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交通銀行股份有限公司  
**Bank of Communications Co., Ltd.**

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock Code: 03328, 4605 (Preference Share))

**RESULTS ANNOUNCEMENT FOR FIRST QUARTER 2020**

The board of directors (the “**Board**”) of Bank of Communications Co., Ltd. (the “**Bank**”) is pleased to announce the unaudited consolidated financial information (the “**First Quarter Results**”) of the Bank and its subsidiaries (the “**Group**”) for the three months ended 31 March 2020 (the “**Reporting Period**”), which has been prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting* issued by the International Accounting Standards Board. The Board and the Audit Committee of the Board have reviewed and confirmed the First Quarter Results. This announcement is made pursuant to Part XIV A 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. CORPORATE INFORMATION**

|                                      | <b>Stock name</b>      | <b>Stock code</b> | <b>Stock exchange</b>                      |
|--------------------------------------|------------------------|-------------------|--|
| <b>A Share</b>                       | Bank of Communications | 601328            | Shanghai Stock Exchange                    |
| <b>H Share</b>                       | BANKCOMM               | 03328             | The Stock Exchange of<br>Hong Kong Limited |
| <b>Domestic Preference<br/>Share</b> | BOCOM PREF1            | 360021            | Shanghai Stock Exchange                    |
| <b>Overseas Preference<br/>Share</b> | BOCOM 15USDPREF        | 4605              | The Stock Exchange of<br>Hong Kong Limited |

## Secretary of the Board/Company Secretary

|                 |   |
|-----------------|---|
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## II. FINANCIAL HIGHLIGHTS

As at 31 March 2020 (the “end of the Reporting Period”), the key financial data and financial indicators of the first quarter prepared by the Group in accordance with International Financial Reporting Standards are as follows:

*(in millions of RMB unless otherwise stated)*

| <b>Key financial data</b>  | <b>31 March<br/>2020</b>         | 31 December<br>2019      | Increase/<br>decrease (%)           |
|--|----------------------------------|--------------------------|-------------------------------------|
| Total assets   | <b>10,454,383</b>                | 9,905,600                | 5.54                                |
| Loans and advances to customers <sup>1</sup>   | <b>5,568,059</b>                 | 5,304,275                | 4.97                                |
| Total liabilities  | <b>9,632,654</b>                 | 9,104,688                | 5.80                                |
| Due to customers <sup>1</sup>  | <b>6,298,973</b>                 | 6,005,070                | 4.89                                |
| Shareholders’ equity (attributable to shareholders of the Bank)  | <b>810,302</b>                   | 793,247                  | 2.15                                |
| Net assets per share (attributable to ordinary shareholders of the Bank, in RMB yuan) <sup>2</sup>                 | <b>9.57</b>                      | 9.34                     | 2.46                                |
| <b>Key financial data</b>  | <b>January to<br/>March 2020</b> | January to<br>March 2019 | Increase/<br>decrease (%)           |
| Profit before tax  | <b>24,346</b>                    | 24,522                   | (0.72)                              |
| Net profit (attributable to shareholders of the Bank)  | <b>21,451</b>                    | 21,071                   | 1.80                                |
| Basic and diluted earnings per share (attributable to ordinary shareholders of the Bank, in RMB yuan) <sup>3</sup> | <b>0.25</b>                      | 0.28                     | (10.71)                             |
| <b>Key financial indicators (%)</b>  | <b>January to<br/>March 2020</b> | January to<br>March 2019 | Difference<br>(percentage<br>point) |
| Return on average assets (annualized)  | <b>0.85</b>                      | 0.88                     | (0.03)                              |
| Return on average shareholders’ equity (annualized) <sup>3</sup>   | <b>11.84</b>                     | 12.99                    | (1.15)                              |

*Notes:*

1. According to *Notice on Revising and Issuing the Format of Financial Statements of Financial Enterprises for 2018* (Cai Kuai [2018] No.36) issued by Ministry of Finance of the People's Republic of China ("**Ministry of Finance**"), the interest of financial instruments calculated on the basis of the effective interest rate method should be included in the carrying amounts of corresponding financial instruments and reflected in the related items on the balance sheet. The items of "interest receivables" and "interest payables" should not be presented separately. For analysis purpose, "loans and advances to customers" here does not include interest receivables of the related loans and advances. "Due to customers" does not include interest payables of related deposits.
2. Refers to shareholder's equity attributable to ordinary shareholders of the Bank after the deduction of other equity instruments divided by the total issued ordinary shares as at the end of the Reporting Period.
3. Excluding the impact of other equity instruments.

