



Message from the President

2021 again saw BOC rising to the challenges and making steady progress on all fronts: we reported record asset, liability, and operating income; broke new ground in key business areas; and gathered momentum in transition and reform. The good financial performance we achieved in 2021, which inaugurates our 14th Five-Year Plan development period, has set the stage for sustained growth and development in the years ahead.

Supporting the real economy remained our steadfast commitment and sharpened our competitive edge in 2021.

We maintained a well-managed and robust credit portfolio, and grew our domestic lending both in yuan and in foreign currencies by RMB1,451.468 billion, the fastest in a decade. We expanded the Group's asset management business, with an AUM of RMB3.2 trillion, and channeled financial resources into national strategic initiatives for development, with enhanced efficiency for resource allocation. We especially ramped up support to some critical or underserved sectors in the economy: inclusive loans granted to micro and small enterprises (MSEs) grew by RMB305.9 billion, with the number of first-time borrowers up by over 40,000; the use of our special credit scheme for enterprises working on advanced technologies and innovations increased to cover over 15,000 clients; and newly extended loans processed online stood above RMB100 billion for the first time. Unlocking funding for supply chain was another key task to further energise participants of the economy. In 2021, we grew our financing for core enterprises on the supply chain, as well as for their up and downstream

MSEs, by 20%. On the sustainability side, we joined UN's Principles for Responsible Banking (PRB) and became the first Chinese bank to have pledged to cease financing new coal-mining and coal-fired power projects outside Chinese Mainland, except for those projects already contracted; meanwhile, remained the leading investor and underwriter of green bonds in the domestic market. Additionally, benefiting from our alignment with China's regional development policies, we reported faster growth in RMB deposits and loans in several key regions than the national average.

Our standing as the most globalised bank in China was enhanced as we continued to serve the higher-level opening-up.

As the world emerges from the pandemic and settles into a reshaped landscape for business in the post-COVID era, we change and adapt as well, by scaling up our cross-border service capabilities while featuring more of the "China elements". We adopted a market-by-market approach in managing and optimising our global network, and made substantive progress in advancing regionalised management, business consolidation, and integrated operation; moreover, we extended our overseas operations to 62 countries and regions outside Chinese mainland. We also leveraged our global reach and expertise in cross-border finance to support a series of international events, including the CIIE, CIFTIS, the Canto Fair, and the Hainan Expo, and financed or facilitated large volumes of cross-border trade and commerce through our services. All these efforts have contributed to the highest growth in years with respect to international settlement within the country and cross-border RMB settlement.

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We accelerated product innovation and created better customer experience. A front runner in promoting e-CNY and its use cases, we expanded our platform to cover 34% of all activated use scenarios and 36% of the total merchants; both are the highest among all operators. We launched the 7.0 version of our mobile banking APP, which drove up our monthly active users by 17.8%; at the same time, the number of our corporate customers using online banking and mobile banking services increased by 24% and 113.85% respectively. We issued the world's first biodiversity-themed bonds and introduced many other innovative green financial instruments. We also brought online a public service platform of mutual aid for the elderly, and worked with over 70 governmental agencies, nursing homes, enterprises or social organisations, to help build an elderly-friendly society.

We ensured sound operation in spite of mounting risks and challenges. The complex and fast-changing external environment provided us an incentive to take a more forward-looking and rigorous stance on industry research, and timely update industry credit policies, which has enabled us to identify and avert potential risks effectively thus far. We've moved steadily forward with risky assets disposal as well. In our domestic operations, we've reduced the gross non-performing assets by RMB147.5 billion; and the percentages of non-performing loans, overdue loans, and special-mention loans were all declining. 2021 was also our "year of internal control and

compliance". We enhanced efforts in internal control and precautions, and strengthened protection of consumer rights. Throughout the year, we organised public activities raising awareness of consumer protection that reached near 570 million people. In addition, we kept tracking the latest developments of COVID and regulatory requirements, and took measures to ensure the safety of our staff and business continuity of our operations overseas.

Not long ago, Bank of China celebrated its 110th anniversary. Our long legacy of success and excellence has provided us with renewed commitment and confidence on the new journey ahead, where we will go on to serve the real economy and help people in their pursuit of a better life. We will carry forward our century-long enterprising spirit, follow the 14th Five-Year Plan to continuously grow our comprehensive strength, with the aspiration to facilitate the new development pattern and contribute to the stability of the macro economy.

We will promote the synergy between domestic commercial banking and our globalised operations and diversified business platforms. Defined as the "mainstay" of our business, our commercial banking in the home market will be further enhanced to play a bigger role in attracting investment and resources worldwide. We will also serve and coordinate both "high-quality bringing-in" and "high-level going-global", and improve the

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interactions between our commercial and investment banking arms both at home and abroad. In doing so, we hope that we could provide our global customers with a one-stop and full package of financial services.

We will invest heavily in the “Eight Priority Areas” by perfecting service modes and systems, with special attention on new growth drivers, new business forms, and new service scenarios, so as to lead a new path of high-quality development that suits us in the “blue ocean” of brand new opportunities in the economy. **We will further accelerate digital transformation**, starting with our internal systems. The new enterprise architecture that we are building will enable us to have more powerful middle offices for business, data, technology and operation, and drive self-evolution of operation and management. We will also use this opportunity to integrate and optimise business processes, make risk control more intelligent and effective, and reduce unproductive workload of staff and institutions to boost efficiency. Externally, we will empower our partners, upgrade the supply chain with digital financial services, and promote transitions of industries with open and shared services. **We will double down on comprehensive risk management.** By building our own core competence of risk control, we will move towards an “all-inclusive, coordinated, digitalised, and professional” risk management system. We will speed up building and applying the intelligent risk control centers, with greater emphasis on credit and market risks. We will also continue to promote internal

control and precautionary measures, as well as the long-effect mechanism for anti-money laundering and compliance, to ensure stable and healthy operation.

For over a century, Bank of China has bridged China and the world for the common good — a commitment that we still share and a noble cause that we’re so proud to carry on to this day and onwards. And I will, together with all other members of the senior management of the Bank, continue to be guided by the policies of the CPC Central Committee and the State Council, faithfully fulfill the resolutions by the Board of Directors, and subject ourselves to the scrutiny of the Board of Supervisors. We will adhere to the highest ethical and professional codes, and act with the diligence, enterprise and ingenuity expected of us, to lead the efforts to build ourselves into a first-class global banking group that in turn, will deliver enhanced returns and create greater social values for all our customers, investors and stakeholders, whose support and trust we are grateful for.



LIU Jin

President

29 March 2022