

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Bank of China Limited** (中國銀行股份有限公司) (the “Bank”), you should at once hand this circular and the enclosed proxy form and reply slip to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

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

ANNUAL GENERAL MEETING

A notice convening the AGM to be held at Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, China, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, and No. 45 Fuxingmen Nei Dajie, Xicheng District, Beijing, China, at 9:30 a.m. Friday, 30 June 2023 (registration will begin at 8:30 a.m.) is set out in pages 5 to 7 of this circular.

Whether or not you are able to attend the AGM, you are advised to read the notice of the AGM and to complete and return the enclosed proxy form in accordance with the instructions printed thereon at your earliest convenience. For H-Share Holders, the proxy form should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited in person or by post as soon as possible but in any event not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting if you so wish, in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Bank's Board Secretariat or to Computershare Hong Kong Investor Services Limited on or before Saturday, 10 June 2023.

The English and Chinese versions of this circular and the accompanying form of proxy and reply slip are available on the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk. You may access the aforesaid documents by clicking "Investor Relations" on the homepage of the Bank's website or browsing through the website of Hong Kong Exchanges and Clearing Limited.

Please kindly be advised that no gifts or cake coupons will be distributed and no refreshments will be served by the Bank.

If there are any inconsistencies between the Chinese version and the English version of this circular, the Chinese version shall prevail.

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“A Share(s)”	domestic Share(s) with nominal value of RMB1.00 each in the share capital of the Bank which are listed on the Shanghai Stock Exchange (stock code: 601988)
“A-Share Holder(s)”	holder(s) of A Shares
“AGM” or “Annual General Meeting”	The annual general meeting of the Bank to be held at Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, China, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, and No. 45 Fuxingmen Nei Dajie, Xicheng District, Beijing, China, at 9:30 a.m. Friday, 30 June 2023 (registration will begin at 8:30 a.m.)
“Articles of Association”	Articles of Association of Bank of China Limited (as amended from time to time)
“Bank” or “Bank of China”	Bank of China Limited (中國銀行股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares and A Shares of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange, respectively
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the Director(s) of the Bank
“Executive Director(s)”	the Executive Director(s) of the Bank
“H Share(s)”	overseas listed foreign investment Share(s) with a nominal value of RMB1.00 each in the ordinary share capital of the Bank, which are listed on the Hong Kong Stock Exchange and traded in Hong Kong Dollars (stock code: 3988)
“H-Share Holder(s)”	holder(s) of H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Dollar”	the lawful currency of Hong Kong
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Independent Non-executive Director(s)” or “Independent Director(s)”	the Independent Non-executive Director(s) of the Bank
“Non-executive Director(s)”	the Non-executive Director(s) of the Bank
“Ordinary Share(s)”	A Share(s) and/or H Share(s)
“PRC”	the People’s Republic of China
“Preference Shareholders”	Holder(s) of Preference Shares

DEFINITIONS

“Preference Shares”	Preference shares with nominal value of RMB100 each in the preference share capital of the Bank
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	A-Share Holders, H-Share Holders and/or Preference Shareholders
“Shares”	Ordinary Shares and/or Preference Shares
“Supervisor(s)”	the Supervisor(s) of the Bank



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)

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

Board of Directors:

Mr. Ge Haijiao (*Chairman*)
Mr. Liu Jin
Mr. Lin Jingzhen
* Ms. Xiao Lihong
* Ms. Wang Xiaoya
* Mr. Zhang Jiangang
* Mr. Huang Binghua
** Mr. Jiang Guohua
** Mr. Martin Cheung Kong Liao
** Mr. Chui Sai Peng Jose
** Mr. Jean-Louis Ekra
** Mr. E Weinan
** Mr. Giovanni Tria

Registered Office:

No. 1 Fuxingmen Nei Dajie
Xicheng District
Beijing 100818
PRC

Place of Business in Hong Kong:

8th Floor
Bank of China Tower
1 Garden Road
Hong Kong

* *Non-executive Directors*

** *Independent Non-executive Directors*

15 May 2023

Dear H-Share Holders,

1. INTRODUCTION

The Board of Directors hereby invites you to attend the AGM to be held at Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, China, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, and No. 45 Fuxingmen Nei Dajie, Xicheng District, Beijing, China, at 9:30 a.m. Friday, 30 June 2023 (registration will begin at 8:30 a.m.).

The purpose of this circular is to provide you with notice of the AGM and all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

2. BUSINESS TO BE CONSIDERED AT THE AGM

The items of business to be considered at the AGM are described in detail in the notice of the AGM set out in pages 5 to 7 of this circular. At the AGM, ordinary resolutions will be proposed to approve (i) 2022 Work Report of the Board of Directors; (ii) 2022 Work Report of the Board of Supervisors; (iii) 2022 Annual Financial Report; (iv) 2022 Profit Distribution Plan; (v) Appointment of the Bank's External Auditor for 2023; (vi) Election of Mr. Shi Yongyan as Non-executive Director of the Bank; (vii) Election of Mr. Liu Hui as Non-executive Director of the Bank; special resolutions will be proposed to approve (viii) the Bond Issuance Plan; (ix) Issuance of Capital Instruments.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision thereof, we have provided in this circular detailed background information, including the relevant information and explanation, to the resolutions to be proposed at the AGM (see Appendix I).

Pursuant to the relevant regulatory requirements, the annual report on connected transactions, the annual duty report of Independent Directors and the annual report on the implementation of the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* are matters to be reported to the Annual General Meeting but not for shareholders' approval. The *Report on the Connected Transactions for 2022*, the *Duty Report of Independent Directors for 2022* and the *Report on the Implementation of the Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited for 2022* are set out in Appendix II, Appendix III and Appendix IV to this circular, respectively, for shareholders' information.

LETTER FROM THE BOARD

3. THE AGM

The proxy form and the reply slip of the AGM are also enclosed herewith.

If you intend to appoint a proxy to attend the AGM, you are required to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible. For H-Share Holders, the proxy form should be returned to the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited in person or by post as soon as possible but in any event not less than 24 hours before the time stipulated for convening the AGM or any adjourned meeting thereof. Completion and return of the proxy form will not preclude you from attending and voting at the AGM or at any adjourned meeting if you so wish, in such event the instrument appointing a proxy shall be deemed to be revoked.

If you intend to attend the AGM in person or by proxy, you are required to complete and return the reply slip to the Bank's Board Secretariat or to Computershare Hong Kong Investor Services Limited on or before Saturday, 10 June 2023.

The Bank's Board Secretariat is located at Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, PRC (Telephone: (8610) 6659 3455, Fax: (8610) 6659 4579, E-mail: ir@bankofchina.com). The Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).

4. VOTING BY POLL

Pursuant to the *Hong Kong Listing Rules*, each of the resolutions set out in the Notice of AGM will be voted on by poll. Results of the poll voting will be published on the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.

5. RECOMMENDATION

The Board considers that the proposed resolutions set out in the Notice of AGM are in the interests of the Bank and its Shareholders as a whole. Accordingly, the Board of Directors recommends the Shareholders to vote in favour of the proposed resolutions.

The Board of Directors of Bank of China Limited

NOTICE OF THE AGM



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)

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Bank of China Limited (the “Bank”) will be held at Four Seasons Hotel Hong Kong, 8 Finance Street, Central, Hong Kong, China, Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie and No. 45 Fuxingmen Nei Dajie, Xicheng District, Beijing, China, at 9:30 a.m. Friday, 30 June 2023 (registration will begin at 8:30 a.m.) for the purpose of considering and approving the following resolutions:

ORDINARY RESOLUTIONS

1. To consider and approve the 2022 Work Report of the Board of Directors
2. To consider and approve the 2022 Work Report of the Board of Supervisors
3. To consider and approve the 2022 Annual Financial Report
4. To consider and approve the 2022 Profit Distribution Plan
5. To consider and approve the Appointment of the Bank’s External Auditor for 2023
6. To consider and approve the Election of Mr. Shi Yongyan as Non-executive Director of the Bank
7. To consider and approve the Election of Mr. Liu Hui as Non-executive Director of the Bank

SPECIAL RESOLUTIONS

8. To consider and approve the Bond Issuance Plan
9. To consider and approve the Issuance of Capital Instruments

The Board of Directors of Bank of China Limited

15 May 2023

As at the date of this notice, the Directors of the Bank are: Ge Haijiao, Liu Jin, Lin Jingzhen, Xiao Lihong, Wang Xiaoya*, Zhang Jiangang*, Huang Binghua*, Jiang Guohua#, Martin Cheung Kong Liao#, Chui Sai Peng Jose#, Jean-Louis Ekra#, E Weinan# and Giovanni Tria#.*

* *Non-executive Directors*

Independent Non-executive Directors

NOTICE OF THE AGM

Notes:

1. Details of the above resolutions are set out in Appendix I to this circular. Additional information of the *2022 Work Report of the Board of Directors*, the *2022 Work Report of the Board of Supervisors*, the *Election of Mr. Shi Yongyan as Non-executive Director of the Bank* and the *Election of Mr. Liu Hui as Non-executive Director of the Bank*, are set out in Attachment A, Attachment B, Attachment C and Attachment D to this circular, respectively.
2. Pursuant to the relevant regulatory requirements, the annual report on connected transactions, the annual duty report of Independent Directors and the annual report on the implementation of the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* are matters to be reported to the Annual General Meeting but not for shareholders' approval. The *Report on the Connected Transactions for 2022*, the *Duty Report of Independent Directors for 2022* and the *Report on the Implementation of the Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited for 2022* are set out in Appendix II, Appendix III and Appendix IV to this circular, respectively, for shareholders' information.
3. **The Board of Directors has recommended a final dividend of RMB0.232 every ordinary share (before tax) for the year ended 31 December 2022 and, if such proposed dividend distribution set out in Resolution No. 4 is approved by the shareholders, the final dividend will be distributed to those shareholders whose names appear on the register of shareholders of the Bank as at market close on Friday, 14 July 2023.**

In accordance with Chinese tax laws and regulations, the dividends and bonuses received by overseas resident individual shareholders from stocks issued by domestic non-foreign investment enterprises in Hong Kong are subject to the payment of individual income tax, which shall be withheld by the withholding agents. However, overseas resident individual shareholders of stocks issued by domestic non-foreign investment enterprises in Hong Kong are entitled to the relevant preferential tax treatment pursuant to the provisions in the tax agreements signed between the countries in which they are residents and China, or to the tax arrangements between the Chinese mainland and Hong Kong and Macau. Accordingly, the Bank generally withholds 10% of the dividends to be distributed to the individual H-Share Holders as individual income tax unless otherwise specified by the relevant tax laws, regulations and agreements.

In accordance with the provisions of the *Notice on Issues concerning Withholding the Enterprise Income Tax on Dividends Paid by Chinese Resident Enterprises to H-share Holders who are Overseas Non-resident Enterprises* (Guoshuihan [2008] No. 897) published by the State Administration of Taxation of PRC, when Chinese resident enterprises distribute annual dividends for 2008 onwards to H-share holders who are overseas non-resident enterprises, the enterprise income tax shall be withheld at a uniform rate of 10%.

In accordance with the current practice of the Inland Revenue Department of Hong Kong, no tax is payable in Hong Kong in respect of dividends on H Shares paid by the Bank.

The tax and tax relief of Shanghai-Hong Kong Stock Connect shall comply with the *Notice on the Relevant Taxation Policy regarding the Pilot Programme that Links the Stock Markets in Shanghai and Hong Kong* issued jointly by the Ministry of Finance of the PRC, the State Administration of Taxation of the PRC and the China Securities Regulatory Commission.

The H-Share register of shareholders of the Bank will be closed from Saturday, 8 July 2023 to Friday, 14 July 2023 (both days inclusive) for the purpose of determining the list of shareholders entitled to the proposed final dividend. For such entitlements, H-Share Holders who have not registered the relevant transfer documents are required to lodge them, together with the relevant share certificates, with the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Friday, 7 July 2023. The ex-dividend date of the Bank's Shares will be on Thursday, 6 July 2023.

4. Pursuant to the *Hong Kong Listing Rules*, each of the resolutions set out in the Notice of the AGM will be voted on by poll. Results of the poll voting will be published on the Bank's website at www.boc.cn and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk after the AGM.
5. Any Shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxies to attend and vote on behalf of him/her. A proxy need not be a Shareholder of the Bank.
6. In order to be valid, the instrument appointing a proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power of attorney or authority, must be completed and deposited at the H Share Registrar of the Bank, Computershare Hong Kong Investor Services Limited, at least 24 hours before the AGM or any adjourned meeting thereof. Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of a proxy form will not preclude a Shareholder from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish, in such event the instrument appointing a proxy shall be deemed to be revoked.
7. **The H-Share register of Shareholders of the Bank will be closed, for the purpose of determining Shareholders' entitlement to attend the AGM, from Wednesday, 31 May 2023 to Friday, 30 June 2023 (both days inclusive), during which period no transfer of Shares will be registered. In order to attend the AGM, all share transfers, accompanied by the relevant share certificates, must be lodged for registration with the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Tuesday, 30 May 2023. H-Share Holders who are registered with Computershare Hong Kong Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.**
8. In case of joint shareholdings, the vote of the senior joint Shareholder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint Shareholder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of Shareholders of the Bank in respect of the joint shareholding.
9. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip for the AGM to the Board Secretariat of the Bank or the Bank's H Share Registrar, Computershare Hong Kong Investor Services Limited, by post, by fax or by e-mail on or before Saturday, 10 June 2023. The address of the Bank's Board Secretariat is Bank of China Head Office Building, No. 1 Fuxingmen Nei Dajie, Xicheng District, Beijing 100818, PRC (Telephone: (8610) 6659 3455, Fax: (8610) 6659 4579, E-mail: ir@bankofchina.com). Computershare Hong Kong Investor Services Limited is located at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (Telephone: (852) 2862 8555).
10. According to the Articles of Association of the Bank and the circumstances of the AGM, resolutions proposed at the AGM are not required to be considered and approved by the Preference Shareholders. Therefore, the Preference Shareholders will not attend the AGM.