### III. SHAREHOLDERS' INFORMATION

#### (1) Total Number of Ordinary Shareholders and Shareholdings of Top 10 Ordinary Shareholders as at the end of the Reporting Period

Total Number of Ordinary Shareholders      The Bank has a total of 359,295 ordinary shareholders, including 325,297 holders holding A shares and 33,998 holders holding H shares.

#### Shareholdings of Top 10 Ordinary Shareholders

| Name of shareholders (full name)  | Number of shares held as at the end of the Reporting Period (share)                           | Percentage (%) | Shares pledged or frozen |                  | Class of shares | Nature of shareholders   |
|---|---|----------------|--------------------------|------------------|-----------------|--------------------------|
|   |   |                | Status of shares         | Number of shares |                 |                          |
| The Ministry of Finance of the People's Republic of China   | 13,178,424,446  | 17.75          | Nil                      | -                | A Share         | The State                |
|   | 4,553,999,999   | 6.13           | Nil                      | -                | H Share         |                          |
| HKSCC Nominees Limited  | 14,968,942,755  | 20.16          | Unknown                  | -                | H Share         | Foreign legal person     |
| The Hong Kong and Shanghai Banking Corporation Limited  | 13,886,417,698  | 18.70          | Nil                      | -                | H Share         | Foreign legal person     |
| The National Council for Social Security Fund   | 1,134,886,185   | 1.53           | Nil                      | -                | A Share         | The State                |
|   | 1,405,555,555   | 1.89           | Nil                      | -                | H Share         |                          |
| China Securities Finance Corporation Limited  | 2,222,588,791   | 2.99           | Nil                      | -                | A Share         | State-owned legal person |
| The Sixth Transfer Account for State-owned Capital of The National Council for Social Security Fund | 1,970,269,383   | 2.65           | Nil                      | -                | A Share         | The State                |
| Capital Airport Holding Company   | 1,246,591,087   | 1.68           | Nil                      | -                | A Share         | State-owned legal person |
| Shanghai Haiyan Investment Management Co., Ltd.   | 808,145,417   | 1.09           | Nil                      | -                | A Share         | State-owned legal person |
| Wutongshu Investment Platform Co., Ltd.   | 794,557,920   | 1.07           | Nil                      | -                | A Share         | State-owned legal person |
| Yunnan Hehe (Group) Co., Ltd.   | 745,305,404   | 1.00           | Nil                      | -                | A Share         | State-owned legal person |
| Details of preference shareholders with restored voting right and shareholdings                     | During the Reporting Period, there was no restoration of voting rights for preference shares. |                |                          |                  |                 |                          |

