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

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

**(the "Bank")**

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

## **Report for the First Quarter ended 31 March 2023**

The Board of Directors (the "Board") of the Bank is pleased to announce the unaudited results of the Bank and its subsidiaries (the "Group") for the first quarter ended 31 March 2023. This announcement is made by the Bank pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited*.

## I. MAJOR FINANCIAL DATA

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

Unit: RMB million (unless otherwise stated)

Items	Three-month period ended 31 March 2023		Change (%)
Operating income	166,217		11.82
Profit for the period	61,725		2.53
Profit attributable to equity holders of the Bank	57,663		0.50
Net cash flows from operating activities	488,759		N/A
Basic earnings per share (RMB) <sup>1</sup>	0.19		0.38
Diluted earnings per share (RMB) <sup>1</sup>	0.19		0.38
Return on average equity (%) <sup>1</sup>	11.14		Down by 0.85 percentage point
Items	As at 31 March 2023	As at 31 December 2022	Change (%)
Total assets	30,385,693	28,893,548	5.16
Capital and reserves attributable to equity holders of the Bank	2,476,898	2,423,973	2.18

Notes:

- 1 The impact of annualised preference shares dividends and perpetual bonds interest declared in the current reporting period has been considered in the calculation of the above indicators.
- 2 IFRS 17 Insurance Contracts was adopted from 1 January 2023. Please refer to III.3.3.

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

For the three-month period ended 31 March 2023, the Group’s net cash flows from operating activities was an inflow of RMB488.759 billion, as compared to an outflow of RMB324.893 billion in the same period of the prior year. This was mainly attributable to the Bank’s effort in increasing customer deposit to support its asset business development.

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

There are no differences in the Group’s operating results for the three-month period ended 31 March 2023 and 2022 or the total equity as at 31 March 2023 and as at 31 December 2022 presented in the Group’s consolidated financial statements prepared under IFRS and those prepared under CAS.

## II. SHAREHOLDERS INFORMATION

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

**2.1.1 Number of ordinary shareholders as at 31 March 2023: 642,802 (including 471,901 A-Share Holders and 170,901 H-Share Holders)**

**2.1.2 Top ten ordinary shareholders as at 31 March 2023**

Unit: Share

No.	Name of ordinary shareholder	Number of shares held as at the end of the reporting period	Percentage of total ordinary shares	Number of shares subject to selling restrictions	Number of shares pledged, labelled or frozen	Type of shareholder	Type of ordinary shares
1	Central Huijin Investment Ltd.	188,461,533,607	64.02%	–	None	State	A
2	HKSCC Nominees Limited	81,755,721,570	27.77%	–	Unknown	Foreign legal person	H
3	China Securities Finance Co., Ltd.	7,941,164,885	2.70%	–	None	State-owned legal person	A
4	Central Huijin Asset Management Ltd.	1,810,024,500	0.61%	–	None	State-owned legal person	A
5	HKSCC Limited	1,501,431,475	0.51%	–	None	Foreign legal person	A
6	MUFG Bank, Ltd.	520,357,200	0.18%	–	Unknown	Foreign legal person	H
7	China Pacific Life Insurance Co., Ltd. — China Pacific Life Insurance Dividend Equity Portfolio (Traditional) with management of Changjiang Pension Insurance Co., Ltd.	333,000,000	0.11%	–	None	Other	A
8	China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH	319,556,511	0.11%	–	None	Other	A
9	Huaxia Life Insurance Co., Ltd. — Self-owned Fund	138,653,303	0.05%	–	None	Domestic non-state-owned legal person	A
10	Everbright Securities Company Limited	107,699,200	0.04%	–	None	State-owned legal person	A

Notes:

- The number of shares held by H-Share Holders was recorded in the register of members kept at the H-Share Registrar of the Bank.
- The number of shares held by HKSCC Nominees Limited is the aggregate number of the Bank's H Shares it held as the nominee for all the institutional and individual investors that maintained accounts with it as at 31 March 2023.
- Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.
- The number of shares held by HKSCC Limited is the aggregate number of the Bank's A Shares it held as a nominee holder who holds securities on behalf of others, including the number of SSE-listed securities acquired by Hong Kong SAR and overseas investors through Shanghai-Hong Kong Stock Connect.
- Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned ordinary shareholders.

