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中國銀行股份有限公司
BANK OF CHINA LIMITED

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

(the "Bank")

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

Report for the Third Quarter ended 30 September 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 third quarter ended 30 September 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 30 September 2023	Three-month period ended 30 September 2022		Change (%)	Nine-month period ended 30 September 2023	Nine-month period ended 30 September 2022		Change (%)
		Before restatement	Restated	Restated		Before restatement	Restated	Restated
Operating income	151,225	154,325	146,196	3.44	470,932	467,936	439,718	7.10
Profit for the period	58,815	56,714	56,547	4.01	186,503	181,017	180,102	3.55
Profit attributable to equity holders of the Bank	54,763	53,157	53,015	3.30	174,858	173,081	172,180	1.56
Net cash flows from operating activities	N/A	N/A	N/A	N/A	486,159	(313,367)	(324,855)	N/A
Basic and diluted earnings per share (RMB)	0.19	0.18	0.18	3.30	0.55	0.56	0.55	0.04
Return on average equity (%)	9.82	10.39	10.38	Down by 0.56 percentage point	10.37	11.19	11.14	Down by 0.77 percentage point
Items	As at 30 September 2023	As at 31 December 2022		Change (%)				
		Before restatement	Restated	Restated				
Total assets	31,764,820		28,913,857	28,893,548	9.94			
Capital and reserves attributable to equity holders of the Bank	2,565,509		2,427,589	2,423,973	5.84			

Notes:

- 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.
- 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 nine-month period ended 30 September 2023, the Group’s net cash flows from operating activities was an inflow of RMB486.159 billion, as compared to an outflow of RMB324.855 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 assets growth.

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

There were no differences in the Group’s operating results for the nine-month period ended 30 September 2023 and 30 September 2022 or the total equity as at 30 September 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 30 September 2023: 645,077 (including 475,943 A-Share Holders and 169,134 H-Share Holders)

2.1.2 Top ten ordinary shareholders as at 30 September 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	81,743,246,980	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	1,550,455,258	0.53%	–	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	Industrial and Commercial Bank of China Limited – Huatai Bairui CSI 300 ETF	136,415,769	0.05%	–	None	Other	A
9	Abu Dhabi Investment Authority	122,919,917	0.04%	–	None	Foreign legal person	A
10	Huaxia Life Insurance Co., Ltd. – Self-owned Fund	118,745,526	0.04%	–	None	Domestic non-state-owned legal person	A

Notes:

- 1 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.
- 2 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 30 September 2023.
- 3 Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd.
- 4 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.
- 5 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 30 September 2023: 69 (including 68 domestic preference shareholders and 1 offshore preference shareholder)

2.2.2 Top ten preference shareholders as at 30 September 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 30 September 2023, held 197,865,300 Offshore Preference Shares, representing 100% of the Offshore Preference Shares.
- 2 The Bank is not aware of any connected relation or concerted action among the aforementioned preference shareholders, or among the aforementioned preference shareholders and the Bank’s top ten ordinary shareholders.

III. OTHER SIGNIFICANT INFORMATION

3.1 Summary of analysis on overall operating activities

During the first three quarters of 2023, the Group achieved a profit for the period of RMB186.503 billion and a profit attributable to equity holders of the Bank of RMB174.858 billion, an increase of 3.55% and 1.56% respectively compared with the same period of 2022. Return on average total assets (ROA) was 0.82%, and return on average equity (ROE) was 10.37%. The common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 11.41%, 13.64% and 17.30% respectively.

3.1.1 The principal components of the Group's consolidated income statement for the nine-month period ended 30 September 2023 were as follows:

1. The Group's net interest income amounted to RMB352.972 billion, representing an increase of RMB10.991 billion or 3.21% compared with the same period of 2022. The net interest margin was 1.64%.
2. The Group's non-interest income amounted to RMB117.960 billion, representing an increase of RMB20.223 billion or 20.69% compared with the same period of 2022. Non-interest income represented 25.05% of the total operating income. Particularly, net fee and commission income amounted to RMB63.173 billion, an increase of RMB2.250 billion or 3.69% compared with the same period of 2022. Other non-interest income amounted to RMB54.787 billion, an increase of RMB17.973 billion or 48.82% compared with the same period of 2022.
3. The Group's operating expenses amounted to RMB156.823 billion, an increase of RMB18.906 billion or 13.71% compared with the same period of 2022. The cost to income ratio (calculated under domestic regulations) was 26.98%.
4. The Group's impairment losses on assets¹ amounted to RMB91.103 billion, an increase of RMB8.379 billion or 10.13% compared with the same period of 2022. The Group reported non-performing loans RMB250.188 billion, and the ratio of non-performing loans to total loans was 1.27%, a decrease of 0.05 percentage point compared with the prior year-end. The ratio of allowance for loan impairment losses to non-performing loans was 195.18%, an increase of 6.45 percentage points compared with the prior year-end.

¹ 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 30 September 2023 were as follows:

The Group's total assets amounted to RMB31,764.820 billion, an increase of RMB2,871.272 billion or 9.94% compared with the prior year-end. Total liabilities amounted to RMB29,074.713 billion, an increase of RMB2,744.466 billion or 10.42% compared with the prior year-end.

1. The Group's due to customers amounted to RMB22,689.045 billion, an increase of RMB2,487.220 billion or 12.31% compared with the prior year-end. Particularly, domestic RMB-denominated deposits amounted to RMB17,709.096 billion, an increase of RMB2,137.485 billion or 13.73% compared with the prior year-end.
2. The Group's loans and advances to customers amounted to RMB19,747.492 billion, an increase of RMB2,194.731 billion or 12.50% compared with the prior year-end. Particularly, domestic RMB-denominated loans amounted to RMB16,229.365 billion, an increase of RMB1,993.609 billion or 14.00% compared with the prior year-end.
3. The Group's financial investments amounted to RMB6,873.378 billion, an increase of RMB438.134 billion or 6.81% compared with the prior year-end. The RMB-denominated investments amounted to RMB5,218.918 billion, an increase of RMB212.740 billion or 4.25% compared with the prior year-end. Foreign currency-denominated investments amounted to USD230.433 billion, an increase of USD25.243 billion or 12.30% compared with the prior year-end.

3.2 Implementation of cash dividend policy during the reporting period

The Board of Directors of the Bank considered and approved the dividend distribution plan for the Bank's Domestic Preference Shares (Fourth Tranche) on 28 April 2023. The Bank distributed a total of RMB1.1745 billion (before tax) of dividends on the Domestic Preference Shares (Fourth Tranche) on 29 August 2023, with an annual dividend rate of 4.35% (before tax). The dividend distribution plan has been accomplished.

A cash dividend of RMB2.32 per ten ordinary shares (before tax) in respect of the profit for the year ended 31 December 2022 amounting to RMB68,298 million (before tax) was approved at the Annual General Meeting held on 30 June 2023. Such cash dividend was distributed on 17 July 2023 and 4 August 2023 after the appropriate withholding of individual and enterprise income taxes.

3.3 Other significant events

The International Accounting Standards Board 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 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.

This accounting policy change is adopted strictly in accordance with the standards and is reasonable. The approval procedure conforms to the applicable laws, regulations and requirements of the *Articles of Association of Bank of China Limited*. There are no differences in the Group's operating results or total equity presented in the Group's financial statements prepared under IFRS and those prepared under CAS. For details, please refer to the 2023 interim report.

