement of Financial Position

Unit: RMB million

|   | <b>As at<br/>30 September<br/>2021</b><br>(unaudited) | <b>As at<br/>31 December<br/>2020</b><br>(audited) |
|---|---|--|
| <b>ASSETS</b>   |   |  |
| Cash and due from banks and other financial institutions            | 600,011   | 803,145  |
| Balances with central banks   | 2,087,634   | 2,076,840  |
| Placements with and loans to banks and other financial institutions | 1,319,374   | 939,320  |
| Government certificates of indebtedness for bank notes issued       | 175,798   | 168,608  |
| Precious metals   | 236,045   | 223,313  |
| Derivative financial assets   | 93,313  | 171,738  |
| Loans and advances to customers, net                                | 15,167,691  | 13,848,304   |
| Financial investments   | 5,982,829   | 5,591,117  |
| — financial assets at fair value through profit or loss             | 537,274   | 504,549  |
| — financial assets at fair value through other comprehensive income | 2,276,023   | 2,107,790  |
| — financial assets at amortised cost                                | 3,169,532   | 2,978,778  |
| Investments in associates and joint ventures                        | 35,354  | 33,508   |
| Property and equipment  | 247,181   | 248,589  |
| Investment properties   | 20,888  | 22,065   |
| Deferred income tax assets  | 49,187  | 58,916   |
| Other assets  | 214,615   | 217,196  |
| <b>Total assets</b>   | <b>26,229,920</b>                                     | <b>24,402,659</b>                                  |

**Consolidated Statement of Financial Position (continued)**

Unit: RMB million

|  | <b>As at<br/>30 September<br/>2021</b><br>(unaudited) | <b>As at<br/>31 December<br/>2020</b><br>(audited) |
|--|---|--|
| <b>LIABILITIES</b>   |   |  |
| Due to banks and other financial institutions                          | 2,572,761   | 1,917,003  |
| Due to central banks   | 935,542   | 887,811  |
| Bank notes in circulation  | 175,833   | 168,751  |
| Placements from banks and other financial institutions                 | 385,460   | 411,949  |
| Financial liabilities held for trading                                 | 13,357  | 17,912   |
| Derivative financial liabilities                                       | 89,205  | 212,052  |
| Due to customers   | 17,940,807  | 16,879,171   |
| Bonds issued   | 1,341,963   | 1,244,403  |
| Other borrowings   | 28,332  | 26,034   |
| Current tax liabilities  | 38,198  | 55,665   |
| Retirement benefit obligations   | 2,147   | 2,199  |
| Deferred income tax liabilities  | 6,870   | 6,499  |
| Other liabilities  | 413,129   | 410,373  |
|  | <hr/>   | <hr/>  |
| <b>Total liabilities</b>   | <b>23,943,604</b>                                     | <b>22,239,822</b>                                  |
|  | <hr/>   | <hr/>  |
| <b>EQUITY</b>  |   |  |
| <b>Capital and reserves attributable to equity holders of the Bank</b> |   |  |
| Share capital  | 294,388   | 294,388  |
| Other equity instruments   | 299,510   | 277,490  |
| Capital reserve  | 135,971   | 135,973  |
| Treasury shares  | (4)   | (8)  |
| Other comprehensive income   | 6,479   | 4,309  |
| Statutory reserves   | 193,919   | 193,438  |
| General and regulatory reserves  | 269,025   | 267,981  |
| Undistributed profits  | 961,212   | 864,848  |
|  | <hr/>   | <hr/>  |
|  | <b>2,160,500</b>                                      | <b>2,038,419</b>                                   |
| <b>Non-controlling interests</b>                                       | <b>125,816</b>  | <b>124,418</b>                                     |
|  | <hr/>   | <hr/>  |
| <b>Total equity</b>  | <b>2,286,316</b>                                      | <b>2,162,837</b>                                   |
|  | <hr/>   | <hr/>  |
| <b>Total equity and liabilities</b>                                    | <b>26,229,920</b>                                     | <b>24,402,659</b>                                  |
|  | <hr/> <hr/>   | <hr/> <hr/>  |