NOTICE OF THE AGM

11. Shareholders who attend the meeting in person or by proxy shall bear their own traveling, dining and accommodation expenses. Shareholders or their proxies shall produce their identity documents when attending the AGM.
12. According to the Articles of Association of the Bank, if the number of shares of the Bank pledged by the Shareholder is equal to or greater than 50% of the shares held by such Shareholder in the Bank, the voting right attached to the pledged shares may not be exercised at the Shareholders' meeting. Upon completion of the share pledge registration, the Shareholder shall timely provide the Bank with information relating to the share pledge.
13. **Please kindly be advised that no gifts or cake coupons will be distributed and no refreshments will be served by the Bank.**

1. THE 2022 WORK REPORT OF THE BOARD OF DIRECTORS

According to the relevant regulatory requirements and the requirements of Articles of Association, the *2022 Work Report of the Board of Directors* has been reviewed and approved at the 2023 third meeting of the Board of Directors.

Details of the above report are set out in **Attachment A** to this circular.

2. THE 2022 WORK REPORT OF THE BOARD OF SUPERVISORS

According to the relevant regulatory requirements and the requirements of Articles of Association, the *2022 Work Report of the Board of Supervisors* has been reviewed and approved at the 2023 first meeting of the Board of Supervisors.

Details of the above report are set out in **Attachment B** to this circular.

3. THE 2022 ANNUAL FINANCIAL REPORT

The 2022 Annual Financial Report has been reviewed and approved at the 2023 third meeting of the Board of Directors. Please refer to the Consolidated Financial Statements Part of the *2022 Annual Report of Bank of China Limited* for more details.

4. THE 2022 PROFIT DISTRIBUTION PLAN

According to the audited results for 2022 and relevant laws and regulations, the Profit Distribution Plan of the Bank for the year 2022 is proposed as follows:

- (1) Appropriation to statutory surplus reserve of RMB21.431 billion;
- (2) Appropriation to general and regulatory reserves of RMB34.256 billion;
- (3) No appropriation shall be made to the discretionary reserve;
- (4) Considering the Bank's business performance, financial position, and the capital requirements for future development of the Bank, it is proposed to distribute RMB0.232 per share (before tax) as dividend to A-Share Holders and H-Share Holders whose names appear on the register of Shareholders of the Bank as at the close of market on Friday, 14 July 2023;
- (5) The Bank is not proposing any capitalization of capital reserve into share capital for this profit distribution;
- (6) The 2022 final dividend of the Bank's Ordinary Shares will be denominated and declared in RMB and be paid in RMB or equivalent amount in Hong Kong dollars. The dividend paid in Hong Kong dollars will be converted from RMB based on the average of the exchange rates announced by People's Bank of China in the week before 30 June 2023 (inclusive), being the date for holding the Bank's 2022 Annual General Meeting.

5. THE APPOINTMENT OF THE BANK'S EXTERNAL AUDITOR FOR 2023

The Board of Directors of the Bank proposes to engage PricewaterhouseCoopers Zhong Tian LLP as the Bank's domestic auditor and external auditor of internal control audit for 2023, to provide financial statement and internal control audit services according to China Accounting Standards; to engage PricewaterhouseCoopers as the Bank's international auditor for 2023 to provide financial statement audit services according to the IFRS; the financial statement audit fee for 2023 is RMB89 million and the internal control audit fee is RMB12 million, totalling RMB101 million.

6. THE ELECTION OF MR. SHI YONGYAN AS NON-EXECUTIVE DIRECTOR OF THE BANK

The proposal on the nomination of Mr. Shi Yongyan as candidate for Non-executive Director of the Bank has been reviewed and approved at the 2023 fifth meeting of the Board of Directors. Details of the proposal are set out in **Attachment C** to this circular.

7. THE ELECTION OF MR. LIU HUI AS NON-EXECUTIVE DIRECTOR OF THE BANK

The proposal on the nomination of Mr. Liu Hui as candidate for Non-executive Director of the Bank has been reviewed and approved at the 2023 fifth meeting of the Board of Directors. Details of the proposal are set out in **Attachment D** to this circular.

8. THE BOND ISSUANCE PLAN

In order to broaden the Bank's funding sources and meet its business development needs, the following bond issuance plan is submitted to the shareholders' meeting for consideration and approval:

The Bank intends to issue bonds (excluding covered bonds, total loss-absorbing capacity non-capital bonds and capital replenishment bonds such as tier 2 capital bonds, undated capital bonds and convertible corporate bonds) in domestic and overseas markets without prejudice to relevant laws and regulations, the listing rules where the Bank's securities are listed and the applicable laws, regulations and rules of any other government or regulator. The newly added balance of the Group's bond issuance will not exceed 1% (RMB289,139 million) of the Bank's latest audited total assets. The proceeds shall be used for the Bank's general purposes. The resolution on the bond issuance will remain in force from the date after this bond issuance plan is approved by the shareholders' meeting of the Bank, to the day when the 2024 Annual General Meeting is held.

In order to ensure the effective implementation of bond issuance, it is proposed that the shareholders' meeting authorize the Board of Directors and the latter delegate the authority to the Senior Management to handle all issues related to the above-mentioned bond issuance and all subsequent matters, for example, determining the bond issuance amount, term, interest rate, issuance market, issue methods and other specific terms according to market conditions and the Bank's asset and liability structure, information disclosure of existing bonds, etc.

The Bank will perform its obligations for information disclosure related to bond issuance in accordance with applicable laws, regulations and the listing rules in the places where the Bank's securities are listed.

9. THE ISSUANCE OF CAPITAL INSTRUMENTS

In order to effectively support the implementation of the Group's "14th Five-Year Plan", ensure compliance with the regulatory requirements, meet the needs of business development, it is hereby submitted to the Shareholders' Meeting for review and approval of the proposal on the issuance of capital instruments:

- i. To agree the Bank to issue write-down undated capital bonds and write-down qualified tier 2 capital instruments in accordance with the following clauses and conditions.
 - (1) Issuance size: no more than RMB450 billion or equivalent foreign currency, among which write-down undated capital bonds shall not exceed RMB150 billion or equivalent foreign currency;
 - (2) Types of instruments: write-down undated capital bonds or write-down qualified tier 2 capital instruments, which meet the relevant requirements as stipulated in *Capital Rules for Commercial Banks (Provisional)*, and can be used to replenish capital of commercial banks;
 - (3) Target markets: including domestic and overseas markets;
 - (4) Tenor: write-down undated capital bonds will continue to be outstanding so long as the Bank's business continues to operate, and write-down qualified tier 2 capital instruments will be not less than five years;
 - (5) Means of loss absorption: upon the occurrence of triggering events as specified in the issuance document, the loss shall be absorbed through a write-down mechanism;
 - (6) Interest rate: to be determined with reference to market interest rates;
 - (7) Use of proceeds: write-down undated capital bonds are used to replenish additional Tier 1 capital of the Bank and write-down qualified tier 2 capital instruments are used to replenish Tier 2 capital of the Bank;
 - (8) Validity period of the resolution: from the date of approval by the Shareholders' Meeting to 24 months after the approval by the China Banking and Insurance Regulatory Commission (the CBIRC).
- ii. Due to changes in regulatory approval methods, to agree that the issuance quota of RMB80 billion or equivalent foreign currency write-down undated capital bonds, which has been reviewed and approved at the 2021 Annual General Meeting but has not been issued, will no longer be implemented.
- iii. Authorization is proposed to be granted by the Shareholders' Meeting to the Board of Directors and authorized to be delegated from the Board of Directors to the Bank's Management, based on relevant regulatory requirements and approval requirements and above clauses and conditions, to determine the specific clauses for the issuance of instruments and handle all relevant matters, such as reporting to relevant regulatory authorities for approval, determining the time and tranches of issuance, and amending, signing, and implementing all agreements, contracts, relevant documents, etc. occurring during the issuance of instruments. Such authorizations will be valid from the date of approval of this proposal by the Shareholders' Meeting to 24 months after the approval by the CBIRC. Authorization is proposed to be granted to the Board of Directors and authorized to be delegated from the Board of Directors to the Bank's Management to handle all relevant matters, such as interest payment, redemption, and write-down (if any), during the term of instruments in accordance with relevant regulatory requirements and approval requirements. However, if the Bank cancels the payment of interests in whole or in part, it shall still be submitted to the Shareholders' Meeting for review and approval.

2022 WORK REPORT OF THE BOARD OF DIRECTORS

The year 2022 is a critical year of the 14th Five-Year Plan period and a year of forging ahead on all fronts for Bank of China (hereinafter referred to as “the Bank”) on a brand new journey towards building a first-class global banking group. The Bank’s Board of Directors unswervingly implemented the state’s major decisions and arrangements, coordinated the pandemic fight and business development, consistently promoted the Bank’s 14th Five-Year Plan, insisted on putting the focus of business development on the real economy, served and deepened the supply-side structural reform, promoted high-quality opening-up, effectively forestalled and defused material risks, comprehensively deepened reform and innovation, and worked hard to pursue high-quality development and promote the operation mechanism for corporate governance, effectively safeguard minority shareholders’ rights to know, participate and make decisions. The Bank sustained a good momentum characterized by steady operation amid stability and continued quality and efficiency improvement in business development.

Under the China Accounting Standards, in 2022, the Bank registered a net profit of RMB237.504 billion, an increase of RMB10.165 billion or 4.47% compared with the prior year. At the end of the year, total assets, total liabilities and the equity attributable to equity holders of the Bank were RMB28,913.857 billion, RMB26,346.286 billion and RMB2,427.589 billion, respectively, up 8.20%, 8.10% and 9.10%, respectively, from the prior year end. The ratio of non-performing loans was 1.32%. Asset quality remained stable.

Major work done by the Bank’s Board of Directors in 2022 is hereby reported as follows:

I. STRENGTHENING STRATEGIC LEADERSHIP AND DEEPENING STRATEGY IMPLEMENTATION

In 2022, the Bank’s Board of Directors insisted on serving the greater national reform and development, worked hard to pursue high-quality development, paid close attention to the implementation of the Bank’s 14th Five-Year Plan, and integrated the political and people-oriented requirements of financial work into all processes. Good progress was made in all tasks, including promoting the implementation of the 14th Five-Year Plan while keeping overall economic performance stable, improving shortcomings and weaknesses while serving the real economy, laying a solid foundation for development while preventing and controlling financial risks, and enhancing group governance effectiveness while deepening financial reforms.

i Making great efforts in key financial areas and endeavoring to serve the real economy

The Bank’s Board of Directors took the initiative to implement national economic stabilization policies and formulated an action plan to support the real economy. Focusing on key areas such as technology finance, green finance, inclusive finance, cross-border finance, consumer finance, wealth finance, supply chain finance and county finance, it comprehensively implemented the new development philosophy and took solid steps to serve the real economy, creating new name cards of Bank of China services. It fully supported the development of key areas and weak parts of the national economy, continuously reduced the comprehensive financing cost of the real economy, insisted on strengthening comprehensive financial guarantees, and increased loan support for manufacturing, strategic emerging industries and private enterprises. New breakthroughs were made in technology finance. In terms of green finance, the Bank competed for advancement, with the percentage to the Bank’s green loans lifting up to second among the four major banks, ranking first in the market for the investment volume of green debt financing instruments. The quality and efficiency of inclusive finance improved, with an average growth rate of inclusive financial loans over the past three years of more than 40% achieved. A combination of strategies for “ensuring stable foreign trade” was introduced for cross-border finance. The market shares were on the rise. Cross-border RMB settlement and Cross-Border Interbank Payment System (CIPS) clearing remained first globally in the long term. The responsibilities as a major bank of consumer finance were demonstrated, with the growth rate of non-housing consumer loans ranking first among the four major banks. The wealth finance grew prudently. The growth rates of domestic personal customers’ total financial assets, investment financial assets and private banking customers’ financial assets were all at the forefront of the four major banks. Innovative development was achieved for supply chain finance. New online factoring products including “Rong Yi Xin” and “Rong E Da” were launched. A new pattern was initiated for county finance. New breakthroughs were made in the balance of agriculture-related loans.

The Board of Directors of the Bank attached great importance to and vigorously promoted ESG-related work. In 2022, the Board of Directors deliberated and approved the Bank’s Corporate Social Responsibility Report for 2021 (on Environment, Society, and Governance), carefully heard the Report on Green Finance Development in 2021, carried out special research projects, and completed the high-quality research report, actively providing ideas and references for the Management.

ii Deepening the “One Mainstay, Two Engines” pattern and promoting strategic synergistic development

The Bank’s Board of Directors promoted the synergy of the strategic development pattern, supported customer access to the Bank’s global resources and services at any point of contact, and built a financial bridge to smooth dual circulation. The Board of Directors emphasized adhering to the core position and stabilizing role of domestic commercial banks, and paid close attention to the Bank’s corporate governance, business development, institutional mechanisms, risk management and internal control & compliance. It also deeply promoted the Bank to consolidate the customer base, refine capital management, optimize the structure of deposits and loans, manage net interest margins, expand non-interest income, and continuously improve profitability. The financial benefits of domestic institutions improved amid stability, the customer account base continued to be consolidated, the product service system was constantly optimized, and the risk-resistance capacity kept improving. The Board of Directors further promoted overseas institution development and comprehensive operation services as the “commanding height” of differentiated competition, and continuously enhanced the advantages of characteristic development. It deepened the top-level design of globalization, formed the globalization development analysis and development strategy for the next stage through timely research based on the changes in overseas situations, and put forward specific strategies such as consolidating the advantages of globalization and enhancing international competitiveness. Accordingly, it consolidated the business management foundation of overseas institutions and promoted the formulation of market-by-market strategies for overseas institutions. Overseas institutions covered 62 countries/regions, which were 24 more than a decade ago. Substantial and significant progress was made in the construction of overseas regional headquarters in regions such as Hong Kong, China and Luxembourg. In addition, the Bank actively boosted RMB internationalization and served as the main channel for cross-border RMB circulation as always. It seized opportunities such as RCEP to accumulatively extend credit facilities of more than USD257 billion in countries along the “Belt and Road”. Standard and orderly development of comprehensive operation was performed. All companies carried out in-depth special governance of affiliated institutions and properly responded to changes in the external situation. The capability of business development and the synergy capability of the Group were heightened.

iii Advancing digital transformation in an all-round way and consolidating the business development foundation

The Bank’s Board of Directors attached great importance to the foundation of business development, fortified the consolidation of basic business, continuously stepped up efforts in tackling problems in key areas, gathered pace of digital transformation, and effectively released development vitality. Breakthroughs were made for the “OASIS project”. The underlying data of customers, institutions, employees and their authority was unified at the Group level, and enterprise-level restructuring was completed for such business as domestic payment and settlement and corporate debit cards. New technology platforms, for instance, the enterprise-level robotic process automation (RPA) platform and optical character recognition (OCR) platform were released, with the repeat and manual operation reduced significantly. The technology capacity in the whole year went up by 39% year-on-year. The new-generation distributed technology architecture was fostered preliminarily. The ecological development results of scenarios were demonstrated. The number of registered users annually of the BOC Cross-Border Go App stood at approximately 6.4 million, the number of customers covered by education, sports and silver economy scenarios reached 5.04 million, 4.78 million and 3.63 million respectively, and a total of 138 million people accumulatively visited the special areas of the four major strategic scenarios of mobile banking, with the customer base well grounded. As “An Official Banking Partner of both Winter and Summer Olympic Games”, the Bank exclusively assumed and successfully completed e-CNY services within the Winter Olympics security red line and issued the BOC e-CNY “WISDOM” ecosystem.