*Notes:*

1. The relevant data and information is extracted from the Bank's register of members at the Registrar and Transfer Office.
2. According to the *Notice of the Ministry of Finance and Ministry of Human Resources and Social Security on Transferring Part of State-Owned Capital of Eight Financial Institutions Directly under Central Government Including Industrial and Commercial Bank of China Co., Ltd.*, the Ministry of Finance transferred 10% of its shares held in the Bank of Communications (totalling 1,970,269,383 shares) to the National Council for Social Security Fund ("SSF") (registered under the Sixth Transfer Account for State-owned Capital of SSF) in December 2019. Pursuant to the *Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Replenish Social Security Funds*, SSF shall fulfil its lock-up period obligations of over 3 years from the date of the transfer.
3. The aggregate number of shares held by HKSCC Nominees Limited, represents the total number of H shares of the Bank held by all institutional and individual investors who maintained an account with it as at the end of the Reporting Period.
4. According to the Bank's register of members, the Hong Kong and Shanghai Banking Corporation Limited ("HSBC") held 13,886,417,698 H shares of the Bank as at the end of the Reporting Period. **According to the disclosure forms of interests filed with the Hong Kong Stock Exchange by HSBC Holdings plc, HSBC beneficially held 14,135,636,613 H shares of the Bank as at the end of the Reporting Period, representing 19.03% of the Bank's total ordinary shares issued.** HSBC beneficially held 249,218,915 more H shares than shown on the Bank's register of members. The discrepancy is due to a purchase of H shares by HSBC from the secondary market in 2007 and a bonus share issued by the Bank. Those extra shares have been registered under HKSCC Nominees Limited.
5. According to the Bank's register of members, SSF held 1,134,886,185 A shares and 1,405,555,555 H shares of the Bank as at the end of the Reporting Period. In May 2019, SSF transferred 742,627,266 A shares (representing 1% of total share capital) to the designated account of decrease of shares, "CITIC Securities Co., Ltd. – Social Security Fund Share Flexible Portfolio". In December 2019, the Ministry of Finance transferred 1,970,269,383 A shares to the Sixth Transfer Account for State-owned Capital of SSF. According to the information provided by SSF to the Bank, as at the end of the Reporting Period, other than the above shareholdings, SSF held additional 7,655,962,777 H shares of the Bank, of which 7,027,777,777 H shares were registered under HKSCC Nominees Limited and 628,185,000 H shares were indirectly held by certain asset managers (including Hong Kong Stock Connect). **As at the end of the Reporting Period, SSF held a total of 12,909,301,166 A shares and H shares of the Bank, representing 17.38% of the Bank's total ordinary shares issued.**
6. Shanghai Haiyan Investment Management Co., Ltd. and Yunnan Hehe (Group) Co., Ltd. are parties acting in concert as defined under *Provisional Measures on Shareholdings Administration of Commercial Banks*. SSF and the Sixth Transfer Account for State-owned Capital of SSF are in the relationship of acting in concert. The Bank is not aware of the existence of any related relationship among the other Top 10 shareholders, or whether they are parties acting in concert as defined in *Provisional Measures on Shareholdings Administration of Commercial Banks*.

**(2) Total Number of Preference Shareholders and Shareholdings of Top 10 Preference Shareholders as at the end of the Reporting Period**

Total number of overseas preference shareholders

1

**Shareholdings of Top 10 Overseas Preference Shareholders**

| Name of shareholder (full name) | Number of shares held as at the end of the Reporting Period (share) |                  | Class of shares           | Shares pledged or frozen |   | Nature of shareholder |
|---------------------------------|---|------------------|---------------------------|--------------------------|---|-----------------------|
|                                 | Percentage (%)  | Status of shares |                           | Number of shares         |   |                       |
| DB Nominees (Hong Kong) Limited | 122,500,000   | 100.00           | Overseas preference share | Unknown                  | - | Foreign legal person  |

*Notes:*

1. All overseas preference shares issued by the Bank are not subject to any sales restrictions.
2. Shareholdings of overseas preference shareholders are summarized according to the Bank's register of members of overseas preference shareholders.
3. DB Nominees (Hong Kong) Limited, as a trustee, held 122,500,000 overseas preference shares, accounting for 100% of the Bank's total overseas preference shares, on behalf of all assignees in clearing systems of Euroclear and Clearstream as at the end of the Reporting Period.
4. "Percentage" refers to the percentage of the number of overseas preference shares held by overseas preference shareholders to the total number of overseas preference shares.
5. The Bank is not aware of the existence of any related relationship among the overseas preference shareholders and top 10 ordinary shareholders, or whether they are parties acting in concern.