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

IV. FINANCIAL STATEMENTS (PREPARED IN ACCORDANCE WITH IFRS)

Consolidated Income Statement

	Unit: RMB million			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023 Unaudited	2022 Unaudited (Restated)	2023 Unaudited	2022 Unaudited (Restated)
Interest income	270,010	225,640	777,011	644,033
Interest expense	(151,030)	(107,039)	(424,039)	(302,052)
Net interest income	118,980	118,601	352,972	341,981
Fee and commission income	20,463	19,627	73,310	69,439
Fee and commission expense	(3,666)	(3,150)	(10,137)	(8,516)
Net fee and commission income	16,797	16,477	63,173	60,923
Net trading gains/(losses)	2,387	(262)	20,002	3,970
Net gains on transfers of financial assets	404	590	164	1,164
Other operating income	12,657	10,790	34,621	31,680
Operating income	151,225	146,196	470,932	439,718
Operating expenses	(52,523)	(48,140)	(156,823)	(137,917)
Credit impairment losses	(30,506)	(29,955)	(91,069)	(77,158)
Impairment losses on other assets	(16)	(44)	(34)	(5,566)
Operating profit	68,180	68,057	223,006	219,077
Share of results of associates and joint ventures	515	488	608	668
Profit before income tax	68,695	68,545	223,614	219,745
Income tax expense	(9,880)	(11,998)	(37,111)	(39,643)
Profit for the period	58,815	56,547	186,503	180,102
Attributable to:				
Equity holders of the Bank	54,763	53,015	174,858	172,180
Non-controlling interests	4,052	3,532	11,645	7,922
	58,815	56,547	186,503	180,102
Basic and diluted earnings per share (in RMB)	0.19	0.18	0.55	0.55

Consolidated Statement of Comprehensive Income

	Unit: RMB million			
	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2023	2022	2023	2022
	Unaudited	Unaudited (Restated)	Unaudited	Unaudited (Restated)
Profit for the period	58,815	56,547	186,503	180,102
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
– Actuarial (losses)/gains on defined benefit plans	(7)	(17)	60	27
– Changes in fair value on equity instruments designated at fair value through other comprehensive income	3,870	(1,421)	5,620	(2,528)
– Other	–	2	(3)	3
Subtotal	3,863	(1,436)	5,677	(2,498)
Items that may be reclassified to profit or loss				
– Changes in fair value on debt instruments measured at fair value through other comprehensive income	(6,627)	(1,177)	3,441	(22,017)
– Allowance for credit losses on debt instruments measured at fair value through other comprehensive income	401	(165)	1,094	(98)
– Finance (expenses)/income from insurance contracts issued	(91)	853	(2,064)	3,728
– Exchange differences from the translation of foreign operations	(3,740)	20,295	10,985	36,012
– Other	90	418	283	1,040
Subtotal	(9,967)	20,224	13,739	18,665
Other comprehensive income for the period, net of tax	(6,104)	18,788	19,416	16,167
Total comprehensive income for the period	52,711	75,335	205,919	196,269
Total comprehensive income attributable to:				
Equity holders of the Bank	50,065	65,905	192,105	179,715
Non-controlling interests	2,646	9,430	13,814	16,554
	52,711	75,335	205,919	196,269

Consolidated Statement of Financial Position

Unit: RMB million

	As at 30 September 2023	As at 31 December 2022
	Unaudited	(Restated)
ASSETS		
Cash and due from banks and other financial institutions	739,938	815,063
Balances with central banks	2,456,378	2,313,859
Placements with and loans to banks and other financial institutions	1,333,152	1,174,097
Government certificates of indebtedness for bank notes issued	206,230	196,497
Precious metals	95,556	130,215
Derivative financial assets	189,876	152,033
Loans and advances to customers, net	19,259,526	17,116,005
Financial investments	6,873,378	6,435,244
– financial assets at fair value through profit or loss	568,418	613,105
– financial assets at fair value through other comprehensive income	2,986,493	2,500,216
– financial assets at amortised cost	3,318,467	3,321,923
Investments in associates and joint ventures	39,422	38,304
Property and equipment	228,813	226,776
Construction in progress	21,964	19,613
Investment properties	23,802	23,311
Deferred income tax assets	71,867	71,139
Other assets	224,918	181,392
Total assets	31,764,820	28,893,548

Consolidated Statement of Financial Position (continued)