II. CONTINUOUSLY CONSOLIDATING CAPITAL STRENGTH AND ENHANCING COMPREHENSIVE RISK MANAGEMENT

The Bank’s Board of Directors remained constantly mindful of worst-case scenarios, coordinated development and security, continued to promote the consolidation of capital strength, and attached great importance to risk prediction. It facilitated credit risk management & control and collection & resolution of NPLs, strengthened liquidity and market risk management, internal control & compliance and AML management and consumer protection, improved IT risk management, promoted the rectification of internal and external audit findings, and accelerated the implementation of a comprehensive risk management system in line with the Bank’s strategy.

i Refining capital management and continuously increasing capital strength

The Bank’s Board of Directors adhered to the requirements of high-quality development, continuously improved the capital management system, and took multiple measures to replenish capital to improve capital adequacy. It thoroughly implemented the philosophy of capital constraint and value creation, adhered to the EVA assessment orientation and the paid use of capital, enhanced the level of refined management, guided the optimization of the business structure, and continuously improved the ability of value creation. In 2022, the Board of Directors carefully reviewed and approved proposals such as capital adequacy ratio report, non-capital bond issuance plan, issuance of write-down undated capital bonds and issuance of write-down eligible tier-2 capital instruments, deeply promoted the strengthening of capital management, consolidated the capital base, and urged the Management to give full play to the role of economic capital assessment and do a good job in capital replenishment and capital conservation.

ii Coordinating development and security and perfecting the comprehensive risk management system

The Bank's Board of Directors conscientiously implemented the requirements of fighting the critical battle of preventing and resolving material risks, and further promoted the construction of the Bank's comprehensive risk management system. Specifically, it studied and formulated a series of important rule documents such as the Bank's internal control policy, market risk management policy, country risk policy, liquidity risk management policy, contingency management policy for sudden risk events, and management measures on large exposures, which played an important role in consolidating the Bank's comprehensive risk management foundation. The Bank promoted asset quality monitoring, strengthened forward-looking credit risk management, effectively prevented and resolved risks in key areas such as recessive debts of local governments, achieved initial results in the mechanism for the risk prevention and control of large customers, vigorously promoted the collection and resolution of NPLs, and kept asset quality basically stable. It enhanced the match and synergy between risk appetite and development strategy, by which it could better serve the implementation of strategies. In addition, it improved the procedures and systems for market risk limit management, responded steadily to changes in the financial market, and rendered main liquidity risk indicators meeting regulatory requirements. In 2022, the Board of Directors reviewed and approved a number of proposals, including the Stress Testing Management Policy, the Statement of Risk Appetite of Bank of China Group, the Administrative Measures on the Recovery and Resolution Plan, the Proposal on the Recovery and Resolution Plan, the Country Risk Rating and Limit and the Liquidity Risk Contingency Plan, and received reports on the Group risks, country risk management and regulatory opinions and the Bank's remediation.

iii Improving the internal control & compliance system and strengthening the role of internal and external supervision

The Bank's Board of Directors earnestly implemented national policies, strictly implemented regulatory requirements, constantly improved the permanent mechanism of internal control & compliance, and steadily improved internal control & compliance and AML management capabilities. The Bank continued to strengthen the control over operational risk under the new circumstance. It ramped up coordinated efforts in rectification of problems found in regulatory inspection and internal and external audits, and consolidated the quality and efficiency of rectification. It took solid and detailed steps in business continuity management and enhanced operational risk management. It implemented the new regulatory rules for related party transactions in all respects. It strengthened the management of related parties, consolidated the management foundation of related party transactions, took concrete steps to carry out related party transaction monitoring, and strictly controlled the risks of related party transactions. It organized business lines to adopt the escalation and accountability for typical problems, strengthened the accountability for managers, and continued to make the atmosphere stricter.

III. ENHANCING CORPORATE GOVERNANCE AND IMPROVING THE DUTY PERFORMANCE CAPACITY OF DIRECTORS

Taking excellent corporate governance as an important goal and complying with the requirements of capital market supervision and industrial supervision rules, the Bank consistently improved the corporate governance structure with the Shareholders' Meeting, Board of Directors, Board of Supervisors and Senior Management as main bodies. The Shareholders' Meeting, Board of Directors, Board of Supervisors and Senior Management worked smoothly according to their defined functions and powers. The Board of Directors and various special committees earnestly performed their duties and actively and effectively functioned. Corporate governance continued to improve. In 2022, the Shareholders' Meeting was held three times, where 36 topics were reviewed and studied and 33 resolutions were made. The Board of Directors held five on-site meetings and three written meetings, at which 94 topics were reviewed and studied and 70 resolutions were made.

i Improving the functioning mechanism of corporate governance

The Board of Directors of the Bank vigorously promoted the amendment to the Articles of Association, compared terms of the Articles of Association with relevant regulatory rules and conducted compliance demonstration, and adjusted text description and structure of terms according to the Bank's reality. It continuously improved the corporate governance system and rule processes, and ensured standardized and efficient corporate governance, and the compliant and efficient decision-making of the Board of Directors. The amended Articles of Association was deliberated by the Board of Directors in April 2022, and was approved by the Annual General Meeting convened on June 30, 2022, which will come into force after being approved by regulatory authorities. The Bank's Board of Directors continuously optimized the operation mechanism, strengthened the corporate governance system and capacity building, and continuously improved corporate governance compliance and effectiveness. The Bank's Board of Directors continued to deepen communication and exchange with the Board of Supervisors and Management, continued to successfully organize symposiums among directors, supervisors and senior management members, continuously strengthened the supervision over implementation of opinions and suggestions, and further promoted corporate governance to exert synergy.

ii Sticking to diversity of the Board of Directors

The Bank continued to carry out the Bank of China Limited Board Diversity Policy. The appointment of the members of the Board of Directors was based on the skills and experience necessary for overall functioning of the Board of Directors. Particularly, during the selection of independent directors, diverse objectives and requirements were fully considered, including but not limited to regulatory requirements, gender, age, cultural and educational background, region, professional experience, skills and knowledge of directors. In 2022, three new independent directors of the Bank's Board of Directors have high prestige in their respective fields and internationalization and specialization characteristics, which are of great significance for promoting the Bank to better grasp the new opportunities of internationalized development and integrate into the new trend of financial technology development.

iii Giving full play to the professional advantages of special committees of the Board of Directors

In 2022, the special committees of the Board of Directors of the Bank earnestly performed their duties, prepared sound meeting plans, and held 33 meetings in total. According to the authorization of the Board of Directors and the procedural rules of special committees, in-depth understanding was gained of the Bank's operation and management status through survey and listening to reports. Various proposals submitted to the Board of Directors for deliberation were carefully studied and discussed at the meeting of special committees. The special committees of the Board of Directors provided professional opinions and suggestions to the Board of Directors on major matters such as the Bank's strategic planning, corporate culture development, consumer protection, risk management, internal control, human resources and remuneration management and management of related party transactions, assisting the Board of Directors to perform its duties well.

iv Paying attention to the continuous improvement of the duty performance capability of the Board of Directors

According to the performance requirements for directors, first, the Board of Directors of the Bank took the initiative to learn about the Bank's operation and management, conducted in-depth and effective communication with the Senior Management, and fully participated in the Bank's research and discussion on major issues by attending the meetings of Senior Management and other occasions as a non-voting attendee. Second, the Board of Directors of the Bank prepared a sound plan for surveying directors to deepen the study on the duty performance by directors. Closely focusing on the Bank's development strategy and key work and major economic and financial hot issues, there were research topics related to research on the sustainable development of community banks, research on the optimization of business structures of financial enterprises to achieve capital-constrained development, comprehensive risk management system, net interest margin issues, comprehensive risk management of community-level institutions, market opportunities of the CHINA RAILWAY Express, strategy implementation in key financial areas, resolution of risks in recessive debts of local governments, and incentive mechanism building for community-level institutions, and nine research reports were completed. The Management forwarded the research reports to relevant departments and instructed them to study and implement the opinions and suggestions in the reports, effectively promoting the improvement of corporate governance and operation management of the Bank.

The Board of Directors of the Bank attached great importance to the continuous professional development of directors, and paid attention to and actively organized directors to participate in training. In 2022, the Bank's directors fully complied with *Corporate Governance Code A. 6.5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* and Chinese regulatory requirements, and actively attended special training closely focusing on domestic and overseas economic and financial hot issues and the Bank's current key work and themed on recent updates of AML legislation, sanctions dynamics and the Group's control requirements, green finance and digital economy.

In addition, the Bank's directors also promoted their professional development by writing and publishing professional articles, attending seminars, meeting with domestic and foreign regulatory agencies, and conducting on-the-spot surveys on advanced peers and branches of the Bank.

IV. DEEPENING INVESTOR RELATIONS AND EQUITY MANAGEMENT AND IMPROVING THE QUALITY AND EFFICIENCY OF INFORMATION DISCLOSURE

In 2022, the Bank's management of investor relations and information disclosure was widely recognized by the market. The Bank won honors such as the "Best Board of Directors for Investor Relations" and "Best Investor Relations Award" in the 13th Tianma Award for Investor Relations of Chinese Listed Companies by *Securities Times* and obtained the highest rating of "A" once again in the annual evaluation of information disclosure by Shanghai Stock Exchange. The 2021 annual report won important awards in the industry such as the "Gold Award of the Best Annual Report" from League of American Communications Professionals. The price performance of the Bank's A- and H-shares was prominent in peer banks.

i Making capital market communication more professional and effective

The Bank continuously expanded the depth and breadth of capital market tracking and analysis, and increased efforts of proactive communication with the capital market. It held the 2021 annual and 2022 interim results conferences. It also conducted in-depth institutional investor communication and by participating in seminars organized by investment banking institutions, holding thematic communication sessions, and conducting daily communication, actively transmitted the investment value of the Bank to the capital market. The Bank continuously strengthened in-depth communication and exchange with external rating agencies. Its external rating results continued to maintain the highest among the comparable domestic peers.

ii Continuously strengthening equity management and effectively protecting the rights and interests of shareholders

The Bank earnestly performed its duties in equity management, regularly collected information on equity pledge monitoring, and continued to strengthen equity management. The Board of Directors regularly assessed the situation of major shareholders and prepared corresponding reports. The Bank registered equity information in accordance with the regulatory rules. It also conscientiously implemented the resolution on profit distribution at the Shareholders' Meeting and the plan on authorization of the Shareholders' Meeting to the Board of Directors and organized dividend distribution to effectively protect the rights and interests of shareholders.

iii Continuing to provide good services for small and medium-sized investors

In 2022, the Bank earnestly received 226 investor communication matters in channels such as the "SSE E-interactive platform", IR mailbox and IR hotline. It actively participated in themed investment education events such as the "National Investor Protection Promotion Day". Moreover, it carefully sorted and optimized the display effect of the investor relations webpage on the official website, and continuously enriched the content related to investor protection. At the sites of the Shareholders' Meeting, an investor education service area was set up to actively serve the shareholders present, learn about their demands and answer their questions.

iv Making constant efforts to practice the best practices of information disclosure

The Bank's Board of Directors conscientiously implemented the new development philosophy and closely benchmarked its work with the new rules and trends of information disclosure regulation. Adhering to the principles of "authenticity, accuracy, completeness, timeliness and fairness", it continuously improved the construction of an information disclosure policy system, earnestly fulfilled information disclosure obligations, and coordinated the implementation of new requirements for information disclosure such as ESG. It also actively carried out voluntary information disclosure, continuously enhanced the relevance, effectiveness and transparency of information disclosure, effectively protected investors' right to know, and provided effective information for investors' value judgment and investment decision-making.

In 2023, the Bank's Board of Directors will make continued efforts in a high-spirited and vigorous manner, and take solid steps to serve the pursuit of a Chinese path to modernization. It will fully support and uphold the general principle of pursuing progress while ensuring stability, focus on the new development stage and fully, accurately and comprehensively implement the new development philosophy. It will serve the creation of the new development pattern, accelerate the improvement of the corporate governance system, effectively safeguard the legitimate rights and interests of shareholders, enhance the modernization of governance system and capacity, and deepen the execution of the Bank's 14th Five-Year Plan. On the new journey, it will realize the Bank's expected vision, achieve the Bank's aspirations, and spare no effort to open up the brand new picture of building a first-class global banking group. It will achieve the goals of economic and social development while carrying out practical actions of taking the road of the development of finance with Chinese characteristics, and show united diligence and move ahead with unswerving determination in building China into a modern socialist country in all respects!

Board of Directors of Bank of China Limited

2022 WORK REPORT OF THE BOARD OF SUPERVISORS

I. MEETINGS OF THE BOARD OF SUPERVISORS

In 2022, the Bank convened four on-site meetings of the Board of Supervisors on 29 March, 29 April, 30 August and 28 October respectively, as well as five meetings via written resolution. At these meetings, the Board of Supervisors reviewed and approved 39 proposals, including proposals regarding the Bank's four regular reports; the 2021 profit distribution plan; the 2021 corporate social responsibility report (environmental, social and governance); the 2021 internal control assessment report; the 2021 work report of the Board of Supervisors; the evaluation opinions of the Board of Supervisors on the duty performance and due diligence of the Board of Directors, the Senior Management and its members for 2021; the performance evaluation results for Chairperson of the Board of Supervisors for 2021; the implementation plan on performance management for Chairperson of the Board of Supervisors in 2022; the performance evaluation results and remuneration distribution plan for external supervisors; the nomination of Mr. JIA Xiangsen to be re-appointed as external supervisor of the Bank; the nomination of Mr. CHU Yiyun to be appointed as external supervisor of the Bank; the appointment of Mr. HUI Ping as member of the Duty Performance and Due Diligence Supervision Committee and the Finance and Internal Control Supervision Committee of the Board of Supervisors; and the appointment of Mr. CHU Yiyun as member of the Duty Performance and Due Diligence Supervision Committee and the Finance and Internal Control Supervision Committee of the Board of Supervisors, among others. In addition, the Board of Supervisors issued supervision and evaluation opinions regarding the Bank's performance in strategy implementation in 2021, as well as the Bank's reputational risk management, information disclosure management, capital management and management of advanced approaches for capital measurement, liquidity risk management, internal audit, consolidated management, stress test management, data governance, internal control, case prevention, remuneration management, employee behaviour management, internal control compliance of foreign exchange business, compliance management, anti-money laundering management, comprehensive risk management, market risk management, consumer protection and product management.