**Shareholdings of Top 10 Domestic Preference Shareholders**

| Name of shareholder (full name)   | Number of shares held as at the end of the Reporting Period (share) | Percentage (%) | Class of shares           | Shares pledged or frozen |                  | Nature of shareholders   |
|---|---|----------------|---------------------------|--------------------------|------------------|--------------------------|
|   |   |                |                           | Status of shares         | Number of shares |                          |
| China Mobile Communications Corporation   | 100,000,000   | 22.22          | Domestic preference share | Nil                      | -                | State-owned legal person |
| AXA SPDB Investment Managers – SPDB – Shanghai Pudong Development Bank Shanghai Branch                        | 20,000,000  | 4.44           | Domestic preference share | Nil                      | -                | Others                   |
| CCB Trust Co., Ltd. – “Qian Yuan – Ri Xin Yue Yi” open-ended wealth management unit fund trust                | 20,000,000  | 4.44           | Domestic preference share | Nil                      | -                | Others                   |
| Truvalue Asset Management – CMB – China Merchants Bank Co., Ltd.  | 20,000,000  | 4.44           | Domestic preference share | Nil                      | -                | Others                   |
| Bosera Funds – ICBC – Bosera – ICBC – Flexible allocation No. 5 Specific Multi-customer Asset Management Plan | 20,000,000  | 4.44           | Domestic preference share | Nil                      | -                | Others                   |
| Wisdom Asset Management – Ping An Bank – Ping An Bank Co., Ltd.   | 20,000,000  | 4.44           | Domestic preference share | Nil                      | -                | Others                   |
| China Ping An Life Insurance Co., Ltd. – Self-owned capital   | 18,000,000  | 4.00           | Domestic preference share | Nil                      | -                | Others                   |
| China CITIC Bank Corporation Limited – HuiYing Series of CITIC Banking Service                                | 18,000,000  | 4.00           | Domestic preference share | Nil                      | -                | Others                   |
| China National Tobacco Corporation – Henan Company  | 15,000,000  | 3.33           | Domestic preference share | Nil                      | -                | State-owned legal person |
| China Life Property & Casualty Insurance Company Limited – Traditional – General Insurance Product            | 15,000,000  | 3.33           | Domestic preference share | Nil                      | -                | Others                   |

*Notes:*

1. All domestic preference shares issued by the Bank are not subject to any sales restrictions.
2. Shareholdings of domestic preference shareholders are summarized according to the Bank’s register of members of domestic preference shareholders.
3. “Percentage” refers to the percentage of the number of domestic preference shares held by domestic preference shareholders to the total number of domestic preference shares.
4. The Bank is not aware of the existence of any related relationship among the top 10 domestic preference shareholders and any related relationship between the above shareholders and top 10 ordinary shareholders, or whether they are parties acting in concert.

## IV. MANAGEMENT DISCUSSION AND ANALYSIS

### (1) Business Review

During the first quarter of 2020, the Group strictly followed the annual targets and continued working on both pandemic prevention and operation development with the challenge of the coronavirus pandemic. As at the end of the Reporting Period, the total assets of the Group increased by 5.54% over the end of the previous year to RMB10,454.383 billion. The total liabilities increased by 5.80% over the end of the previous year to RMB9,632.654 billion. Shareholders' equity (attributable to shareholders of the Bank) increased by 2.15% over the end of the previous year to RMB810.302 billion. During the Reporting Period, the net operating income increased by 4.68% on a year-on-year basis to RMB65.067 billion. The net profit (attributable to shareholders of the Bank) increased by 1.80% on a year-on-year basis to RMB21.451 billion. The annualized return on average assets (ROAA) and the annualized return on average shareholders' equity (ROAE) were 0.85% and 11.84%, representing year-on-year decreases of 0.03 percentage point and 1.15 percentage points, respectively.

### (2) Financial Statement Analysis

#### 1. Analysis on Key Income Statement Items

##### 1.1 Net interest income

During the Reporting Period, the net interest income of the Group increased by RMB1.879 billion or 5.39% on a year-on-year basis to RMB36.736 billion, which accounted for 56.46% of the net operating income, representing a year-on-year increase of 0.38 percentage point.

During the Reporting Period, the net interest margin of the Group decreased by 4 basis points on a year-on-year basis to 1.55%.

##### 1.2 Net fee and commission income

During the Reporting Period, the net fee and commission income of the Group increased by RMB540 million or 4.48% on a year-on-year basis to RMB12.596 billion, which accounted for 19.36% of the net operating income, representing a year-on-year decrease of 0.04 percentage point.

##### 1.3 Operating costs

During the Reporting Period, the Group's operating costs increased by RMB904 million or 5.39% on a year-on-year basis to RMB17.667 billion. The Group's cost-to-income ratio was 28.49%, representing a year-on-year increase of 0.18 percentage point.