**LIU Liange**  
*Director*

**LIU Jin**  
*Director*

## Consolidated Statement of Cash Flows

Unit: RMB million

|  | <b>For the nine-month period<br/>ended 30 September</b> |                            |
|--|---|----------------------------|
|  | <b>2021</b><br>(unaudited)                              | <b>2020</b><br>(unaudited) |
| <b>Cash flows from operating activities</b>  |   |                            |
| Profit before income tax   | 211,965   | 188,779                    |
| Adjustments:   |   |                            |
| Impairment losses on assets  | 84,892  | 96,903                     |
| Depreciation of property and equipment and<br>right-of-use assets  | 16,888  | 16,798                     |
| Amortisation of intangible assets and other assets   | 4,657   | 3,705                      |
| Net gains on disposals of property and equipment,<br>intangible assets and other long-term assets              | (378)   | (1,101)                    |
| Net gains on disposals of investments in subsidiaries,<br>associates and joint ventures                        | (1,037)   | (74)                       |
| Share of results of associates and joint ventures  | (1,146)   | (450)                      |
| Interest income arising from financial investments   | (114,306)   | (113,522)                  |
| Dividends arising from investment securities   | (514)   | (453)                      |
| Net gains on financial investments   | (1,866)   | (8,827)                    |
| Interest expense arising from bonds issued   | 30,975  | 25,885                     |
| Accreted interest on impaired loans  | (544)   | (925)                      |
| Interest expense arising from lease liabilities  | 583   | 610                        |
| Net changes in operating assets and liabilities:   |   |                            |
| Net increase in balances with central banks  | (189,316)   | (97,188)                   |
| Net decrease/(increase) in due from and placements with<br>and loans to banks and other financial institutions | 144,351   | (249,930)                  |
| Net increase in precious metals  | (12,729)  | (12,424)                   |
| Net increase in loans and advances to customers  | (1,389,061)   | (1,270,461)                |
| Net decrease/(increase) in other assets  | 103,962   | (85,257)                   |
| Net increase in due to banks and<br>other financial institutions   | 651,201   | 253,693                    |
| Net increase/(decrease) in due to central banks  | 44,480  | (18,425)                   |
| Net decrease in placements from banks and<br>other financial institutions                                      | (26,294)  | (298,509)                  |
| Net increase in due to customers   | 1,032,442   | 1,559,927                  |
| Net increase/(decrease) in other borrowings  | 2,297   | (1,240)                    |
| Net (decrease)/increase in other liabilities   | (96,110)  | 115,204                    |
| Cash inflow from operating activities  | 495,392   | 102,718                    |
| Income tax paid  | (47,723)  | (52,874)                   |
| Net cash inflow from operating activities  | <b>447,669</b>  | <b>49,844</b>              |

## Consolidated Statement of Cash Flows (continued)

|  | Unit: RMB million                                       |                  |
|--|---|------------------|
|  | <b>For the nine-month period<br/>ended 30 September</b> |                  |
|  | <b>2021</b>   | <b>2020</b>      |
|  | (unaudited)   | (unaudited)      |
| <b>Cash flows from investing activities</b>  |   |                  |
| Proceeds from disposals of property and equipment,<br>intangible assets and other long-term assets | 4,215   | 3,194            |
| Proceeds from disposals of investments in subsidiaries,<br>associates and joint ventures           | 1,463   | 714              |
| Dividends received   | 925   | 866              |
| Interest income received from financial investments  | 120,547   | 124,378          |
| Proceeds from disposals/maturities of financial investments  | 2,329,460   | 2,718,578        |
| Increase in investments in subsidiaries, associates<br>and joint ventures                          | (1,611)   | (12,560)         |
| Purchase of property and equipment, intangible assets<br>and other long-term assets                | (18,286)  | (22,797)         |
| Purchase of financial investments  | (2,679,898)   | (2,580,989)      |
| Net cash (outflow)/inflow from investing activities  | <b>(243,185)</b>  | <b>231,384</b>   |
| <b>Cash flows from financing activities</b>  |   |                  |
| Proceeds from issuance of bonds  | 761,270   | 752,289          |
| Proceeds from issuance of other equity instruments   | 49,989  | 59,571           |
| Proceeds from capital contribution by non-controlling<br>shareholders                              | 40  | 1,351            |
| Repayments of debts issued   | (679,842)   | (556,758)        |
| Cash payments for interest on bonds issued   | (13,823)  | (15,264)         |
| Repayments of other equity instruments issued  | (28,000)  | –                |
| Dividend payments to ordinary shareholders   | (57,990)  | (56,228)         |
| Dividend and interest payments to other equity<br>instrument holders                               | (9,930)   | (7,800)          |
| Dividend payments to non-controlling shareholders  | (6,326)   | (6,769)          |
| Other net cash flows from financing activities   | (3,199)   | (5,117)          |
| Net cash inflow from financing activities  | <b>12,189</b>   | <b>165,275</b>   |
| Effect of exchange rate changes on cash and cash equivalents                                       | (21,313)  | (12,282)         |
| <b>Net increase in cash and cash equivalents</b>   | <b>195,360</b>  | <b>434,221</b>   |
| Cash and cash equivalents at beginning of the period   | 1,494,868   | 1,345,892        |
| Cash and cash equivalents at end of the period   | <b>1,690,228</b>  | <b>1,780,113</b> |