Unit: RMB million

	As at 30 September 2023 Unaudited	As at 31 December 2022 (Restated)
LIABILITIES		
Due to banks and other financial institutions	2,267,343	2,240,323
Due to central banks	1,030,000	915,858
Bank notes in circulation	206,240	196,903
Placements from banks and other financial institutions	426,310	466,335
Financial liabilities held for trading	43,332	53,868
Derivative financial liabilities	165,760	135,838
Due to customers	22,689,045	20,201,825
Bonds issued	1,620,991	1,540,935
Other borrowings	30,766	24,905
Current tax liabilities	47,496	58,957
Retirement benefit obligations	1,667	1,842
Deferred income tax liabilities	7,445	6,804
Other liabilities	538,318	485,854
Total liabilities	29,074,713	26,330,247
EQUITY		
Capital and reserves attributable to equity holders of the Bank		
Share capital	294,388	294,388
Other equity instruments	399,505	369,505
– Preference shares	119,550	119,550
– Perpetual bonds	279,955	249,955
Capital reserve	135,752	135,759
Other comprehensive income	22,637	5,505
Statutory reserves	235,570	235,362
General and regulatory reserves	338,100	337,465
Undistributed profits	1,139,557	1,045,989
	2,565,509	2,423,973
Non-controlling interests	124,598	139,328
Total equity	2,690,107	2,563,301
Total equity and liabilities	31,764,820	28,893,548

GE Haijiao
Director

LIU Jin
Director

Consolidated Statement of Cash Flows

Unit: RMB million

	For the nine-month period ended 30 September	
	2023 Unaudited	2022 Unaudited (Restated)
Cash flows from operating activities		
Profit before income tax	223,614	219,745
Adjustments:		
Impairment losses on assets	91,103	82,724
Depreciation of property and equipment and right-of-use assets	16,894	16,446
Amortisation of intangible assets and other assets	5,768	4,925
Net gains on disposals of property and equipment, intangible assets and other long-term assets	(570)	(325)
Net gains on disposals of investments in subsidiaries, associates and joint ventures	–	(532)
Share of results of associates and joint ventures	(608)	(668)
Interest income arising from financial investments	(140,761)	(120,902)
Dividends arising from investment securities	(486)	(612)
Net losses on financial investments	747	231
Interest expense arising from bonds issued	33,305	33,026
Accreted interest on impaired loans	(719)	(643)
Interest expense arising from lease liabilities	502	502
Net changes in operating assets and liabilities:		
Net increase in balances with central banks	(191,828)	(133,862)
Net decrease/(increase) in due from and placements with and loans to banks and other financial institutions	116,178	(86,923)
Net decrease in precious metals	34,659	53,978
Net increase in loans and advances to customers	(2,223,481)	(1,715,819)
Net increase in other assets	(116,596)	(421,379)
Net increase/(decrease) in due to banks and other financial institutions	24,227	(45,555)
Net increase/(decrease) in due to central banks	106,973	(163,647)
Net decrease in placements from banks and other financial institutions	(41,168)	(123,089)
Net increase in due to customers	2,456,285	1,789,983
Net increase in other borrowings	5,861	428
Net increase in other liabilities	136,678	327,861
Cash inflow/(outflow) from operating activities	536,577	(284,107)
Income tax paid	(50,418)	(40,748)
Net cash inflow/(outflow) from operating activities	486,159	(324,855)

Consolidated Statement of Cash Flows (continued)

Unit: RMB million

	For the nine-month period ended 30 September	
	2023	2022
	Unaudited	Unaudited (Restated)
Cash flows from investing activities		
Proceeds from disposals of property and equipment, intangible assets and other long-term assets	2,942	4,445
Proceeds from disposals of investments in subsidiaries, associates and joint ventures	–	541
Dividends received	1,026	996
Interest income received from financial investments	141,681	128,630
Proceeds from disposals/maturities of financial investments	2,613,095	2,682,106
Increase in investments in subsidiaries, associates and joint ventures	(225)	(1,725)
Purchase of property and equipment, intangible assets and other long-term assets	(18,679)	(10,623)
Purchase of financial investments	(3,018,652)	(2,696,194)
Net cash (outflow)/inflow from investing activities	(278,812)	108,176
Cash flows from financing activities		
Proceeds from issuance of bonds	813,314	665,459
Proceeds from issuance of other equity instruments	30,000	49,989
Proceeds from capital contribution by non-controlling shareholders	62	104
Repayments of debts issued	(740,328)	(704,092)
Cash payments for interest on bonds issued	(17,589)	(14,791)
Dividend payments to ordinary shareholders	(68,298)	(65,061)
Dividend and interest payments to other equity instrument holders	(12,263)	(10,388)
Dividend payments to non-controlling shareholders	(7,024)	(5,520)
Other net cash flows from financing activities	(22,665)	(2,488)
Net cash outflow from financing activities	(24,791)	(86,788)
Effect of exchange rate changes on cash and cash equivalents	26,959	102,263
Net increase/(decrease) in cash and cash equivalents	209,515	(201,204)
Cash and cash equivalents at beginning of the period	2,091,466	1,975,631
Cash and cash equivalents at end of the period	2,300,981	1,774,427