#### *1.4 Credit impairment losses*

During the Reporting Period, the Group's credit impairment losses increased by RMB1.192 billion or 11.14% on a year-on-year basis to RMB11.892 billion.

## **2. Analysis on Key Balance Sheet Items**

### *2.1 Loans and advances to customers*

As at the end of the Reporting Period, the Group's total loans and advances to customers were RMB5,568.059 billion, representing an increase of RMB263.784 billion or 4.97% over the end of the previous year, of which the balance of corporate loans increased by RMB260.480 billion or 7.34% over the end of the previous year to RMB3,809.990 billion. The balance of individual loans increased by RMB3.304 billion or 0.19% over the end of the previous year to RMB1,758.069 billion.

### *2.2 Due to customers*

As at the end of the Reporting Period, the Group's balance of due to customers increased by RMB293.903 billion or 4.89% over the end of the previous year to RMB6,298.973 billion, of which the proportion of due to corporate customers accounted for 66.39%, representing a decrease of 0.75 percentage point over the end of the previous year. The proportion of due to individual customers was 33.57%, representing an increase of 0.77 percentage point over the end of the previous year. The proportion of demand deposits was 41.99%, representing a decrease of 1.28 percentage points over the end of the previous year. The proportion of fixed deposits was 57.97%, representing an increase of 1.30 percentage points over the end of the previous year.

### *2.3 Investment securities*

As at the end of the Reporting Period, the Group's net balance of investment securities increased by RMB223.669 billion or 7.44% over the end of the previous year to RMB3,229.512 billion.

### *2.4 Asset quality*

As at the end of the Reporting Period, the Group's balance of non-performing loans increased by RMB10.412 billion or 13.34% over the end of the previous year to RMB88.455 billion. The impaired loan ratio increased by 0.12 percentage point over the end of the previous year to 1.59%. The provision coverage of impaired loans decreased by 17.58 percentage points over the end of the previous year to 154.19%. The provision ratio decreased by 0.08 percentage point over the end of the previous year to 2.45%.

## V. PUBLICATION OF THE FIRST QUARTER REPORT

The results announcement will be simultaneously published on the website of the Hong Kong Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk), as well as the website of the Bank at [www.bankcomm.com](http://www.bankcomm.com) for the reference of shareholders. The first quarter report 2020 prepared in accordance with China Accounting Standard for Business Enterprises will be available on the website of the Shanghai Stock Exchange at [www.sse.com.cn](http://www.sse.com.cn) and the website of the Bank.

By order of the Board  
**Bank of Communications Co., Ltd.**  
**Ren Deqi**  
*Chairman of the Board*

Shanghai, the PRC

28 April 2020

*The Directors of the Bank as at the date of this announcement are Mr. Ren Deqi, Mr. Wang Taiyin\*, Mr. Song Guobin\*, Mr. He Zhaobin\*, Mr. Chan Siu Chung\*, Mr. Song Hongjun\*, Mr. Chen Junkui\*, Mr. Liu Haoyang\*, Ms. Li Jian#, Mr. Liu Li#, Mr. Jason Yeung Chi Wai#, Mr. Raymond Woo Chin Wan#, Mr. Cai Haoyi# and Mr. Shi Lei#.*

\* *Non-executive Directors*

# *Independent Non-executive Directors*

## APPENDIX I FINANCIAL STATEMENTS

### Unaudited Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

(All amounts expressed in millions of RMB unless otherwise stated)