In 2022, the attendance rate of each supervisor of the meetings of the Board of Supervisors is given below:

Supervisors	Number of meetings attended in person/ Number of meetings convened during term of office
Incumbent Supervisors	
ZHANG Keqiu	9/9
WEI Hanguang	9/9
ZHOU Hehua	9/9
JIANG Xiangsen	9/9
HUI Ping	9/9
CHU Yiyun	3/3
Former Supervisors	
LENG Jie	9/9
ZHENG Zhiguang	6/6

In 2022, the Duty Performance and Due Diligence Supervision Committee of the Board of Supervisors held three on-site meetings and six meetings via written resolution, at which it previewed proposals regarding the evaluation opinions of the Board of Supervisors on the duty performance and due diligence of the Board of Directors, the Senior Management and its members for 2021; the performance evaluation results for Chairperson of the Board of Supervisors for 2021; the implementation plan on performance management for Chairperson of the Board of Supervisors in 2022; the performance evaluation results and remuneration distribution plan for external supervisors; the nomination of Mr. JIA Xiangsen to be re-appointed as external supervisor of the Bank; and the nomination of Mr. CHU Yiyun to be appointed as external supervisor of the Bank, among others.

In 2022, the Finance and Internal Control Supervision Committee of the Board of Supervisors held four on-site meetings, at which it previewed proposals regarding the Bank's four regular reports, the 2021 profit distribution plan, the 2021 social responsibility report (ESG), the 2021 internal control assessment report, the evaluation opinions of the Board of Supervisors on the Bank's performance in strategy implementation in 2021, among others.

II. PERFORMANCE OF SUPERVISION AND INSPECTION BY THE BOARD OF SUPERVISORS

In 2022, in compliance with relevant laws and regulations, regulatory requirements and the Articles of Association of the Bank, the Board of Supervisors earnestly performed its supervisory responsibilities by diligently supervising the Bank's strategy implementation, duty performance, financial management, risk management and internal control. By intensifying supervision efforts, employing new supervision methods, strengthening supervision quality and effectiveness, and enhancing self-development, the Board of Supervisors played an effective and constructive supervisory role within the Bank's corporate governance system, thus continuously supporting the Bank's drive towards building a first-class global banking group.

Intensified supervisory and guidance efforts with a focus on the Bank's efforts to fully observe major national decisions and plans as well as the tour inspection feedback of the CPC Central Committee. The Board of Supervisors kept a close eye on the Bank's efforts to help stabilise the economy, ensure stability on six key fronts and maintain security in six key areas, increase financial support for hard-hit market entities amid pandemic outbreaks, and enhance the Bank's ability to serve the real economy. It paid close attention to measures taken by the Bank to better serve the real economy, and supervised and encouraged greater financial input into key areas such as small and medium-sized enterprises, scientific and technological innovation, green development, advanced manufacturing and rural revitalisation. It carefully monitored the Bank's efforts to better meet people's diverse financial needs, supervised and encouraged improvements to the coverage, accessibility and customer satisfaction of the Bank's financial services, and improved protection of consumers' rights and interests. Focusing on the Bank's ability to serve high-level opening up, it supervised and encouraged the Bank to consolidate and expand the advantages of its globalised operations, help "stabilise foreign trade and foreign investments", and contribute to the smooth progress of the domestic and international circulations. It closely followed the effective prevention and defusion of the major financial risks of the Bank, and supervised and encouraged the Bank to stay alert to worst-case scenarios and improve its comprehensive risk management capabilities so as to ensure that no systemic risks arise. In response to the information obtained, the Board of Supervisors made timely reflections and issued prompts when carrying out its supervision duties throughout the year.

Actively carried out strategy supervision. The Board of Supervisors closely tracked the implementation progress of the Group's 14th Five-Year Development Plan, with an emphasis on key elements such as the development of the "Eight Priority Areas", strategic scenario building, and the implementation of projects for deepening reform. It included strategy implementation in its regular agenda, heard two related reports, issued supervision and evaluation opinions on the Bank's performance in strategy implementation for 2021 and the first half of 2022, and put forward nine suggestions for driving high-quality strategy implementation through high-quality inspection and rectification, improving strategy resource allocation, and conducting a whole-process re-examination of the Bank's strategic management. It continued to follow up on the rectifications suggested by the strategic management survey carried out in 2021, and promoted the further implementation of the Bank's development plan on the basis of effective alignment with national plans.

Supervised and evaluated the duty performance of directors and senior management members in an orderly manner. The Board of Supervisors made steady progress in the supervision of day-to-day duty performance by attending meetings of the Board of Directors and its special committees as well as meetings of the Senior Management as non-voting attendees, so as to keep abreast of and oversee the performance of the Board of Directors, the Senior Management and its members in the following areas: compliance with laws and regulations, regulatory requirements and the Articles of Association of the Bank, implementation of the resolutions of shareholders' general meetings and the Board of Directors, implementation of the Group's 14th Five-Year Development Plan, progress towards improving operation and management, and intensification of risk control. The Board of Supervisors completed four quarterly supervision reports on the duty performance of the Board of Directors and the Senior Management, and gave supervisory opinions. In an effort to enhance annual evaluations of duty performance, the Chairwoman of the Board of Supervisors led the team to conduct group on-site interviews with non-executive directors as well as written interviews with executive directors, independent directors and senior management members. Through these efforts, the Board of Supervisors issued annual evaluation results and opinions on the duty performance of the Board of Directors, the Senior Management and their relevant members based on supervision of their routine duty performance, reported to the shareholders' meeting and regulatory authorities as required, and provided written feedback to directors and senior management members, all of which reflects the mutual cooperation and effective checks and balances that pertain among all subjects of the Bank's corporate governance.

Earnestly conducted the review and supervision of financial and regular reports. The Board of Supervisors strengthened its routine financial supervision and attended the meetings of the Financial Approval Committee as non-voting attendees. It followed up and supervised the decision-making and implementation progress of major financial activities and matters with a focus on the Bank's annual financial management priorities, annual business plan, and financial budget. It regularly reviewed and analysed the movement of major financial indicators, completed four quarterly supervision reports on the Bank's financial position by monitoring and studying the macroeconomic and financial situation, regulatory policies and peer dynamics, and supervised and encouraged greater efforts to improve the refined management of financial operations as well as the far-reaching mechanism for financial compliance. Moreover, the Board of Supervisors consolidated the review and supervision of regular reports, heard four reports on operating results, and supervised and reviewed the authenticity, accuracy and completeness of regular reports as well as the compliance and rationality of the profit distribution plan. All supervisors signed written confirmation opinions regarding the Bank's regular reports, and put forward 12 opinions and suggestions, including giving full play to the mainstay role of domestic commercial banks, improving the quality and efficiency of globalised operations, promoting integrated operations with a focus on its core responsibility and business, accelerating digital transformation and enhancing the Bank's comprehensive competitiveness, in order to facilitate the Group's high-quality development. It also deepened its supervision over external auditors, receiving four reports on the work of external auditors, putting forward requirements on their audit independence and effectiveness, and supervising and encouraging them to increase inputs of audit resources and improve audit quality.

Deepened supervision of risk management and internal control through a problem-oriented approach. In response to the tour inspection feedback of the CPC Central Committee as well as problems identified by regulators, the Board of Supervisors carried out daily supervision of risk management and internal control, tracked and monitored changes in related indicators, and completed four quarterly supervision reports on risk and internal control. These reports put forward 16 opinions and suggestions in terms of strengthening the prevention and control of credit risks in key areas such as real estate and local government debt, improving market and derivatives risk management, enhancing the Bank's ability to prevent and resolve country risks in key areas, and consolidating the foundations of internal control and case prevention. It further strengthened risk supervision in a more forward-looking manner, proactively studied and analysed changes in the international political and economic situation, issued prompt risk alerts, supervised and encouraged the strengthening of the Group's integrated management of cross-border and cross-industry risks, and enhanced the effectiveness of major risk screening and stress testing, as part of its efforts to safeguard the bottom line that no systemic risks shall arise. It also continuously followed up on progress regarding the optimisation of the Bank's comprehensive risk management system, focusing on risk control mechanisms and process optimisation, the enhancement of emergency response capabilities for major risks, and the construction of risk management infrastructure in primary-level institutions, etc., and made timely analysis and issued prompt alerts of potential risks and hazards, so as to promote enhanced risk management that better serves the development of the Group.

Issued supervision and evaluation opinions on key supervisory matters. In line with regulatory requirements and the supervisory responsibilities assigned by the Articles of Association, the Board of Supervisors reviewed and acted on key supervisory matters, including strategy implementation, capital management and the management of advanced approaches for capital measurement, consolidated management, new products and new business management, data governance, employee behaviour management, and the management of expected credit losses, etc., strengthened daily research and analysis; issued 21 required supervision and evaluation opinions; and developed a work plan for supervising the management of the Bank's off-balance sheet business in close alignment with the latest regulatory requirements for boards of supervisors in this regard.

Carried out in-depth surveys and supervision. The Board of Supervisors continued to integrate special surveys with routine supervision, with a total of seven special surveys conducted in 2022. Specifically, with a focus on the nation's major strategies for rural revitalisation and regional coordinated development, it conducted special surveys on financial industry's support to the rural revitalisation strategy and implementation of the Guangdong-Hong Kong-Macao Greater Bay Area strategy. Focusing on the Group's globalised and integrated development strategy and risk prevention and control, it carried out special surveys on serving high-level opening up and cross-border risk management, as well as integrated operations. With a focus on the value contribution potential of financial management to the Group's operation and development, it launched a special survey on the effectiveness of the Bank's financial management. Focusing on the key links of the Bank's comprehensive risk management, it initiated a special survey on risk management of outsourcing programmes. With a focus on the development of the Group's enterprise-level structure, it organised a special survey on information technology management. The special survey teams were led by supervisors and included some directors. They organised extensive and in-depth video seminars and written surveys with departments from the Head Office, domestic and overseas tier-1 branches and tier-2 branches under their jurisdiction, as well as the Bank's comprehensive operation companies. In this way, they analysed existing problems and difficulties, proposed countermeasures and recommendations, and submitted special survey reports to provide targeted and practical opinions and recommendations to the Board of Directors and the Senior Management, so as to promote improvement and development through supervision.

Leveraged supervision synergies. The Board of Supervisors reinforced coordination with the Board of Directors and the Senior Management, and maintained information sharing between the Board of Directors and the Board of Supervisors in respect of macro information, management information, industry information and risk alerts, etc. It also jointly conducted survey, training and other activities with the Board of Directors, and organised supervisors to participate in joint seminars of directors, supervisors and senior management members to strengthen communication and exchange, so as to enhance the effectiveness of the Group's corporate governance. Moreover, the Board of Supervisors enhanced coordination with the second and third lines of defence and the comprehensive management departments in order to integrate and utilise supervision information and cooperate in supervision and inspection. It also strengthened supervision and guidance of internal audit, and put forward supervisory suggestions such as deepening the application of audit results and strengthening audit accountability.

Strengthened self-improvement of the Board of Supervisors. The Board of Supervisors improved its policy system by revising items concerning the Board of Supervisors in the Articles of Association of the Bank and improving the *Rules of Procedure of the Board of Supervisors*. It further strengthened the building of the supervisory team by completing the resignation of one external supervisor, the re-appointment of one external supervisor, and the appointments of two external supervisors in accordance with laws, regulations and corporate governance procedures. To enhance supervisors' professional competency, three special training activities were held for the Board of Supervisors to learn about the latest regulatory policies, such as the *Administrative Measures on Related Party Transactions of Banking and Insurance Institutions*, the *Administrative Measures on the Implementation of Expected Credit Loss Approach by Commercial Banks*, and *Measures on the Financial Management of Overseas Investment by State-owned Financial Enterprises*, as well as the latest developments in anti-money laundering legislation; to study and discuss the responsibilities and requirements of the Board of Supervisors in performing their duties, and to formulate supervisory measures. Furthermore, it improved the incentive and constraint mechanism for supervisors to perform their duties, and completed the annual duty performance evaluation of the Board of Supervisors and its members. All supervisors performed their supervision duties faithfully and diligently, gave full play to their own specialties, and made efforts to improve their policy awareness and duty performance capability. In addition, they actively attended meetings, earnestly deliberated on proposals, listened to work reports, carried out special surveys, and provided professional, well-considered and unbiased suggestions, conscientiously fulfilling their supervisory function. The Board of Supervisors reviewed and formulated the 2022 appraisal result on duty performance of the supervisors of the Bank that they were all competent.

Over the past year, the Board of Supervisors put forward more than 200 supervisory recommendations to the Board of Directors and the Senior Management via letters of supervisory recommendation, duty performance evaluation opinions, supervision and evaluation opinions, quarterly supervision reports and special survey reports. The Board of Directors and the Senior Management attached great importance and gave strong support to the work of the Board of Supervisors. By holding Executive Committee meetings and special meetings, issuing written instructions and through other means, they required senior management members and relevant functional departments to carefully study the opinions and suggestions offered by the Board of Supervisors, develop practical rectification measures and integrate them into their daily work so as to achieve coordinated improvement, and regularly update the Board of Supervisors on rectification progress. The work of the Board of Supervisors was fully recognised and appreciated by its peers and the market, with the Board of Supervisors of the Bank receiving the "Best Practices Award for the Board of Supervisors of Listed Companies" for the first time.