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

### 2.2.1 Number of preference shareholders as at 31 March 2023: 71 (including 70 domestic preference shareholders and 1 offshore preference shareholder)

### 2.2.2 Top ten preference shareholders as at 31 March 2023

Unit: Share

No.	Name of preference shareholder	Number of shares held as at the end of the reporting period	Percentage of total preference shares	Number of shares pledged or frozen	Type of shareholder	Type of preference shares
1	Bosera Fund — ICBC — Bosera — ICBC — Flexible Allocation No. 5 Specific Multi-customer Assets Management Plan	200,000,000	16.70%	None	Other	Domestic Preference Shares
2	The Bank of New York Mellon Corporation	197,865,300	16.52%	Unknown	Foreign legal person	Offshore Preference Shares
3	Hwabao Trust Co., Ltd. — Hwabao Trust — Baofu Investment No.1 Collective Capital Trust Plan	136,065,000	11.36%	None	Other	Domestic Preference Shares
4	CCB Trust Co., Ltd. — “Qian Yuan — Ri Xin Yue Yi” Open-ended Wealth Management Single Fund Trust	112,000,000	9.35%	None	Other	Domestic Preference Shares
5	China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH	70,000,000	5.84%	None	Other	Domestic Preference Shares
6	Jiangsu International Trust Corporation Limited — JSITC — He Xiang Tian Li No.1 Collective Capital Trust Plan	54,540,000	4.55%	None	Other	Domestic Preference Shares
7	BOCOM Schroder Asset Management — BOCOM — BOCOM Schroder Asset Management Zhuoyuan No.2 Collective Asset Management Plan	54,400,000	4.54%	None	Other	Domestic Preference Shares
8	Postal Savings Bank of China Co., Ltd.	40,000,000	3.34%	None	State-owned legal person	Domestic Preference Shares
9	Shanghai Tobacco Group Co., Ltd.	30,000,000	2.50%	None	State-owned legal person	Domestic Preference Shares
9	Ping An Life Insurance Company of China — universal — individual universal insurance	30,000,000	2.50%	None	Other	Domestic Preference Shares

Notes:

- 1 The Bank of New York Mellon Corporation, acting as the custodian for all the offshore preference shareholders that maintained accounts with Euroclear and Clearstream as at 31 March 2023, held 197,865,300 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.
- 2 As at 31 March 2023, “China Life Insurance Company Limited — traditional — general insurance product — 005L — CT001SH” was one of both the Bank’s top ten ordinary shareholders and top ten preference shareholders.
- 3 Save as disclosed above, the Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank’s top ten ordinary shareholders.

### III. OTHER SIGNIFICANT INFORMATION

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

During the first quarter of 2023, the Group achieved a profit for the period of RMB61.725 billion and a profit attributable to equity holders of the Bank of RMB57.663 billion, an increase of 2.53% and 0.50% respectively compared with the same period of 2022. Return on average total assets (ROA) was 0.83%, and return on average equity (ROE) was 11.14%. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 11.63%, 13.79% and 17.53% respectively.

##### ***3.1.1 The principal components of the Group's consolidated income statement for the three-month period ended 31 March 2023 were as follows:***

1. The Group's net interest income amounted to RMB117.334 billion, representing an increase of RMB7.688 billion or 7.01% compared with the same period of 2022. The net interest margin was 1.70%.
2. The Group's non-interest income amounted to RMB48.883 billion, representing an increase of RMB9.887 billion or 25.35% compared with the same period of 2022. Non-interest income represented 29.41% of the total operating income. Particularly, net fee and commission income amounted to RMB26.332 billion, a decrease of RMB0.212 billion or 0.80% compared with the same period of 2022. Other non-interest income amounted to RMB22.551 billion, an increase of RMB10.099 billion or 81.10% compared with the same period of 2022.
3. The Group's operating expenses amounted to RMB53.647 billion, an increase of RMB8.276 billion or 18.24% compared with the same period of 2022. The cost to income ratio (calculated under domestic regulations) was 24.63%.
4. The Group's impairment losses on assets<sup>1</sup> amounted to RMB33.060 billion, an increase of RMB3.361 billion or 11.32% compared with the same period of 2022. The Group reported non-performing loans RMB218.401 billion, and the ratio of non-performing loans to total loans was 1.18%, a decrease of 0.14 percentage point compared with the prior year-end. The ratio of allowance for loan impairment losses to non-performing loans was 202.56%, an increase of 13.83 percentage points compared with the prior year-end.