|  | <b>Three months ended 31 March</b> |             |
|--|------------------------------------|-------------|
|  | <b>2020</b>                        | <b>2019</b> |
| Interest income  | <b>93,801</b>                      | 90,024      |
| Interest expense   | <b>(57,065)</b>                    | (55,167)    |
| <b>Net interest income</b>   | <b>36,736</b>                      | 34,857      |
| Fee and commission income  | <b>13,646</b>                      | 13,096      |
| Fee and commission expense   | <b>(1,050)</b>                     | (1,040)     |
| <b>Net fee and commission income</b>   | <b>12,596</b>                      | 12,056      |
| Net gains arising from trading activities  | <b>3,530</b>                       | 3,971       |
| Net gains arising from financial investments   | <b>441</b>                         | 162         |
| <i>Including: Net losses on derecognition of financial assets<br/>measured at amortised cost</i> | –                                  | (1)         |
| Share of profits of associates and joint ventures  | <b>23</b>                          | 50          |
| Insurance business income  | <b>7,513</b>                       | 7,013       |
| Other operating income   | <b>4,228</b>                       | 4,049       |
| Credit impairment losses   | <b>(11,892)</b>                    | (10,700)    |
| Other assets impairment losses   | –                                  | (5)         |
| Insurance business expense   | <b>(7,458)</b>                     | (6,615)     |
| Other operating expenses   | <b>(21,371)</b>                    | (20,316)    |
| <b>Profit before tax</b>   | <b>24,346</b>                      | 24,522      |
| Income tax   | <b>(2,804)</b>                     | (3,175)     |
| <b>Net profit for the period</b>   | <b>21,542</b>                      | 21,347      |

**Other comprehensive income, net of tax**

**Items that may be reclassified subsequently to profit or loss:**

Loans and advances to customers at fair value through other comprehensive income

|  |              |       |
|--|--------------|-------|
| <i>Amount recognised directly in equity</i>  | <b>115</b>   | (415) |
| <i>Amount reclassified to profit or loss</i> | <b>(133)</b> | –     |

Debt investments at fair value through other comprehensive income

|  |                |       |
|--|----------------|-------|
| <i>Amount recognised directly in equity</i>  | <b>(1,669)</b> | 1,579 |
| <i>Amount reclassified to profit or loss</i> | <b>(330)</b>   | (122) |

Effective portion of gains or losses on hedging instruments in cash flow hedges

|   |              |       |
|---|--------------|-------|
| <i>Changes in fair value recorded in equity</i>                         | <b>139</b>   | 269   |
| <i>Changes in fair value reclassified from equity to profit or loss</i> | <b>(604)</b> | (298) |

Translation difference on foreign operations 981      (1,225)

**Items that will not be reclassified subsequently to profit or loss:**

Changes in fair value of equity investments designated at fair value through other comprehensive income

(71)                      75

Actuarial losses on pension benefits

(26)                      (4)

Changes in fair value attributable to changes in the credit risk of financial liability designated at fair value through profit or loss

129                      (9)

Other comprehensive income, net of tax (1,469)      (150)

**Total Comprehensive income for the period** 20,073      21,197

**Net profit attributable to:**

Shareholders of the Bank 21,451                      21,071

Non-controlling interests 91                      276

21,542                      21,347

**Total comprehensive income attributable to:**

Shareholders of the Bank 19,769                      20,926

Non-controlling interests 304                      271

20,073                      21,197

**Basic and diluted earnings per share for profit attributable to the ordinary shareholders of the Bank (in RMB yuan)**

0.25                      0.28

## Unaudited Interim Condensed Consolidated Statement of Financial Position

(All amounts expressed in millions of RMB unless otherwise stated)

|  | As at<br><b>31 March</b><br><b>2020</b> | As at<br>31 December<br>2019 |
|--|---|------------------------------|
| <b>ASSETS</b>  |   |                              |
| Cash and balances with central banks                                   | 755,522                                 | 760,185                      |
| Due from and placements with banks and other financial institutions    | 685,649                                 | 648,488                      |
| Derivative financial assets  | 39,755                                  | 20,937                       |
| Loans and advances to customers  | 5,447,490                               | 5,183,653                    |
| Financial investments at fair value through profit or loss             | 520,750                                 | 406,498                      |
| Financial investments at amortised cost                                | 1,950,516                               | 1,929,689                    |
| Financial investments at fair value through other comprehensive income | 758,246                                 | 669,656                      |
| Investments in associates and joint ventures                           | 4,627                                   | 4,600                        |
| Property and equipment   | 169,230                                 | 171,179                      |
| Deferred income tax assets   | 24,369                                  | 24,065                       |
| Other assets   | 98,229                                  | 86,650                       |
|  | <u>10,454,383</u>                       | <u>9,905,600</u>             |
| <b>Total assets</b>  | <b>10,454,383</b>                       | <b>9,905,600</b>             |
| <b>LIABILITIES</b>   |   |                              |
| Due to and placements from banks and other financial institutions      | 2,025,272                               | 1,904,082                    |
| Financial liabilities at fair value through profit or loss             | 27,171                                  | 26,980                       |
| Derivative financial liabilities                                       | 50,175                                  | 26,424                       |
| Due to customers   | 6,366,064                               | 6,072,908                    |
| Certificates of deposits issued  | 538,305                                 | 498,991                      |
| Current income tax liabilities   | 7,341                                   | 7,086                        |
| Deferred income tax liabilities  | 879                                     | 918                          |
| Debt securities issued   | 424,833                                 | 403,918                      |
| Other liabilities  | 192,614                                 | 163,381                      |
|  | <u>9,632,654</u>                        | <u>9,104,688</u>             |
| <b>Total liabilities</b>   | <b>9,632,654</b>                        | <b>9,104,688</b>             |