III. IMPLEMENTATION OF THE RELEVANT REGULATORY REQUIREMENTS

According to regulatory requirements, the Board of Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank and their relevant members. In 2022, the Board of Directors and its relevant members unremittingly conducted the integration of the Party leadership and corporate governance and conscientiously implemented the decisions and arrangements of the Party Central Committee and the State Council. By coordinating COVID-19 control and business development, making scientific decisions, and carrying out standardized operations, they continued to promote the implementation of the Bank's 14th Five-Year Plan. With the focus of business development on the real economy, they served and deepened the supply-side structural reform, promoted high-quality opening-up, improved the ability to forestall and defuse material risks, comprehensively deepened reform and innovation, and worked hard to pursue high-quality development. Under their guidance, the Senior Management successfully completed its tasks and objectives of the year, producing excellent operating results of the Bank. The Board of Directors continued to strengthen communication with the Board of Supervisors and the Senior Management, as well as conscientiously accepted the supervision of the Board of Supervisors and implemented its supervisory opinions and suggestions. It is recommended that the Board of Directors should fulfill the following requirements: It should continue to effectively implement every decision and arrangement of the Party Central Committee and the State Council, thoroughly learn about the guiding principles of the 20th CPC National Congress, deepen the implementation of the Bank's 14th Five-Year Plan, and continue to improve the quality and efficiency of serving the real economy; it should improve the corporate governance system of the Bank and the operation system for the Board of Directors, and enhance the ability of the Board of Directors to make scientific decisions; it should consolidate the Bank's advantages of its global and integrated operations, enhance the management of the Bank's affiliated institutions, and promote the operation and management capabilities of overseas institutions; it should continue to promote the integration of technology and business and further strengthen data governance and system development; and it should promote the in-depth development of the comprehensive risk management system, intensify risk management in key fields, and conduct more effective coordination of development and security.

The Senior Management and its members followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, conscientiously learned about, promoted and implemented the guiding principles of the 20th CPC National Congress, unremittingly implemented the decisions and arrangements of the Party Central Committee and the State Council, adhered to “five enhancements” and “four integration”, conducted “inch-by-inch” inspection and remediation, seriously fulfilled the political and people-oriented nature of financial work, and successfully completed their tasks and objectives of the year. Moreover, they conscientiously implemented every resolution of the Party Committee of the Head Office and the Board of Directors, strengthened the communication with the Board of Directors and the Board of Supervisors, conducted timely reporting of important information on the Bank’s operation and management, accepted the supervision of the Board of Supervisors and implemented its supervisory opinions and suggestions. It is recommended that the Senior Management should comprehensively implement every decision and arrangement of the Party Central Committee and the State Council, thoroughly learn about and implement the guiding principles of the 20th CPC National Congress, actively serve the general objective of China, enhance strategic implementation, promote market competitiveness, improve market shares of key businesses and in key regions, accelerate the promotion of digital transformation and intensify comprehensive risk management.

With reference to relevant laws and regulations, no actions of the Board of Directors, the Senior Management and their relevant members violated the provisions of relevant laws, regulations, rules, regulatory requirements and the Articles of Association of the Bank. The Board of Supervisors reviewed and formulated the 2022 appraisal result on duty performance of the relevant directors and senior management members of the Bank that they were all competent.

According to regulatory requirements, the Board of Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank in terms of liquidity risk management: during the reporting period, the Board of Directors and the Senior Management of the Bank effectively responded to the changes in domestic and overseas financial environment as well as market liquidity fluctuations, comprehensively took into account the Bank’s business development and liquidity status, and continuously improved liquidity risk management on all fronts. They improved the liquidity risk management policy system, re-examined and revised important policies and rules such as liquidity risk management policy. They optimized the liquidity risk governance system, established a differentiated multi-dimensional liquidity risk limit indicator system, and made internal early warning indicators more practicable and farsighted. They enhanced the liquidity risk management and control of overseas institutions, guided overseas institutions to increase the monitoring dimension of liquidity risk indicators and strengthen forward-looking analysis and application of indicator change trends, and timely organized risk identification. They reinforced the establishment of relevant systems, and conducted liquidity risk stress testing and emergency drills. The Bank’s liquidity risk management kept improving. As at the end of 2022, each liquidity indicator ran in a high position and satisfied the regulatory requirements of CBIRC and the risk appetite of the Board of Directors.

According to regulatory requirements, the Board of the Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank in terms of capital management and management of advanced approaches to capital measurement: During the reporting period, the Board of Directors and the Senior Management of the Bank thoroughly practiced the philosophy of high-quality development, and steadily carried out the key tasks of capital management and management of advanced approaches to capital measurement. They strengthened internal capital management, refined the assessment mechanism for economic capital budget, improved the allocation of capital for overseas institutions and comprehensive operation companies, and adhered to the philosophy of capital use with compensation. They steadily promoted external capital replenishment and effectively enhanced the comprehensive capital strength of the Group. The *Plan for the Implementation of Advanced Approaches to Capital Measurement (2022-2025)* was formulated, which clarified the guiding principles, overall objectives and major measures, improved model development, optimization and validation, and strengthened the management of risk-weighted assets (RWA). They implemented regulatory requirements, seriously carried out internal capital adequacy assessment and information disclosure, and comprehensively advanced the preparation for the implementation of the Administrative Measures for the Capital of Commercial Banks that is being revised. As at the end of 2022, the Bank’s core tier-1 capital adequacy ratio, tier-1 capital adequacy ratio, and total capital adequacy ratio increased by 54BP, 79BP and 99BP respectively over the end of the previous year, reaching 11.84%, 14.11% and 17.52%, all meeting regulatory requirements. The advanced approaches to capital measurement kept improving in data quality, model management, depth of application and other aspects.

According to regulatory requirements, the Board of Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank in terms of stress testing management: During the reporting period, the Board of Directors and the Senior Management continuously refined the stress testing management system, improved relevant policies and rules, regularly carried out stress testing, enhanced stress testing training for branches, and pushed forward the building of the stress testing system. The Board of Directors considered and approved documents including the *Policy on the Stress Testing Management of Bank of China (2022 Edition)* for the purpose of further standardizing stress testing management. The Senior Management organized and conducted various overall and special stress testing, refined stress testing management processes, advanced the building of stress testing management platform, and continuously improved the application of stress testing.

According to regulatory requirements, the Board of Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank in terms of reputational risk management: During the reporting period, the Board of Directors and the Senior Management of the Bank, in accordance with regulatory requirements and relevant laws and regulations, improved the management structure and management mechanism of the reputational risk, clarified respective responsibilities, regularly reviewed the reports on the reputational risk management, and steadily promoted prevention and control at source. They organized multiple inspections for reputational risk and emergency drills, continuously conducted round-the-clock monitoring of public opinion, timely dealt with potential public opinions to defuse reputation risk, strengthened cultural cultivation, and continuously enhanced all employees' awareness of reputational risk prevention. No major reputational events arose during the reporting period, creating a favourable external environment for the Bank's operation management and business development.

According to regulatory requirements, the Board of Supervisors put forward the following supervisory assessment opinions on the duty performance of the Board of Directors and the Senior Management of the Bank in terms of the management of expected credit loss method: During the reporting period, the Board of Directors and the Senior Management of the Bank attached great importance to the implementation of the *Administrative Measures for the Implementation of the Expected Credit Loss Method by Commercial Banks*, conducted in-depth analysis and research in accordance with regulatory requirements, and improved the implementation plan, governance structure and relevant policies, systems and processes. The Board of Directors considered and approved the management of implementation of the expected credit loss method and other relevant rules. The Senior Management systematically advanced the implementation of the expected credit loss method, optimized domestic and overseas impairment models, strengthened model monitoring, furthered model validation, regularly refreshed parameters and continuously kept improving the implementation data and system of the expected credit loss method.

During the reporting period, the Board of Supervisors held no objection to such matters under its supervision regarding the Bank's operational and legal compliance, financial position, use of raised funds, purchase and sale of assets, connected transactions, internal control and corporate information disclosure.

IV. WORKING PERFORMANCE OF THE EXTERNAL SUPERVISOR

During the reporting period, Mr. JIA Xiangsen, Mr. ZHENG Zhiguang, Mr. HUI Ping and Mr. CHU Yiyun, the external supervisors of the Bank, performed their supervisory duties in strict accordance with the provisions of the Articles of Association of the Bank. They attended all meetings of the Board of Supervisors and its special committees during their terms of office, and participated in the research and decision-making of the significant affairs of the Board of Supervisors. They were present at shareholders' meetings and attended the meetings of the Board of Directors, the Strategic Development Committee, Corporate Culture and Consumer Protection Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee as non-voting attendees. They organised special surveys of the Board of Supervisors, proposed independent opinions, and played an active role in promoting the improvement of the Bank's corporate governance and business management.

Board of Supervisors of Bank of China Limited

Election of Mr. SHI Yongyan as Non-executive Director of the Bank

Upon review and approval at the Board Meeting of the Bank, the Board of Directors hereby proposes to elect Mr. SHI Yongyan as Non-executive Director of the Bank at the Shareholders' Meeting. Term of office of Mr. SHI Yongyan will be three years from the date of approval of his qualifications by regulatory authorities.

The biographic details of Mr. SHI Yongyan are as follows:

SHI Yongyan, of Chinese nationality, was born in 1968. In 2011, he joined Central Huijin Investment Ltd. In January 2018, he started to serve as a Non-executive Director of China Everbright Group. From May 2018 to July 2020, he served as Non-executive Director of China Everbright Bank. From March 2016 to February 2018, he was a member of the Party Work Committee and Deputy Director of the Administrative Committee of Lanzhou New Area, Gansu Province. From March 2013 to March 2016, SHI Yongyan served as Director of China Export & Credit Insurance Corporation. From September 2011 to March 2013, he was Division Head at Central Huijin Investment Ltd. From March 2006 to September 2011, he worked as Deputy Chief and Consultant at the General Office of the Anti-money Laundering Bureau of the People's Bank of China. From March 2003 to March 2006, he served as cadre and Deputy Chief of the Anti-Money Laundering Division of the Supervision and Inspection Department of the State Administration of Foreign Exchange. SHI Yongyan graduated from Peking University with a Bachelor's degree and a Master's degree in Economics, and graduated from Nanyang Technological University, Singapore, with an MBA degree and a Ph.D. degree.

Save as disclosed above, Mr. SHI Yongyan has not held position with the Bank or any of its subsidiaries.

Currently, the Non-executive Directors of the Bank (excluding Independent Non-executive Directors) do not receive remuneration from the Bank, and their remuneration will be paid by Central Huijin Investment Co., Ltd.

As far as the directors of the Bank are aware and save as disclosed above, Mr. SHI Yongyan did not hold any directorship position in other public companies, the securities of which are listed on any securities markets in Chinese mainland, Hong Kong or overseas in the last three years, nor did he have any relationship with any director, senior management member, or substantial or controlling shareholder of the Bank. As at the date of the proposal, Mr. SHI Yongyan does not have any interests in the shares of the Bank or its associated companies according to Part XV of the Hong Kong *Securities and Futures Ordinance*.

Save as disclosed above, there is no other information in relation to the appointment of Mr. SHI Yongyan that needs to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) (h) to (v) of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, nor are there any other matters that need to be brought to the attention of the shareholders of the Bank. Mr. SHI Yongyan has not been penalized by the China Securities Regulatory Commission (CSRC) or other relevant departments or stock exchanges.

Board of Directors of Bank of China Limited

Election of Mr. LIU Hui as Non-executive Director of the Bank

Upon review and approval at the Board Meeting of the Bank, the Board of Directors hereby proposes to elect Mr. LIU Hui as Non-executive Director of the Bank at the Shareholders' Meeting. Term of office of Mr. LIU Hui will be three years from the date of approval of his qualifications by regulatory authorities.

The biographic details of Mr. LIU Hui are as follows:

LIU Hui, of Chinese nationality, was born in 1972. Since 1995, he worked successively at the Head Office of Agricultural Development Bank of China, Ping An Insurance Beijing Branch (Life Insurance), and the Finance and Private Sector Development Department of the World Bank Office, Beijing. He joined Central Huijin Investment Ltd. in 2007 and successively worked as Senior Deputy Manager, Senior Manager and Division Chief. LIU Hui served concurrently as a supervisor of China Securities Co., Ltd., and currently serves as an Equity Director of China Export & Credit Insurance Corporation. He graduated from Cambridge University with a Ph.D. degree.

Save as disclosed above, Mr. LIU Hui has not held position with the Bank or any of its subsidiaries.

Currently, the Non-executive Directors of the Bank (excluding Independent Non-executive Directors) do not receive remuneration from the Bank, and their remuneration will be paid by Central Huijin Investment Co., Ltd.

As far as the directors of the Bank are aware and save as disclosed above, Mr. LIU Hui did not hold any directorship position in other public companies, the securities of which are listed on any securities markets in Chinese mainland, Hong Kong or overseas in the last three years, nor did he have any relationship with any director, senior management member, or substantial or controlling shareholder of the Bank. As at the date of the proposal, Mr. LIU Hui does not have any interests in the shares of the Bank or its associated companies according to Part XV of the Hong Kong *Securities and Futures Ordinance*.

Save as disclosed above, there is no other information in relation to the appointment of Mr. LIU Hui that needs to be disclosed pursuant to any of the requirements set out in Rule 13.51(2) (h) to (v) of the *Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited*, nor are there any other matters that need to be brought to the attention of the shareholders of the Bank. Mr. LIU Hui has not been penalized by the China Securities Regulatory Commission (CSRC) or other relevant departments or stock exchanges.

Board of Directors of Bank of China Limited

REPORT ON THE CONNECTED TRANSACTIONS FOR 2022

In accordance with Article 55 of the China Banking and Insurance Regulatory Commission's *Administrative Measures for Connected Transactions of Banking and Insurance Institutions* (hereinafter referred to as the "**CBIRC rule**") and the Article 17 of the China Securities Regulatory Commission's *Special Provisions on Information Disclosure by Commercial Banks*, the Board of Directors shall report overall connected transactions to the Shareholders' Meeting. In 2022, the Bank strictly abided by the laws and regulations and regulatory provisions of connected transactions, improved the management framework and policy system of connected transactions, continued to consolidate the management of connected parties, carried out solid transaction monitoring, strengthened system building, and improved the quality and efficiency of the management of connected transactions. The connected transactions of the Bank in 2022 were mainly as follows:

I. THE CONNECTED TRANSACTIONS CONTROL COMMITTEE

The Connected Transactions Control Committee held 3 meetings in 2022. It mainly approved proposals such as reports on the list of connected parties, and deliberated on proposals such as the Report on 2021 Connected Transactions, the Management Policy of Connected Transactions, the Report on the Implementation of CBIRC's New Regulatory Provisions of Connected Transactions.

During the Reporting Period, the Connected Transactions Control Committee paid continuous attention to the implementation of new regulatory provisions, policy transmission and system optimization, and each member put forward constructive opinions and suggestions on the management of connected parties and the monitoring of connected transactions.