V. QUARTERLY REPORT

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

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

Beijing, PRC
30 October 2023

As at the date of this announcement, the directors of the Bank are: Ge Haijiao, Liu Jin, Lin Jingzhen, Zhang Yong, Zhang Jiangang*, Huang Binghua*, Liu Hui*, Shi Yongyan*, 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

	As at 30 September 2023	As at 31 December 2022
Net common equity tier 1 capital	2,100,947	1,991,342
Net tier 1 capital	2,512,824	2,372,990
Net capital	3,187,232	2,946,471
Common equity tier 1 capital adequacy ratio	11.41%	11.84%
Tier 1 capital adequacy ratio	13.64%	14.11%
Capital adequacy ratio	17.30%	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

	As at 30 September 2023	As at 30 June 2023	As at 31 March 2023	As at 31 December 2022
Net tier 1 capital	2,512,824	2,461,141	2,424,519	2,372,990
Adjusted on- and off-balance sheet exposures	34,037,124	33,295,393	32,512,144	31,001,982
Leverage ratio	7.38%	7.39%	7.46%	7.65%

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”) ¹ as follows.

Regulatory requirements of liquidity coverage ratio

As stipulated by the *Rules on Liquidity Risk Management of Commercial Banks* issued by the National Administration of Financial Regulation (the “NAFR”), 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 basis². In the third quarter of 2023, the Group measured 92-day LCR on this basis, with average ratio³ standing at 127.93%, representing a decrease of 3.06 percentage points over the previous quarter, which was primarily due to the increase in the net cash outflows.

	2023			2022
	Quarter ended 30 September	Quarter ended 30 June	Quarter ended 31 March	Quarter ended 31 December
Average value of LCR	<u>127.93%</u>	<u>130.99%</u>	<u>135.17%</u>	<u>133.54%</u>

III. Liquidity Coverage Ratio (continued)

The Group's average values³ of consolidated LCR individual line items in the third quarter of 2023 are as follows:

Unit: RMB million, except percentages

No.		Total unweighted value	Total weighted value
High-quality liquid assets			
1	Total high-quality liquid assets (HQLA)		<u>4,827,901</u>
Cash outflows			
2	Retail deposits and deposits from small business customers, of which:	10,716,170	768,078
3	Stable deposits	5,926,458	289,107
4	Less stable deposits	4,789,712	478,971
5	Unsecured wholesale funding, of which:	11,333,533	4,250,225
6	Operational deposits (excluding those generated from correspondent banking activities)	5,756,786	1,418,238
7	Non-operational deposits (all counterparties)	5,503,815	2,759,055
8	Unsecured debts	72,932	72,932
9	Secured funding		912
10	Additional requirements, of which:	4,181,960	2,831,860
11	Outflows related to derivative exposures and other collateral requirements	2,703,379	2,703,379
12	Outflows related to loss of funding on debt products	–	–
13	Credit and liquidity facilities	1,478,581	128,481
14	Other contractual funding obligations	111,443	111,443
15	Other contingent funding obligations	3,851,631	114,948
16	Total cash outflows		<u>8,077,466</u>
Cash inflows			
17	Secured lending (including reverse repos and securities borrowing)	447,493	393,420
18	Inflows from fully performing exposures	1,755,465	1,147,817
19	Other cash inflows	2,813,079	2,760,256
20	Total cash inflows	<u>5,016,037</u>	<u>4,301,493</u>
			Total adjusted value
21	Total HQLA		4,827,901
22	Total net cash outflows		<u>3,775,973</u>
23	Liquidity coverage ratio		<u>127.93%</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 NAFR.
- 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 NAFR.
- 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.