|  | <b>As at<br/>31 March<br/>2020</b> | As at<br>31 December<br>2019 |
|--|------------------------------------|------------------------------|
| <b>EQUITY</b>  |                                    |                              |
| Share capital  | <b>74,263</b>                      | 74,263                       |
| Other equity instruments   | <b>99,870</b>                      | 99,870                       |
| <i>Including: Preference shares</i>  |                                    |                              |
|  | <b>59,876</b>                      | 59,876                       |
| <i>Perpetual bonds</i>   |                                    |                              |
|  | <b>39,994</b>                      | 39,994                       |
| Capital surplus  | <b>113,663</b>                     | 113,663                      |
| Other reserves   | <b>326,728</b>                     | 328,310                      |
| Retained earnings  | <b>195,778</b>                     | 177,141                      |
| <b>Equity attributable to shareholders of the Bank</b>                       | <b>810,302</b>                     | 793,247                      |
| Equity attributable to non-controlling interests of ordinary shares          | <b>7,890</b>                       | 7,665                        |
| Equity attributable to non-controlling interests of other equity instruments | <b>3,537</b>                       | –                            |
| <b>Non-controlling interests</b>   | <b>11,427</b>                      | 7,665                        |
| <b>Total equity</b>  | <b>821,729</b>                     | 800,912                      |
| <b>Total equity and liabilities</b>  | <b>10,454,383</b>                  | 9,905,600                    |

## Unaudited Interim Condensed Consolidated Statement of Cash Flows

(All amounts expressed in millions of RMB unless otherwise stated)

|  | <b>Three months ended 31 March</b> |                       |
|--|------------------------------------|-----------------------|
|  | <b>2020</b>                        | <b>2019</b>           |
| <b>Cash flows from operating activities:</b>   |                                    |                       |
| Net profit before tax:   | 24,346                             | 24,522                |
| Adjustments for:   |                                    |                       |
| Provision for impairment losses  | 11,892                             | 10,700                |
| Provision for other assets impairment losses   | –                                  | 5                     |
| Provision for insurance contracts reserve  | 5,948                              | 4,725                 |
| Depreciation and amortisation  | 3,636                              | 2,641                 |
| Provision for outstanding litigation and unsettled obligation                                  | 7                                  | 34                    |
| Net gains on the disposal of property, equipment and other assets                              | (218)                              | (102)                 |
| Interest income from financial investments   | (23,104)                           | (21,544)              |
| Unwind of discount on allowances during the year   | (403)                              | (327)                 |
| Fair value gains   | (1,423)                            | (388)                 |
| Share of profit of associates and joint venture  | (23)                               | (50)                  |
| Net gains arising from financial investments   | (441)                              | (162)                 |
| Interest expense on debt securities issued   | 3,362                              | 3,097                 |
| Operating cash flows before movements in operating assets and liabilities                      | <u>23,579</u>                      | <u>23,151</u>         |
| Net decrease in balances with central banks  | 46,848                             | 21,708                |
| Net (increase)/decrease in due from and placements with banks and other financial institutions | (1,281)                            | 35,958                |
| Net increase in financial assets at fair value through profit or loss                          | (106,948)                          | (70,922)              |
| Net increase in loans and advances to customers  | (276,451)                          | (220,916)             |
| Net increase in other assets   | (16,156)                           | (774)                 |
| Net increase/(decrease) in due to and placements from banks and other financial institutions   | 116,700                            | (104,105)             |
| Net increase/(decrease) in financial liabilities at fair value through profit or loss          | 941                                | (1,213)               |
| Net increase in due to customers   | 332,468                            | 310,763               |
| Net increase/(decrease) in other liabilities   | 24,607                             | (287)                 |
| Net increase in value-added tax and surcharge payable  | 1,001                              | 707                   |
| Income tax paid  | (2,362)                            | (757)                 |
| <b>Net cash flows generated from/(used in) operating activities</b>                            | <u><u>142,946</u></u>              | <u><u>(6,687)</u></u> |