II. CONNECTED TRANSACTIONS MANAGEMENT

i The Bank implemented new regulatory provisions and improved the management framework and policy system of connected transactions

In accordance with the requirements of the CBIRC rule as well as the actual management of the Bank, the Bank formulated and circulated the *Management Policy of Connected Transactions and the Administrative Measures for Connected Transactions* on the basis of comprehensive assessment and demonstration, so as to standardize the Bank's management requirements of the management of connected parties and the identification, review, reporting and disclosure of connected transactions. The Bank optimized the management framework of connected transactions, and set up a cross-department management office for connected transactions under the senior management, which was responsible for the identification and maintenance of connected parties, the management of connected transactions and other routine affairs. The Bank actively communicated with the regulatory agency, sent a letter to the regulatory agency for guidance on the application of some provisions stipulated by the China Banking and Insurance Regulatory Commission, and continuously followed up the regulatory trends.

ii The Bank dynamically optimized the scope of connected parties and consolidated the management foundation of connected transactions

The Bank had taken a number of measures to strengthen the management of connected parties. First, the Bank adjusted the scope of connected parties combining new regulatory provisions, clearly defined self-identified connected parties in accordance with the principle of substance over form and penetration in the Bank's policy, and incorporated the institutions controlled or exerted with significant influence by the Bank into the scope of connected legal person. Second, the Bank strengthened the prompt and supervision over the declaration obligor of the connected party, and sent the *Prompt Letter of Real-time Update* to the institution where the new declaration obligor was located, so as to strengthen the understanding of the declaration scope and responsibility of the declaration obligor. Third, the Bank further improved the management mechanism of connected parties combining real-time update and annual re-examination, updated the *Application Form of the Connected Party's Information*, organized and carried out the re-examination of connected parties in 2022, urged all institutions and departments to follow up the information changes of responsible related parties in a timely manner, strengthened the review and supervision of the integrity and accuracy of the connected party's information, and continuously improved the quality of the connected party's information.

iii The Bank carried out solid transaction monitoring and strictly controlled the compliance risks of connected transactions

The Bank strictly carried out the monitoring of connected transactions to meet the requirements of external laws and regulations as well regulatory provisions on the pricing of connected transactions, prohibition of special connected transactions, and the approval and disclosure of connected transactions, etc. First, the Bank organized each business line to streamline and investigate connected transactions, made comprehensive re-examination of the business scope of products regarding connected transactions, and checked whether there were prohibited violations in existing transactions. Second, the Bank implemented regulatory provisions, and carried out regular special remediation and self-inspection of connected transactions, where no problems such as profit tunneling through connected transactions were identified. Third, the Bank strengthened the guidance and management of branches, organized and carried out training on new regulatory provisions and internal management requirements, and guided integrated operation companies to improve the management mechanism for connected transactions.

iv The Bank comprehensively optimized system functions and improved transaction identification scope and inter-system linkage

The Bank made comprehensive optimization and reshaping for the monitoring system of connected transactions combining regulatory stipulations and management practices, and submitted three phases of system requirements focusing on improving the management procedure of connected parties. The Bank expanded the collection range of connected transactions, improved the automation of regulatory reports, and strengthened the linkage with business systems, thus further optimizing the monitoring and early warning functions of regulatory percentage.

v The Bank strengthened the data governance and properly reported the connected transaction data and disclosed the information

First, the Bank continuously submitted the regulation data of connected transactions. In accordance with the requirements of the China Banking and Insurance Regulatory Commission, the information about connected parties and connected relations was submitted in a timely manner, and the *Form of Connected Transactions of G15 Top Ten Connected Parties* and relevant data of connected transactions were submitted on a quarterly basis. Second, the Bank strictly abided by relevant provisions of regulatory authorities on the disclosure of connected transactions, disclosing connected transactions through semi-annual reports and annual reports. Third, the Bank made a special report on connected transactions to the Shareholders' Meeting, reporting the operation of the Connected Transactions Control Committee, the management of connected transactions and the situation of connected transactions.

To sum up, the Bank strictly followed laws, regulations and regulatory provisions. The management mechanisms of connected transactions delivered stable performance in 2022, which reasonably guaranteed the interests of all shareholders and the Bank as a whole.

III. CONNECTED TRANSACTIONS

i Related parties

In October 2022, the Bank carried out the re-examination of connected parties in accordance with new regulatory stipulations. As at December 31, 2022, the Bank had a total of 4,134 connected parties, of which 3,612 were natural persons, accounting for 87.37% of all connected parties, and had 522 connected legal persons or other organizations, accounting for 12.63% of all connected parties. The connected parties under the CBIRC rule, the Rules of Shanghai Stock Exchange for Stock Listing (hereinafter collectively referred to as the "SSE Rules") and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (hereinafter referred to as the "SEHK Rules") amounted to 3,657, 297, and 715 respectively.

Standard of connected parties	Number of connected natural persons	Number of connected legal persons	Total number of connected parties
CBIRC rules	3,426	231	3,657
SSE rules	264	33	297
SEHK rules	433	282	715
All regulatory rules ¹	3,612	522	4,134

¹ As several rules are applicable to some connected parties at the same time, it is possible that the same connected party is counted repeatedly.

ii Connected transactions

In 2022, the connected transactions of the Bank were all determined according to general commercial principles and conducted on the condition that it was not superior to the same kind of transactions of non-connected parties. The relevant transaction clauses were fair and reasonable, conforming to the interests of all shareholders and the Bank as a whole. Moreover, there were no connected transactions that needed to be submitted to the Board of Directors and the Shareholders' Meeting for review or external disclosure.

1 Connected transactions under the CBIRC rules

In 2022, no material connected transactions occurred in the Bank, and the transactions with connected parties were mainly credit business such as loans and credit card overdraft.

The Bank strictly implemented the CBIRC's rules for prohibiting acceptance of its own equity as pledge to provide loans. The price and conditions of transactions were not superior to similar transactions of non-connected parties. According to the daily monitoring, the balance of the Bank's loans to single connected party and all connected parties did not exceed the upper limit of credit connected transaction exposures of the CBIRC.

As at December 31, 2022, the net credit of connected parties in the Bank totaled RMB297.2164 million, accounting for 0.0101% of the net capital of the Bank. Among them, the net credit of the largest connected party was RMB10.9684 million, accounting for 0.0004% of the net capital of the Bank.

2 Connected transactions under the Listing Rules of Shanghai Stock Exchange

In 2022, the Bank had no connected transactions that shall be disclosed timely and submitted to the Board of Directors and the Shareholders' Meeting for review. In respect of transactions with connected natural persons, the Bank carried out transactions with the Head Office's directors, supervisors and Senior Management members and their relatives, and the transactions were mostly deposits, wealth management and loans. As at December 31, 2022, the balance of the Bank's loans to connected natural persons was RMB10.5442 million. In respect of transactions with connected legal persons, the Bank mainly conducted transactions with companies taking directors of the Bank as senior executives and companies controlled by the relatives of directors. The transaction types were mainly deposits, etc.

3 Connected transactions under the Hong Kong Listing Rules

In 2022, in the routine business process, the Bank conducted a series of connected transactions with the Bank and connected persons of the Bank, all of which could be exempted from relevant declaration, annual review, announcement and independent approval of shareholders according to Hong Kong Listing Rules. In respect of transactions with connected natural persons, the Bank carried out transactions with the connected parties on the affiliate level and the transactions were mostly deposits, wealth management and credit cards. In respect of transactions with connected legal persons, the Bank carried out transactions with the companies controlled by directors of the affiliates and the transactions were mostly deposits, wealth management and loans.

IV. WORK ARRANGEMENT FOR THE NEXT STEP

The Bank will continue to improve the management mechanism of connected transactions and strive for refined connected transaction management. The Bank will strengthen the coordination and supervision on the implementation of the policies by the Connected Transactions Management Office under the Management, continue to incorporate the requirements of connected transaction management into the business initiation and approval processes, track the iterative optimization of the connected transaction system, strengthen internal supervision by means of audits, self-inspection, and etc., and perform well in management of connected parties, as well as monitoring, disclosure, and reporting of connected transactions.

It is hereby reported.

Reported by: Board of Directors of Bank of China Limited

DUTY REPORT OF INDEPENDENT DIRECTORS FOR 2022

In strict accordance with domestic and overseas laws, regulations, normative documents, the internal management rules of Bank of China (the “Bank” or “BOC”) and relevant requirements, the Bank’s independent directors implemented the internal requirements of sound corporate governance on independent directors, performed duties prudently, earnestly, diligently and faithfully, attended the meetings of the Board of Directors and its special committees, and independently expressed opinions and made decisions in 2022. They played an active role in safeguarding the legitimate rights and interests of the Bank and its shareholders, including minority shareholders. They advanced the implementation of the development strategy of the Bank and made positive contributions to the growth of the Bank. The duty report of independent directors in 2022 is presented as follows:

I. BASIC INFORMATION ON INDEPENDENT DIRECTORS

The Board of Directors maintained a reasonable and diversified structure. As at the end of March, 2023, the Board of Directors comprises 13 members. Specifically, there are two executive directors, five non-executive directors and six independent directors. The proportion of independent directors exceeds one-third of the total number of directors, complying with the quorum requirement specified in the *Articles of Association* and relevant regulatory requirements. The independent directors serve as Chairs of the Audit Committee, the US Risk and Management Committee established under the Risk Policy Committee, Personnel and Remuneration Committee and Connected Transactions Control Committee, respectively.

The Bank’s current independent directors are Mr. JIANG Guohua, Mr. Martin Cheung Kong LIAO, Mr. CHUI Sai Peng Jose, Mr. Jean-Louis EKRA, Mr. E Weinan, and Mr. Giovanni TRIA. Their working experiences and positions in other institutions are as follows:

Mr. JIANG Guohua has been Independent Director of the Bank since December 2018. Mr. JIANG serves as Professor of Accounting at the Guanghua School of Management, Peking University. Currently he also serves as a member of China National MPAcc Education Steering Committee, Deputy Provost and Associate Dean of Graduate School of Peking University. Mr. JIANG has successively served as Assistant Professor, Associate Professor and Professor of the Accounting Department of Guanghua School of Management, Peking University since 2002, during which he successively served as Director of the Yenching Academy, Executive Associate Dean and Director of the Yenching Academy from 2013 to 2017. From 2007 to 2010, he was a senior investment consultant at Bosera Fund Management Company; from 2010 to 2016, he served as independent director of Datang International Power Generation Co. Ltd.; from 2011 to 2014, he was an academic advisor to the Global Valuation Institute of KPMG International; and from 2014 to 2015, he was a member of the Global Agenda Council of the World Economic Forum. Currently he also serves as independent director of ZRF Fund Management Company Ltd., China Merchants Life Insurance Company Ltd. and Kweichow Moutai Co., Ltd. Mr. JIANG was named National Leading Talent in Accounting by China Ministry of Finance (2012). He was an Elsevier Chinese Most Cited Researcher consecutively from 2014 to 2017. He was a member of the 17th Stock Issuance Review Committee of China Securities Regulatory Commission. Mr. JIANG graduated from Peking University in 1995 with a Bachelor’s Degree in Economics, received his Master’s Degree in Accounting from Hong Kong University of Science and Technology in 1997, and obtained his Doctor’s Degree in Accounting from the University of California, Berkeley in 2002.

Mr. Martin Cheung Kong LIAO has been Independent Director of the Bank since September 2019. Mr. LIAO was called to the Bar in England and Wales in 1984 and was called to the Bar in Hong Kong in 1985 and is a practicing barrister in Hong Kong, and is admitted an Advocate and Solicitor of Singapore since 1992. He has been serving as a Member of the Legislative Council of the Hong Kong Special Administrative Region since 2012. Mr. LIAO has also been serving as a Steward of the Hong Kong Jockey Club since April 2013, an Independent Non-executive Director of Hang Lung Group Limited since November 2014, Chairman of the Advisory Committee on Corruption of the Independent Commission against Corruption since January 2019, and standing committee member of the 14th National Committee of the Chinese People’s Political Consultative Conference since March 2023. Mr. LIAO has been appointed as a Non-Official Member of the Executive Council of the Hong Kong Special Administrative Region since November 2016. He was appointed as Justice of the Peace in 2004, was awarded the Silver Bauhinia Star in 2014 and was awarded the Gold Bauhinia Star in 2019. He is elected as Deputy of the Hong Kong Special Administrative Region to the 11th, 12th and 13th National People’s Congress of the People’s Republic of China. Mr. LIAO previously served as Chairman of the Anti-Money Laundering and Counter Terrorist Financing Review Tribunal and Chairman of The Hong Kong Council for Accreditation of Academic and Vocational Qualifications. He graduated from University College London with a Bachelor of Economic Science (Hons) Degree in 1982 and a Master of Laws Degree in 1985.

Mr. CHUI Sai Peng Jose has been Independent Director of the Bank since September 2020. Mr. CHUI is currently the President of CAA City Planning & Engineering Consultants Ltd. of Macao, and Da Chang (Zhuhai) Concrete Pile Co., Ltd., CEO of Parafuturo de Macau Investment and Development Ltd., and Chairman of Board of Directors of Macao Young Entrepreneur Incubation Centre. He is also the Deputy of the Macao SAR to the 14th National People's Congress, Deputy of Legislative Assembly of the Macao SAR, and member of the Economic Development Committee of the Macao SAR. In addition, he serves as a member of the National Committee of China Association for Science and Technology, Vice-President of Board of Directors of Macao Chamber of Commerce, Vice-President of General Assembly of the Macao Association of Building Contractors and Developers. Mr. CHUI served as the President of Hou Kong Junior Chamber in 1994 and President of Junior Chamber International Macao, China in 1999. He was the President of Committee for Building Appraisal of the Macao SAR from 2002 to 2015. He served as member and Vice-President of the Committee of Cultural Industries of the Macao SAR from 2010 to 2016. Currently he serves as Independent Director of Luso International Banking Ltd. Mr. CHUI is a registered Urban Planner and Civil Engineer of Macao. He is also a registered Civil Engineer and Structural Engineer (Senior Engineer Level) of California, USA. Mr. CHUI received his Bachelor's Degree in Civil Engineering from University of Washington in 1981, and received his Master's Degree in Civil Engineering from University of California, Berkeley in 1983. He graduated from Tsinghua University in 2002 with a Doctor's Degree in Urban Planning.