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<sup>1</sup> Impairment losses on assets includes credit impairment losses and impairment losses on other assets.

### **3.1.2 The principal components of the Group's financial position as at 31 March 2023 were as follows:**

The Group's total assets amounted to RMB30,385.693 billion, an increase of RMB1,492.145 billion or 5.16% compared with the prior year-end. Total liabilities amounted to RMB27,768.069 billion, an increase of RMB1,437.822 billion or 5.46% compared with the prior year-end.

1. The Group's due to customers amounted to RMB21,918.116 billion, an increase of RMB1,716.291 billion or 8.50% compared with the prior year-end. Particularly, domestic RMB-denominated deposits amounted to RMB17,033.815 billion, an increase of RMB1,462.204 billion or 9.39% compared with the prior year-end.
2. The Group's loans and advances to customers amounted to RMB18,581.729 billion, an increase of RMB1,028.968 billion or 5.86% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB15,123.885 billion, an increase of RMB888.129 billion or 6.24% compared with the prior year-end.
3. The Group's financial investments amounted to RMB6,570.550 billion, an increase of RMB135.306 billion or 2.10% compared with the prior year-end. The RMB-denominated investments amounted to RMB5,058.719 billion, an increase of RMB52.541 billion or 1.05% compared with the prior year-end. Foreign currency-denominated investments amounted to USD220.008 billion, an increase of USD14.818 billion or 7.22% compared with the prior year-end.

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

The Board considered and approved the dividend distribution plan for the Bank's Offshore Preference Shares (Second Tranche) on 28 October 2022. The Bank distributed a total of approximately USD101.5 million (after tax) of dividends on the Offshore Preference Shares (Second Tranche) on 6 March 2023, with an annual dividend rate of 3.60% (after tax). The dividend distribution plan has been accomplished.

### **3.3 Other significant events**

The International Accounting Standards Board ("IASB") issued IFRS 17 Insurance Contracts in May 2017, and the Amendments to IFRS 17 in June 2020 and December 2021 respectively (together "IFRS 17"). The Bank changed its accounting policy due to the implementation of the new accounting standards issued by the IASB. The policy change has been approved by the Board which complies with relevant laws, regulations, and requirements of the *Articles of Association of Bank of China Limited*. The Bank adopted IFRS 17 from 1 January 2023 and restated the comparative figures for the previous period starting from 1 January 2022. The adoption of IFRS 17 does not have a material impact on the Group's financial position and operating results. Please refer to the Announcement for Accounting Policy Changes for details.

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

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

##### Consolidated Income Statement

Unit: RMB million

	<b>For the three-month period ended 31 March</b>	
	<b>2023</b> (unaudited)	<b>2022</b> (restated)
Interest income	249,040	205,905
Interest expense	(131,706)	(96,259)
<b>Net interest income</b>	<b>117,334</b>	<b>109,646</b>
Fee and commission income	29,526	29,146
Fee and commission expense	(3,194)	(2,602)
<b>Net fee and commission income</b>	<b>26,332</b>	<b>26,544</b>
Net trading gains	12,476	1,622
Net (losses)/gains on transfers of financial asset	(718)	1,076
Other operating income	10,793	9,754
<b>Operating income</b>	<b>166,217</b>	<b>148,642</b>
Operating expenses	(53,647)	(45,371)
Credit impairment losses	(33,037)	(29,696)
Impairment losses on other assets	(23)	(3)
<b>Operating profit</b>	<b>79,510</b>	<b>73,572</b>
Share of results of associates and joint ventures	(229)	110
<b>Profit before income tax</b>	<b>79,281</b>	<b>73,682</b>
Income tax expense	(17,556)	(13,481)
<b>Profit for the period</b>	<b>61,725</b>	<b>60,201</b>
<b>Attributable to:</b>		
Equity holders of the Bank	57,663	57,377
Non-controlling interests	4,062	2,824
	<b>61,725</b>	<b>60,201</b>
Earnings per share (in RMB)		
— Basic	0.19	0.19
— Diluted	0.19	0.19

