

### BOC to optimize credit lending to avoid credit risks

Bank of China (BOC) announced Monday that it will optimize its credit structure to "avoid credit risks and realize sustainable development".

The bank said in a statement posted on its website that it will continue to financially support key State projects, small businesses, low-income housing projects, major technological research and energy-saving programs, to "avoid credit risks and promote economic structure adjustment."

The bank also said that incremental credit will not be available for projects with low productivity, and those that fail to meet emission reduction standards.

The move was in response to the directives announced at the annual Central Economic Work Conference that concluded Monday, which highlighted advancing economic structure adjustment as well as maintaining consistency and stability of the economic policy, according to the Xinhua News Agency.

This statement can be seen as BOC's declaration to curb potential credit risks, according to analysts.

In November, Bank of China was said to be studying options to replenish its capital to meet the new guidelines on the capital adequacy ratio issued from the China Banking Regulatory Commission (CBRC) to avoid credit risks.

Credit risks are growing after lenders doled out a record 8.67 trillion yuan (\$1.27 trillion) of loans in the first nine months to help finance a government stimulus package, the CBRC said in October.

*Source: Global Times*