## V. QUARTERLY REPORT

This announcement is simultaneously available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and that of the Bank at [www.boc.cn](http://www.boc.cn). The 2021 third quarter report prepared in accordance with CAS is also available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and that of the Bank at [www.boc.cn](http://www.boc.cn).

**The Board of Directors of  
Bank of China Limited**

Beijing, PRC  
29 October 2021

*As at the date of this announcement, the directors of the Bank are: Liu Liange, Liu Jin, Wang Wei, Lin Jingzhen, Zhao Jie\*, Xiao Lihong\*, Wang Xiaoya\*, Zhang Jiangang\*, Chen Jianbo\*, Wang Changyun#, Angela Chao#, Jiang Guohua#, Martin Cheung Kong Liao#, Chen Chunhua# and Chui Sai Peng Jose#.*

*\* Non-executive Directors*

*# Independent Non-executive Directors*

## APPENDIX — CAPITAL ADEQUACY RATIO, LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO

### I. Capital Adequacy Ratio

Unit: RMB million, except percentages

|   | As at<br>30 September<br>2021 | As at<br>31 December<br>2020 |
|---|-------------------------------|------------------------------|
| <b>Calculated in accordance with the <i>Capital Rules for Commercial Banks (Provisional)</i><sup>Note</sup></b> |                               |                              |
| Net common equity tier 1 capital  | 1,801,643                     | 1,704,778                    |
| Net tier 1 capital  | 2,111,813                     | 1,992,621                    |
| Net capital   | 2,593,927                     | 2,451,055                    |
| Common equity tier 1 capital adequacy ratio   | 11.12%                        | 11.28%                       |
| Tier 1 capital adequacy ratio   | 13.03%                        | 13.19%                       |
| Capital adequacy ratio  | <u>16.00%</u>                 | <u>16.22%</u>                |

Note: The capital adequacy ratios are calculated under the advanced approaches in accordance with the *Capital Rules for Commercial Banks (Provisional)* by using the following to measure risk-weighted assets: Internal Ratings-Based Approach for credit risk, Internal Models Approach for market risk and Standardized Approach for operational risk.

### II. Leverage Ratio

The leverage ratios of the Group calculated in accordance with the *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* and the *Capital Rules for Commercial Banks (Provisional)* are as follows:

|   | Unit: RMB million, except percentages |                          |                           |                              |
|---|---------------------------------------|--------------------------|---------------------------|------------------------------|
| Items                                     | As at<br>30 September<br>2021         | As at<br>30 June<br>2021 | As at<br>31 March<br>2021 | As at<br>31 December<br>2020 |
| Net tier 1 capital                        | 2,111,813                             | 2,058,220                | 2,014,251                 | 1,992,621                    |
| Adjusted on- and off-balance sheet assets | <u>27,820,891</u>                     | <u>27,861,068</u>        | <u>27,344,497</u>         | <u>25,880,515</u>            |
| Leverage ratio                            | <u>7.59%</u>                          | <u>7.39%</u>             | <u>7.37%</u>              | <u>7.70%</u>                 |

### III. Liquidity Coverage Ratio

According to the *Disclosure Rules on Liquidity Coverage Ratio of Commercial Banks*, the Group disclosed the information of liquidity coverage ratio (“LCR”) <sup>(1)</sup> as follows.

#### Regulatory requirements of liquidity coverage ratio

As stipulated by the *Rules on Liquidity Risk Management of Commercial Banks* issued by the China Banking and Insurance Regulatory Commission (the “CBIRC”), the minimum regulatory requirement of LCR is 100%.