## Consolidated Statement of Comprehensive Income

Unit: RMB million

	<b>For the three-month period ended 31 March</b>	
	<b>2023</b> (unaudited)	<b>2022</b> (restated)
<b>Profit for the period</b>	<b>61,725</b>	<b>60,201</b>
<b>Other comprehensive income:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
— Actuarial gains on defined benefit plans	32	16
— Changes in fair value on equity instruments designated at fair value through other comprehensive income	736	(45)
Subtotal	768	(29)
<b>Items that may be reclassified to profit or loss</b>		
— Changes in fair value on debt instruments measured at fair value through other comprehensive income	2,023	(13,242)
— Allowance for credit losses on debt instruments measured at fair value through other comprehensive income	84	(68)
— Exchange differences from the translation of foreign operations	(7,406)	(2,872)
— Other	(294)	2,472
Subtotal	(5,593)	(13,710)
<b>Other comprehensive income for the period, net of tax</b>	<b>(4,825)</b>	<b>(13,739)</b>
<b>Total comprehensive income for the period</b>	<b>56,900</b>	<b>46,462</b>
<b>Total comprehensive income attributable to:</b>		
Equity holders of the Bank	54,802	45,885
Non-controlling interests	2,098	577
	<b>56,900</b>	<b>46,462</b>



## Consolidated Statement of Financial Position

Unit: RMB million

	<b>As at 31 March 2023</b> (unaudited)	<b>As at 31 December 2022</b> (restated)
<b>ASSETS</b>		
Cash and due from banks and other financial institutions	751,298	815,063
Balances with central banks	2,444,243	2,313,859
Placements with and loans to banks and other financial institutions	1,485,129	1,174,097
Government certificates of indebtedness for bank notes issued	194,402	196,497
Precious metals	92,268	130,215
Derivative financial assets	123,328	152,033
Loans and advances to customers, net	18,139,672	17,116,005
Financial investments	6,570,550	6,435,244
— financial assets at fair value through profit or loss	647,373	613,105
— financial assets at fair value through other comprehensive income	2,608,298	2,500,216
— financial assets at amortised cost	3,314,879	3,321,923
Investments in associates and joint ventures	38,237	38,304
Property and equipment	222,054	226,776
Construction in process	19,411	19,613
Investment properties	23,267	23,311
Deferred income tax assets	66,487	71,139
Other assets	215,347	181,392
<b>Total assets</b>	<b>30,385,693</b>	<b>28,893,548</b>

## Consolidated Statement of Financial Position (continued)

Unit: RMB million

	<b>As at 31 March 2023</b> (unaudited)	<b>As at 31 December 2022</b> (restated)
<b>LIABILITIES</b>		
Due to banks and other financial institutions	2,196,050	2,240,323
Due to central banks	965,630	915,858
Bank notes in circulation	194,231	196,903
Placements from banks and other financial institutions	320,751	466,335
Financial liabilities held for trading	46,261	53,868
Derivative financial liabilities	111,354	135,838
Due to customers	21,918,116	20,201,825
Bonds issued	1,454,034	1,540,935
Other borrowings	21,582	24,905
Current tax liabilities	45,072	58,957
Retirement benefit obligations	1,770	1,842
Deferred income tax liabilities	7,340	6,804
Other liabilities	485,878	485,854
<b>Total liabilities</b>	<b>27,768,069</b>	<b>26,330,247</b>
<b>EQUITY</b>		
<b>Capital and reserves attributable to equity holders of the Bank</b>		
Share capital	294,388	294,388
Other equity instruments	369,505	369,505
Preference shares	119,550	119,550
Perpetual bonds	249,955	249,955
Capital reserve	135,778	135,759
Other comprehensive income	2,632	5,505
Statutory reserves	235,524	235,362
General and regulatory reserves	337,898	337,465
Undistributed profits	1,101,173	1,045,989
	<b>2,476,898</b>	<b>2,423,973</b>
<b>Non-controlling interests</b>	<b>140,726</b>	<b>139,328</b>
<b>Total equity</b>	<b>2,617,624</b>	<b>2,563,301</b>
<b>Total equity and liabilities</b>	<b>30,385,693</b>	<b>28,893,548</b>