Jean-Louis EKRA has been Independent Director of the Bank since May 2022. Mr. EKRA currently sits on the Board of several institutions including Africa Economic Research Consortium (AERC), the Fund for Export Development in Africa (FEDA). He is the founder of Ayipling Morrison Capital, a venture capital and financial advisory firm. He was until September 2015 President and Chairman of the Board of the African Export-Import Bank (Afreximbank or the Bank) in Cairo, Egypt. He assumed this role in January 2005 after holding successively the positions of Executive Vice-President and Senior Executive Vice-President of the Bank. Under his leadership, the Bank was assigned an investment grade credit rating by 3 major international rating agencies (Fitch, Moody's and S&P) and won many awards and Prizes for excellence given by various reputable organisations. Before joining Afreximbank in 1996, he held senior positions in different institutions including: Vice-President in charge of International Financial Institutions at Citibank NA Abidjan; Managing Director of Société Ivoirienne de la Poste et de l'Epargne (SIPE); Country Manager for the West African Economic & Monetary Union (UEMOA) and Partner at DKS Investment, a financial advisory firm in Jersey. He was for 4 years elected Honorary President of the Global Network of Exim Banks and Development Finance Institutions (G-NEXID). In 2011, Mr. EKRA was listed among the 100 most influential people of Africa by *New African*. In 2013, he received the "Lifetime Achievement Award" from *African Bankers*. In 2016, he was awarded the honour of Commandeur de l'Ordre National of Côte d'Ivoire. He holds a Master of Business Administration from Stern School of Business at New York University (NYU) and a Master of Economics from University of Abidjan, Côte d'Ivoire.

E Weinan has been Independent Director of the Bank since July 2022. Mr. E is an Academician of Chinese Academy of Sciences, Professor of School of Mathematical Sciences at Peking University, director of Center for Machine Learning Research at Peking University, and joint director of the National Engineering Laboratory of Big Data Analysis and Applied Technology of Peking University. He is also Director of Beijing Institute of Big Data Research, and Dean of School of Data Science, University of Science and Technology of China. He once served as a faculty member of Institute for Advanced Study, Princeton University of the United States from 1991 to 1994, Associate Professor and Professor of Courant Institute of Mathematical Sciences, New York University from 1994 to 1999, Professor of School of Mathematical Sciences, Peking University, and Chair Professor of the Cheung Kong Scholars Program from 2000 to 2019, Professor of Department of Mathematics and PACM of Princeton University of the United States from 1999 to 2022. He has concurrently served as Chief Scientist of Beijing Zhijian Moqi Technology Co., Ltd. since 2016, and Director and Chief Scientific Advisor of Beijing Shenshi Technology Co., Ltd. since 2018. He obtained his bachelor's degree from University of Science and Technology of China in 1982, master's degree from Computing Center of Chinese Academy of Sciences in 1985, doctor's degree from University of California, Los Angeles in 1989, and postdoctoral degree from Courant Institute of Mathematical Sciences, New York University in 1991.

Giovanni TRIA has been Independent Director of the Bank since July 2022. Mr. TRIA is an economist with more than 40 years of academic and professional experience in the fields of macroeconomics, price policies, economic development policies, business cycle and growth, public investment assessment and project evaluation, role of the institutions on the process of growth, economics of crime and economics of corruption, service sector and public sector economics. He received his degree in Law from University in Rome "La Sapienza" in 1971, then became associate professor and full professor of Political Economy at Faculty of Economics, the University of Rome Tor Vergata, where he served as Dean of the Faculty from 2016 to May 2018 until he was appointed Minister of Economic and Finance of Italy in the Conte I Cabinet and member of the IMF Board of Governors from June 2018 to September 2019. He was adviser of the Italian Ministry of Economic Development in the Draghi Cabinet from March 2021 to October 2022. Currently he is honorary professor at University of Rome Tor Vergata and since January 2022 he is President of the Foundation Enea Tech Biomedical. His past professional and academic positions include expert at the Department of Treasury and member of the "Evaluation Team of Public Investments" at the Ministry of Budget of Italy from 1987 to 1990, visiting scholar at the Department of Economics at Columbia University in 1986, consultant at the World Bank from 1998 to 2000, consultant at the Ministry of Foreign Affairs (Directorate General for Development Cooperation) from 1999 to 2002, Delegate for the Italian Government at the

Governing Body of International Labour Organization from 2002 to 2006 and from 2009 to 2012, Vice Chair of Committee for Information, Computer and Communication Policy (ICCP) and Member of the Innovation Strategy Expert Advisory Group at the Organisation for Economic Co-operation and Development (OECD) from 2009 to 2011. He served as Director of Center for Economic and International Studies at University of Rome Tor Vergata from 2000 to 2009 and as President of Italian National School of Administration from 2010 to 2016.

As stipulated in relevant domestic regulatory requirements and Rule 3.13 of the Hong Kong Listing Rules, the Bank has received the annual confirmation in writing from each independent director with regard to his independence. Based on these confirmations and relevant information in the possession of the Board of Directors, the Bank confirms their independence.

II. OVERVIEW OF ANNUAL DUTY PERFORMANCE BY INDEPENDENT DIRECTORS

i Attendance of the Shareholders' Meeting, Meetings of the Board of Directors and Special Committees

In 2022, the Bank held two extraordinary general meetings and one annual general meeting, which reviewed and approved 33 proposals and heard three reports; the Bank held 5 on-site meetings of the Board of Directors, which reviewed and approved 70 proposals including 3 proposals reviewed and approved via written resolutions, heard 24 reports and reviewed 38 documents for filing; the Bank held 35 meetings of special committees of the Board of Directors. Independent Directors' attendance of the shareholders' meeting, meetings of the Board of Directors and special committees is as follows:

Number of meetings attended in person/Number of meetings convened during term of office

Directors	Shareholders' Meetings	Meetings of the Board of Directors	Strategic Development Committee	Meetings of the Special Committees of the Board of Directors				
				Corporate Culture and Consumer Protection Committee	Audit Committee	Risk Policy Committee	Personnel and Remuneration Committee	Connected Transactions Control Committee
JIANG Guohua	3/3	7/8	4/5	3/4	5/5	–	4/5	2/3
Martin Cheung Kong LIAO	3/3	7/8	4/5	–	5/5	–	5/5	3/3
CHUI Sai Peng Jose	3/3	8/8	–	4/4	3/4	3/4	4/5	3/3
Jean-Louis EKRA	1/2	5/5	2/2	2/2	–	4/4	–	–
E Weinan	1/1	4/4	2/2	2/2	–	–	2/2	–
Giovanni TRIA	1/1	4/4	2/2	2/2	2/2	–	–	2/2

Note:

Directors who did not attend the meetings of the Board of Directors and its special committees in person have authorised other directors to attend and vote at the meetings as their proxy.

ii Operation of the Board of Directors and Special Committees

1. Operation of the Board of Directors

In 2022, the Bank's independent directors attended meetings of the Board of Directors, reviewed proposals, participated in discussions and offered their professional opinions independently, objectively and diligently, in accordance with the Articles of Association, the *Procedural Rules for Board of Directors of Bank of China Limited and the Work Rules of Independent Directors of Bank of China Limited*. In 2022, the Bank convened 8 meetings of the Board of Directors on the spot or via written resolutions. At these meetings, it reviewed and approved 70 proposals including the Bank's regular reports, the nomination of candidates for directorships, the appointment of senior management members, the issuance of bonds and profit distribution, etc. It also heard 24 reports related to the Bank's anti-money laundering work, strategic plan implementation, country risk management, green finance development and other matters.

2. Operation of the Strategic Development Committee

The Strategic Development Committee held five on-site meetings in 2022. It mainly reviewed the proposals on the *Business Plan and Financial Budget for 2022*, the *Fixed Asset Investment Budget for 2022*, the *Profit Distribution Plan for 2021*, the *2022 Operation Plan of the Inclusive Finance Department*, the *Issuance of Write-down Undated Capital Bonds*, the *Issuance of Qualified Write-down Tier 2 Capital Instruments*, the *Non-capital Bond Issuance Plan*, the *Dividend Distribution Plan of Preference Shares*, and the *Application for Special Outbound Donation Limit for Targeted Support*. It debriefed *Report on Development Plan Implementation for 2021*, *Report on Green Finance Development*, and *Report on Digital Transformation*.

Moreover, in response to changes in the international and domestic economic and financial situation, the Strategic Development Committee also stepped up its analysis of the prevailing opportunities and challenges, putting forward many important comments and recommendations regarding the Bank's efforts to implement its Development Plan, accelerating the pace of transformation, and improving the quality and efficiency of its service to the real economy, thus providing strong support to the scientific decision-making of the Board of Directors.

3. Operation of the Corporate Culture and Consumer Protection Committee

The Corporate Culture and Consumer Protection Committee held four on-site meetings in 2022. It reviewed the *2021 Corporate Social Responsibility Report (Environmental, Social and Governance)*, and debriefed the *2021 Work Report and 2022 Work Plan for Corporate Culture Building*, the *2021 Work Report and 2022 Work Plan for Consumer Protection* and *Progress Report on the Special Operation for Credit Card Business Complaints Handling*, etc. In addition, it regularly listened to reports on complaint management and consumer protection supervision and evaluation, undertook overall planning and detailed deployment of the Bank's consumer protection work, and put forward many helpful and constructive opinions and suggestions.

4. Operation of the Audit Committee

The Audit Committee held five on-site meetings in 2022. It mainly reviewed and approved the *Development Plan for Audit Work of Bank of China during the 14th Five-Year Plan Period* and the 2022 plan and financial budget for internal audit; reviewed the Bank's 2021 financial report, 2022 interim financial report and financial reports for the first and third quarters of 2022, the internal control work report for 2021 and the first half of 2022, the 2021 internal control assessment report, and the audit results on internal control and related management proposal. In addition, it heard a report on the Senior Management's response to PwC's management proposal for 2021, reports on internal audit in 2021 and the first half of 2022, the special report on IT application in audit, the 2021 report on overseas supervision information, the report on the progress of the internal control audit of PwC in 2021, updates on compliance with the principle of independence, the audit plan for 2022 of PwC, the report on asset quality in the first quarter of 2022, and the report on the prevention and control of external cases in 2021.

Moreover, in response to changes in domestic and overseas economic and financial trends, the Audit Committee paid close attention to developments in the Bank's progress towards improving business performance and cost control. The committee heard the Group risk report and the report on asset quality, among others, thus assisting the Board of Directors in performing its responsibilities and duties. It also put forward many important opinions and suggestions regarding the improvement of the corporate governance mechanism, the enhancement of internal audit independence, the advancement of IT application in audit, the upgrading of credit asset quality and the improvement of internal control measures.

5. Operation of the Risk Policy Committee

The Risk Policy Committee held five on-site meetings and two meetings via written resolutions in 2022. It mainly reviewed the Group's risk appetite statement, internal control policy, country risk management policy, market risk management policy, liquidity risk management policy, stress test management policy, trading book market risk limits, country risk rating and limits, capital adequacy ratio report, internal capital adequacy assessment report, anti-money laundering work report and stress test management report. The committee also regularly reviewed the Group's risk reports and other agendas.

In addition, the committee paid close attention to critical risk issues arising from changes in overseas and domestic economic and financial conditions, as well as the orientation of the government's macro policies and the overall overseas and domestic regulatory environment. The committee expressed important opinions and recommendations regarding improvements to the Bank's risk governance mechanism and the effective prevention and control of all kinds of risks.

The US Risk and Management Committee is established under the Risk Policy Committee. It oversees and manages all risks incurred by the Bank's institutions in the US, and performs the duties of the board of directors of the Bank's New York Branch and its special committees.

The US Risk and Management Committee currently comprises four members, all of whom are members of the Risk Policy Committee, including Non-executive Directors Ms. XIAO Lihong and Mr. HUANG Binghua, and Independent Directors Mr. CHUI Sai Peng Jose and Mr. Jean-Louis EKRA. Independent Director Mr. Jean-Louis EKRA serves as the Chair of the US Risk and Management Committee.

In 2022, the US Risk and Management Committee convened four on-site meetings and three meetings via written resolution. It regularly reviewed reports regarding the risk management and operations of all of the Bank's institutions in the US, the latest US regulatory trends and dynamics, among others. In addition, the committee reviewed and approved the relevant framework documents and important policies of all of the Bank's institutions in the US, in line with regulatory requirements.

6. Operation of the Personnel and Remuneration Committee

The Personnel and Remuneration Committee held four on-site meetings and one meeting via written resolution in 2022. The committee mainly reviewed the performance evaluation results and remuneration distribution plan for the Chairman, Executive Directors and senior management members for 2021, the 2022 implementation plan for performance evaluation of the Chairman, President and other senior management members, the appointment of Mr. HUANG Binghua as a member of various special committees of the Board of Directors, the appointment of Ms. MENG Qian as Chief Information Officer of the Bank, the nominations of Mr. Martin Cheung Kong LIAO and Mr. CHUI Sai Peng Jose to be re-appointed as Independent Non-executive Directors of the Bank, adjustment of chairs and members of the special committees of the Board of Directors, and the adjustment of the chair and members of the Corporate Culture and Consumer Protection Committee of the Board of Directors, among others.

According to the Articles of Association of the Bank, any shareholder who holds by himself or jointly with others 3% or more of the total number of voting shares of the Bank may, by submitting a written proposal to the shareholders' meeting, recommend candidates for directorships, provided the number of candidates nominated shall be in accordance with the provisions of the Articles of Association (between 5 and 17) and not exceed the number to be elected. List of candidates for directors may be recommended by the Board of Directors within the number of candidates stipulated in the Articles of Association, with reference to the diversity policy of the Bank and according to the number to be elected. The Personnel and Remuneration Committee shall undertake a preliminary review of the qualifications and experience of candidates for directorships, and refer those qualified candidates to the Board of Directors for further examination. After the Board of Directors' approval via resolution, the candidates shall be referred to the shareholders' meeting through written proposals. When directorships need to be added or filled temporarily, the Board of Directors shall raise a proposal and make a recommendation to the shareholders' meeting to elect or replace. During the reporting period, the Bank appointed directors in strict compliance with the Articles of Association.

7. Operation of the Connected Transactions Control Committee

The Connected Transactions Control Committee held three on-site meetings. It mainly reviewed and approved the report on the connected party list and other proposals. It also reviewed the report on connected transactions in 2021, proposal on Management Policy for Connected Transactions, report on the Implementation of the CBIRC's New Regulatory Rules on Connected Transactions, among others. During the reporting period, the Connected Transactions Control Committee paid constant attention to the implementation of new regulatory rules, the transmission of the Bank's policies and system development, and put forward constructive suggestions in the management of connected parties and the supervision of connected transactions.