#### The Group’s liquidity coverage ratio

Since 2017, the Group measured the LCR on a day-to-day consolidated basis<sup>(2)</sup>. In the third quarter of 2021, the Group measured 92-day LCR on this basis, with average ratio<sup>(3)</sup> standing at 124.62%, representing a decrease of 2.89 percentage points over the previous quarter, which was primarily due to the increase in the net cash outflow.

|                      | 2021                          |                          |                           | 2020                         |
|----------------------|-------------------------------|--------------------------|---------------------------|------------------------------|
|                      | Quarter ended<br>30 September | Quarter ended<br>30 June | Quarter ended<br>31 March | Quarter ended<br>31 December |
| Average value of LCR | <u>124.62%</u>                | <u>127.51%</u>           | <u>133.30%</u>            | <u>139.79%</u>               |

### III. Liquidity Coverage Ratio (continued)

The Group's average values<sup>(3)</sup> of consolidated LCR individual line items in the third quarter of 2021 are as follows:

|                                   |  | Unit: RMB million, except percentages |                      |
|-----------------------------------|--|---------------------------------------|----------------------|
| No.                               |  | Total unweighted value                | Total weighted value |
| <b>High-quality liquid assets</b> |  |                                       |                      |
| 1                                 | Total high-quality liquid assets (HQLA)  |                                       | 4,569,443            |
| <b>Cash outflows</b>              |  |                                       |                      |
| 2                                 | Retail deposits and deposits from small business customers, of which:                  |                                       |                      |
|                                   |  | 8,502,459                             | 621,732              |
| 3                                 | Stable deposits  | 4,431,990                             | 214,685              |
| 4                                 | Less stable deposits   | 4,070,469                             | 407,047              |
| 5                                 | Unsecured wholesale funding, of which:   | 10,079,570                            | 3,852,642            |
| 6                                 | Operational deposits (excluding those generated from correspondent banking activities) | 5,524,376                             | 1,356,346            |
| 7                                 | Non-operational deposits (all counterparties)  | 4,502,588                             | 2,443,690            |
| 8                                 | Unsecured debts  | 52,606                                | 52,606               |
| 9                                 | Secured funding  |                                       | 524                  |
| 10                                | Additional requirements, of which:   | 3,268,418                             | 2,030,803            |
| 11                                | Outflows related to derivative exposures and other collateral requirements             | 1,920,507                             | 1,920,507            |
| 12                                | Outflows related to loss of funding on debt products                                   | –                                     | –                    |
| 13                                | Credit and liquidity facilities  | 1,347,911                             | 110,296              |
| 14                                | Other contractual funding obligations  | 66,820                                | 66,820               |
| 15                                | Other contingent funding obligations   | 3,068,491                             | 89,028               |
| <b>16</b>                         | <b>Total cash outflows</b>   |                                       | <b>6,661,549</b>     |
| <b>Cash inflows</b>               |  |                                       |                      |
| 17                                | Secured lending (including reverse repos and securities borrowing)                     | 566,409                               | 140,990              |
| 18                                | Inflows from fully performing exposures  | 1,402,181                             | 816,708              |
| 19                                | Other cash inflows   | 2,156,923                             | 2,036,219            |
| <b>20</b>                         | <b>Total cash inflows</b>  | <b>4,125,513</b>                      | <b>2,993,917</b>     |
|                                   |  | <b>Total adjusted value</b>           |                      |
| <b>21</b>                         | <b>Total HQLA</b>  |                                       | <b>4,569,443</b>     |
| <b>22</b>                         | <b>Total net cash outflows</b>   |                                       | <b>3,667,632</b>     |
| <b>23</b>                         | <b>Liquidity coverage ratio</b>  |                                       | <b>124.62%</b>       |



### **III. Liquidity Coverage Ratio (continued)**

- (1) The LCR aims to ensure that commercial banks have sufficient HQLA that can be converted into cash to meet the liquidity requirements for at least thirty days under stress scenarios determined by the CBIRC.
- (2) When calculating the consolidated LCR, Bank of China Group Investment Limited, Bank of China Insurance Company Limited, Bank of China Group Insurance Company Limited and Bank of China Group Life Assurance Company Limited were excluded from the scope of consolidation in accordance with the requirements of the CBIRC.
- (3) The average of LCR and the averages of all related individual items are the day-end simple arithmetic averages of figures over each quarter.