**GE Haijiao**  
*Director*

**LIU Jin**  
*Director*

## Consolidated Statement of Cash Flows

Unit: RMB million

	<b>For the three-month period ended 31 March</b>	
	<b>2023</b> (unaudited)	<b>2022</b> (restated)
<b>Cash flows from operating activities</b>		
Profit before income tax	79,281	73,682
Adjustments:		
Impairment losses on assets	33,060	29,699
Depreciation of property and equipment and right-of-use assets	5,540	5,409
Amortisation of intangible assets and other assets	1,759	1,582
Net gains on disposals of property and equipment, intangible assets and other long-term assets	(81)	(55)
Net gains on disposals of investments in subsidiaries, associates and joint ventures	–	(10)
Share of results of associates and joint ventures	229	(110)
Interest income arising from financial investments	(44,935)	(39,034)
Dividends arising from investment securities	(56)	(57)
Net losses/(gains) on financial investments	746	(692)
Interest expense arising from bonds issued	11,101	10,878
Accreted interest on impaired loans	(236)	(198)
Interest expense arising from lease liabilities	171	178
Net changes in operating assets and liabilities:		
Net increase in balances with central banks	(168,880)	(196,667)
Net decrease in due from and placements with and loans to banks and other financial institutions	80,159	98,149
Net decrease/(increase) in precious metals	37,924	(23,535)
Net increase in loans and advances to customers	(1,049,648)	(806,762)
Net decrease/(increase) in other assets	16,047	(62,907)
Net decrease in due to banks and other financial institutions	(46,301)	(112,711)
Net increase/(decrease) in due to central banks	48,301	(195,089)
Net decrease in placements from banks and other financial institutions	(146,236)	(154,147)
Net increase in due to customers	1,718,645	1,034,490
Net decrease in other borrowings	(3,323)	(2,784)
Net (decrease)/increase in other liabilities	(55,781)	18,893
Cash inflow/(outflow) from operating activities	517,486	(321,798)
Income tax paid	(28,727)	(3,095)
Net cash inflow/(outflow) from operating activities	<b>488,759</b>	<b>(324,893)</b>

## Consolidated Statement of Cash Flows (continued)

Unit: RMB million

	<b>For the three-month period ended 31 March</b>	
	<b>2023</b> (unaudited)	<b>2022</b> (restated)
<b>Cash flows from investing activities</b>		
Proceeds from disposals of property and equipment, intangible assets and other long-term assets	867	564
Proceeds from disposals of investments in subsidiaries, associates and joint ventures	–	17
Dividends received	77	227
Interest income received from financial investments	40,543	34,890
Proceeds from disposals/maturities of financial investments	687,372	807,767
Increase in investments in subsidiaries, associates and joint ventures	(225)	(1,417)
Purchase of property and equipment, intangible assets and other long-term assets	(4,230)	(1,926)
Purchase of financial investments	(901,625)	(794,373)
Net cash (outflow)/inflow from investing activities	<b>(177,221)</b>	<b>45,749</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of bonds	197,335	314,097
Proceeds from capital contribution by non-controlling shareholders	63	90
Repayments of debts issued	(280,302)	(242,881)
Cash payments for interest on bonds issued	(4,674)	(2,481)
Dividend and interest payments to other equity instrument holders	(1,876)	(2,529)
Dividend payments to non-controlling shareholders	(763)	(731)
Cash payments for other financing activities	(408)	(654)
Net cash (outflow)/inflow from financing activities	<b>(90,625)</b>	<b>64,911</b>
Effect of exchange rate changes on cash and cash equivalents	(10,443)	(11,150)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>210,470</b>	<b>(225,383)</b>
Cash and cash equivalents at beginning of the period	2,091,466	1,975,631
Cash and cash equivalents at end of the period	<b>2,301,936</b>	<b>1,750,248</b>

## V. QUARTERLY REPORT

This announcement is simultaneously available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and that of the Bank at [www.boc.cn](http://www.boc.cn). The 2023 first quarter report prepared in accordance with CAS is also available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and that of the Bank at [www.boc.cn](http://www.boc.cn).