In 2022, the Bank's independent directors attended meetings of the Board of Directors, reviewed proposals, participated in discussions and offered their professional opinions independently, objectively and diligently, in accordance with the Articles of Association, the *Procedural Rules for Board of Directors of Bank of China Limited* and the *Work Rules of Independent Directors of Bank of China Limited*.

In 2022, independent directors put forward constructive recommendations on the Bank's capital management, risk control, 14th Five-Year Plan, corporate culture building, green finance and FinTech, among others. These recommendations were adopted and diligently implemented by the Bank.

In 2022, the independent directors did not raise any objection to the resolution matters by the Board of Directors or Special Committees of the Bank.

iii Field Survey

In 2022, independent directors actively engaged in the Bank's affairs through field survey, and comprehensively knew the Bank's business development and branches' implementation of strategies of the Bank. Independent directors also made field surveys of branch offices within the jurisdiction of the Bank. During the surveys, they communicated with frontline employees to know grass-roots institutions' business operation, risk management, team building, corporate culture, and so on.

iv Training

In 2022, the Board of Directors paid significant attention to enhancing directors' expertise, with a special focus on arranging relevant training. All directors of the Bank fully observed Rule C.1.4 of the Code as well as Chinese mainland regulatory requirements, actively participating in specialised training including sessions on green finance, discussions on future modes of the financial industry, and introduction to the latest developments in anti-money laundering legislation. The Bank's directors also took it upon themselves to enhance their professional skills in various ways, including writing and publishing professional articles, attending forums and seminars, meeting with domestic and overseas regulators, and conducting on-site research exercises at the Bank's domestic and overseas branches as well as at other advanced banks.

v The Bank's Support to the Work of Independent Directors

The Bank provided various services and supports to independent directors in performing their duties, including assisting directors in research, training, communication meetings and interviews etc., and providing performance information and materials in a timely manner. In the performance of duties by independent directors, the Board of Directors, Senior Management and related staff of the Bank provided active and effective cooperation and support. In 2022, the Bank held one symposium between directors, supervisors and senior management members to help independent directors know the operation and management of the Bank more comprehensively, thereby ensuring scientific and efficient decision-making of the Board of Directors. In 2022, the Bank continued to enhance information support for independent directors, and presented 12 work reports of the management and 27 circulars of the Board of Directors, providing directors in a timely manner with relevant information on the Bank's operation and management, regulatory policy, business development and other major issues that directors were concerned about. Independent directors also requested the management to provide explanations or further information on related issues in line with the Bank's operation and management conditions, to pay attention to significant events and to put forward recommendations in due course.

III. KEY ISSUES THAT CONCERN INDEPENDENT DIRECTORS**i Connected Transactions**

The Bank's independent directors attached great importance to the management of connected transactions. In the reporting period, independent directors reviewed the affirmation of connected parties of the Bank in accordance with relevant regulations and continued to pay attention to the transmission of the Bank's connected transaction policy and the establishment of the connected transaction system via the Connected Transactions Control Committee. Independent directors also put forward constructive suggestions regarding connected transaction party management and the system establishment.

ii External Guarantee and Fund Occupation

Pursuant to the relevant provisions and requirements of CSRC, and according to the principles of justice, fairness and objectivity, the independent directors of the Bank have provided the following information regarding the Bank's external guarantee business: The guarantee business is one of the Bank's ordinary business activities approved by the PBOC and the CBIRC. The Bank has formulated specific management measures, operational processes and approval procedures in light of the risks of the guarantee business and carried out this business accordingly. The Bank's guarantee business principally comprises letters of guarantee. As at 31 December 2022, the outstanding amount of letters of guarantee issued by the Bank was RMB1,189.069 billion.

iii Use of Raised Funds

All proceeds raised from initial public offerings, allotment of shares, issuance of tier 2 capital bonds, preference shares and undated capital bonds have been fully used to replenish the Bank's capital and increase the level of its capital adequacy.

iv Nomination and Remuneration of Senior Management Members

In 2022, the Bank's Board of Directors reviewed and approved the proposal on the appointment of Ms. MENG Qian as Chief Information Officer of the Bank, etc. At the same time, according to the Bank's annual performance assessment, the Board of Directors reviewed and approved the annual remuneration distribution plan for the senior management members in 2021. Independent directors of the Bank agreed on the appointment and remuneration of senior management members of the Bank and expressed their independent opinions.

v Performance Reporting, Performance Forecast and Express on Performance

In 2022, the Bank's independent directors earnestly reviewed related performance reports with a focus on authenticity, accuracy and completeness to ensure there were no false records, misleading statements or material omissions. The Bank disclosed related performance reports in time pursuant to the requirements of the stock exchanges in the Chinese mainland and Hong Kong SAR of China. During the period, the Bank was not under any circumstance requiring issuance of performance forecast or express on performance.

vi Appointment or Change of External Auditors

Following approval by the 2021 Annual General Meeting, PricewaterhouseCoopers Zhong Tian LLP was appointed as the Bank's domestic auditor and internal control auditor for 2022, and PricewaterhouseCoopers was appointed as the Bank's international auditor for 2022.

Fees paid to PricewaterhouseCoopers and its member firms for auditing the financial statements of the Group, including those of the Bank's overseas subsidiaries and branches, were RMB182 million for the year ended 31 December 2022, of which the fees for internal control audit paid to PricewaterhouseCoopers Zhong Tian LLP totalled RMB12 million. The Bank paid RMB21.9559 million for non-auditing services to PricewaterhouseCoopers and its member firms during the year.

PricewaterhouseCoopers Zhong Tian LLP and PricewaterhouseCoopers have provided audit services to the Bank for two years. Ms. HO Shuk Ching Margarita, Mr. ZHU Yu, Mr. LI Dan are the certified public accountants who signed the auditor's report on the Bank's financial statements prepared in accordance with CAS for the year ended 31 December 2022.

vii Cash Dividends and Other Returns to Investors

At the Bank's 2021 Annual General Meeting held on 30 June 2022, a final dividend on ordinary shares for 2021 of RMB2.21 per 10 shares (before tax) was approved for payment. The A-Share and H-Share dividends were distributed to the shareholders in July and August of 2022 in accordance with relevant regulations. The distribution plan has been accomplished and the actual distributed amount for ordinary shares was approximately RMB65.060 billion (before tax). No interim dividend on ordinary shares was paid for the period ended on 30 June 2022 by the Bank. The Bank did not propose any capitalisation of the capital reserve to share capital in 2022.

At the Board meeting held on 28 October 2022, the dividend distribution plan for the Bank's Offshore Preference Shares (Second Tranche) was approved. The Bank distributed dividends on the Offshore Preference Shares (Second Tranche) on 6 March 2023. According to the issuance terms of the Bank's Offshore Preference Shares (Second Tranche), dividends on Offshore Preference Shares (Second Tranche) were paid in US dollars, with a total of approximately USD101.5 million (after tax) at an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

At the Board meeting held on 29 April 2022, the dividend distribution plans for the Bank's Domestic Preference Shares (Third and Fourth Tranche) were approved. The Bank distributed a total of RMB3.285 billion (before tax) of dividends on the Domestic Preference Shares (Third Tranche) on 27 June 2022, with an annual dividend rate of 4.50% (before tax). The Bank distributed a total of RMB1.1745 billion (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 29 August 2022, with an annual dividend rate of 4.35% (before tax). The dividend distribution plans have been accomplished.

At the Board meeting held on 29 October 2021, the dividend distribution plan for the Bank's Offshore Preference Shares (Second Tranche) was approved. The Bank distributed dividends on the Offshore Preference Shares (Second Tranche) on 4 March 2022. According to the issuance terms of the Bank's Offshore Preference Shares (Second Tranche), dividends on Offshore Preference Shares (Second Tranche) were paid in US dollars, with a total of approximately USD101.5 million (after tax) at an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

The Bank's independent directors faithfully performed their duties, expressed opinions on the above dividend distribution plans independently and performed their responsibilities effectively, so as to safeguard the interests of all investors, particularly minority investors, and protect minority shareholders' knowledge and voting rights.

viii Anti-money Laundering

Independent directors attached great importance to AML. In 2022, the Bank spared no effort in AML by continuously improving governance structure and policies & procedures, increasing input of resources, optimizing monitoring system and strengthening training and assessment, so as to ensure AML management can fully match with the Group's development strategy, operation scale and business complexity.

ix Fulfillment of Commitments of the Company and Shareholders

Central Huijin Investment Limited (Hereafter referred to as "Huijin"), a controlling shareholder of the Bank, made a "non-competing commitment" when the Bank launched its IPO. As of December 31, 2022, Huijin has strictly observed and has not breach such undertaking.

x Implementation of Information Disclosure

The Bank strictly adhered to the principles of truthfulness, accuracy, completeness, conciseness and clarity, focused on the demands of investors, and continually took steps to increase the pertinence and effectiveness of information disclosure so as to enhance information transparency, with an average of over 360 documents disclosed each year. The Bank has established a comprehensive and systemic information disclosure policy system, putting in place clear specifications regarding information disclosure standards and their scope of application; the responsibilities and division of work of all parties concerned; compilation and disclosure procedures, and internal monitoring and punitive measures. It conducted timely reexamination of various types of policy documents in accordance with changes in regulatory rules during the year. Moreover, the Bank actively promoted voluntary information disclosure to respond to market concerns. In 2022, with an emphasis on issues of critical interest to the capital markets, including serving the real economy, helping to stabilise the economy, its ESG development philosophy, and progress in its implementation of the “One Mainstay, Two Engines” and “Eight Priority Areas for Enhancing Financial Services Capabilities” strategies, it actively enhanced voluntary information disclosure and responded to market concerns through regular reports and provisional announcements, thus increasing the transparency of information and realising more efficient communication with capital markets. Furthermore, the Bank reinforced the information disclosure responsibility system and information correspondent mechanism, and promoted the building of a professional team and a strong compliance culture with regard to information disclosure, so as to make its information disclosure management more proactive and forward-looking. It also carried out the registration and submission of insider information according to relevant regulatory requirements and the Bank’s rules.

xi Execution of Risk Management and Internal Control

The Board of Directors of the Bank considers a sound risk management system and continuous improvement of the independence, expertise, foresight, and initiative of its risk management function to be the basic prerequisite of realising the Bank’s strategic goals, ensuring the sound and sustainable development of its banking businesses and creating greater value for shareholders.

According to regulatory rules and internal management requirements, the Senior Management submits important risk management policies, rules and procedures to the Board of Directors and Risk Policy Committee for review and approval. The Risk Policy Committee regularly reviews the Group’s overall risk status (covering major risk categories such as credit risk, market risk, operational risk, liquidity risk, legal and compliance risk and reputational risk) and upcoming work plan, and puts forward corresponding work requirements.

The Board of Directors and its Risk Policy Committee have acknowledged the comprehensive effectiveness of the existing risk management system of the Bank based on their close monitoring and quarterly evaluation of the system’s effectiveness.

The Board of Directors attached great importance to the Group’s far-reaching internal control system and continued to promote its development. It regularly heard and reviewed Senior Management reports concerning the implementation of the Guidelines on Internal Control of Commercial Banks, bank-wide operational management, risk management, fraud case management and internal control system development and assessment, thus earnestly assuming its responsibility to deliver and optimise a sound and effective internal control function.

The Audit Committee under the Board of Directors closely monitored the changing economic and financial environment at home and abroad, as well as the overall conditions of the Group’s internal control function, including the establishment and operation of its internal control systems for both financial reporting and non-financial reporting. In addition, the committee heard and reviewed, on a regular and ad hoc basis, internal audit reports and assessment opinions on internal control, reports on the progress of internal control improvements and remediation suggested by external auditors, as well as the overall situation regarding the prevention, control and redress of fraud cases and risk events.

During the reporting period, the Bank performed self-assessment on internal control in line with the *Basic Standard for Enterprise Internal Control* and its supporting guidelines. No material deficiencies were identified in the internal control systems for both the financial reporting and non-financial reporting of the Bank. PricewaterhouseCoopers Zhong Tian LLP, as the Bank’s external auditor for internal control, audited the effectiveness of the Bank’s internal controls over financial reporting and issued a standard unqualified opinion. The *2022 Internal Control Assessment Report of Bank of China Limited* and the *2022 Auditor’s Report on Internal Control* issued by PricewaterhouseCoopers Zhong Tian LLP have been published on the websites of the SSE, the HKEX and the Bank.

xii Other Items that the Independent Directors Think the Listed Companies Need to Improve

The independent directors of the Bank affirmed and agreed with the Bank’s implementation of development strategies and operating management, and suggested that the Board of Directors should further strengthen its focus on technology foundation, data governance and regulatory trends.

IV. OVERALL ASSESSMENT AND SUGGESTIONS

In 2022, the Bank's independent directors diligently, duly and actively performed their duties in accordance with relevant laws, regulations, and the provisions of the Articles of Association of the Bank, effectively enhancing the scientific decision-making of the Board of Directors and its special committees and protecting the interests of the Bank and all its shareholders, including minority shareholders.

In 2023, independent directors will further strengthen their capacity of duty performance, and continue to carefully, earnestly, diligently and faithfully fulfill their duties. They will safeguard the legitimate rights and interests of the Bank and its shareholders, including minority shareholders, and make bigger contributions to the Bank.

Independent Directors of Bank of China Limited
JIANG Guohua, Martin Cheung Kong LIAO, CHUI Sai Peng Jose
Jean-Louis EKRA, E Weinan, Giovanni TRIA

**REPORT ON THE IMPLEMENTATION OF THE
SCHEME ON THE AUTHORIZATION TO
THE BOARD OF DIRECTORS GRANTED BY THE
SHAREHOLDERS' MEETING OF BANK OF CHINA LIMITED FOR 2022**

Pursuant to Article 45 of the *Scheme on the Authorization to the Board of Directors Granted by the Shareholders' Meeting of Bank of China Limited* (hereinafter referred to as "**the Scheme**"), the report on the implementation of the Scheme in 2022 is presented as follows:

After conducting self-examination on the implementation of the Scheme, conclusion is drawn that, in 2022, the Board of Directors strictly followed the requirements in the Scheme, made scientific and prudent decisions within the authority defined in the Scheme, carefully performed its duties, and never exceeded its power of approval. The authorization to the Board of Directors granted by the Shareholders' Meeting can meet the work needs in general, and the Scheme was well implemented.

It is hereby reported.

Reported by: Board of Directors of Bank of China Limited