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

Beijing, PRC  
28 April 2023

*As at the date of this announcement, 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*

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

### I. Capital Adequacy Ratio

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

Unit: RMB million, except percentages

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>
Net common equity tier 1 capital	2,043,370	1,991,342
Net tier 1 capital	2,424,519	2,372,990
Net capital	3,081,249	2,946,471
Common equity tier 1 capital adequacy ratio	11.63%	11.84%
Tier 1 capital adequacy ratio	13.79%	14.11%
Capital adequacy ratio	17.53%	17.52%

### II. Leverage Ratio

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

Unit: RMB million, except percentages

	<b>As at 31 March 2023</b>	<b>As at 31 December 2022</b>	<b>As at 30 September 2022</b>	<b>As at 30 June 2022</b>
Net tier 1 capital	2,424,519	2,372,990	2,326,289	2,262,948
Adjusted on- and off-balance sheet exposures	32,512,144	31,001,982	30,606,909	29,870,557
Leverage ratio	7.46%	7.65%	7.60%	7.58%

### III. Liquidity Coverage Ratio

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

#### Regulatory requirements of liquidity coverage ratio

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

#### The Group’s liquidity coverage ratio

Since 2017, the Group measured the LCR on a day-to-day consolidated basis<sup>2</sup>. In the first quarter of 2023, the Group measured 90-day LCR on this basis, with average ratio<sup>3</sup> standing at 135.17%, representing an increase of 1.63 percentage points over the previous quarter, which was primarily due to the decrease in the net cash outflows.

	2023	2022		
	Quarter ended 31 March	Quarter ended 31 December	Quarter ended 30 September	Quarter ended 30 June
Average value of LCR	<u>135.17%</u>	<u>133.54%</u>	<u>127.90%</u>	<u>132.59%</u>

### III. Liquidity Coverage Ratio (continued)

The Group's average values<sup>3</sup> of consolidated LCR individual line items in the first quarter of 2023 are as follows:

Unit: RMB million, except percentages

No.		<b>Total unweighted value</b>	<b>Total weighted value</b>
<b>High-quality liquid assets</b>			
1	Total high-quality liquid assets (HQLA)		<u>4,774,829</u>
<b>Cash outflows</b>			
2	Retail deposits and deposits from small business customers, of which:	10,257,702	738,072
3	Stable deposits	5,620,803	274,382
4	Less stable deposits	4,636,899	463,690
5	Unsecured wholesale funding, of which:	10,579,819	3,975,358
6	Operational deposits (excluding those generated from correspondent banking activities)	5,562,057	1,368,149
7	Non-operational deposits (all counterparties)	4,906,090	2,495,537
8	Unsecured debts	111,672	111,672
9	Secured funding		1,140
10	Additional requirements, of which:	3,344,194	2,041,415
11	Outflows related to derivative exposures and other collateral requirements	1,923,440	1,923,440
12	Outflows related to loss of funding on debt products	-	-
13	Credit and liquidity facilities	1,420,754	117,975
14	Other contractual funding obligations	84,010	84,010
15	Other contingent funding obligations	3,843,295	115,913
<b>16</b>	<b>Total cash outflows</b>		<u>6,955,908</u>
<b>Cash inflows</b>			
17	Secured lending (including reverse repos and securities borrowing)	497,810	399,171
18	Inflows from fully performing exposures	1,637,130	1,014,643
19	Other cash inflows	2,069,660	2,006,598
<b>20</b>	<b>Total cash inflows</b>	<u>4,204,600</u>	<u>3,420,412</u>
			<b>Total adjusted value</b>
<b>21</b>	<b>Total HQLA</b>		4,774,829
<b>22</b>	<b>Total net cash outflows</b>		<u>3,535,496</u>
<b>23</b>	<b>Liquidity coverage ratio</b>		<u>135.17%</u>



### III. Liquidity Coverage Ratio (continued)

Notes:

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