**Three months ended 31 March**

|   | <b>2020</b>      | 2019        |
|---|------------------|-------------|
| <b>Cash flows from investing activities:</b>                        |                  |             |
| Purchase of financial investments                                   | <b>(244,586)</b> | (198,061)   |
| Disposal or redemption of financial investments                     | <b>139,877</b>   | 114,757     |
| Dividends received  | <b>19</b>        | 58          |
| Interest received from financial investments                        | <b>19,591</b>    | 18,477      |
| Acquisition of intangible assets and other assets                   | <b>(364)</b>     | (5)         |
| Disposal of intangible assets and other assets                      | <b>220</b>       | 5           |
| Purchase and construction of property and equipment                 | <b>(5,223)</b>   | (13,186)    |
| Disposal of property and equipment                                  | <b>4,535</b>     | 4,627       |
|   | <hr/>            | <hr/>       |
| <b>Net cash flows used in investing activities</b>                  | <b>(85,931)</b>  | (73,328)    |
| <b>Cash flows from financing activities:</b>                        |                  |             |
| Cash received from issuing other equity instruments                 | <b>3,458</b>     | –           |
| Cash received on debt securities issued                             | <b>27,785</b>    | 21,545      |
| Repayment of principals and interests of lease liabilities          | <b>(557)</b>     | (611)       |
| Repayment of principals of debt securities issued                   | <b>(10,813)</b>  | (6,060)     |
| Cash payments for interest on debt securities                       | <b>(672)</b>     | (559)       |
| Cash payments for distribution of dividends                         | <b>–</b>         | (25)        |
|   | <hr/>            | <hr/>       |
| <b>Net cash flows generated from financing activities</b>           | <b>19,201</b>    | 14,290      |
| <b>Effect of exchange rate changes on cash and cash equivalents</b> | <b>652</b>       | (1,469)     |
|   | <hr/>            | <hr/>       |
| <b>Net increase/(decrease) in cash and cash equivalents</b>         | <b>76,868</b>    | (67,194)    |
| <b>Cash and cash equivalents at the beginning of the period</b>     | <b>167,735</b>   | 243,492     |
|   | <hr/>            | <hr/>       |
| <b>Cash and cash equivalents at the end of the period</b>           | <b>244,603</b>   | 176,298     |
|   | <hr/> <hr/>      | <hr/> <hr/> |
| Net cash flows from operating activities include:                   |                  |             |
| Interest received   | <b>67,920</b>    | 67,696      |
| Interest paid   | <b>(50,308)</b>  | (55,535)    |
|   | <hr/> <hr/>      | <hr/> <hr/> |



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

### I Capital Adequacy Ratio

The Group calculated the capital adequacy ratio pursuant to the *Administrative Measures for the Capital of Commercial Banks (Trial Implementation)* issued by the China Banking and Insurance Regulatory Commission (“CBIRC”) and the relevant requirements. Since the adoption of the Advanced Approach of Capital Management upon the first approval from the CBIRC in 2014, the Bank steadily implemented and applied it in accordance with the regulatory requirements. Upon the approval of the CBIRC in 2018, the Bank ended the Advanced Approach of Capital Management parallel period and expanded the application scope.

As at the end of the Reporting Period, the Group’s capital adequacy ratio, Tier 1 capital adequacy ratio and core Tier 1 capital adequacy ratio were 14.16%, 12.39% and 10.83%, respectively, which all met the regulatory requirements.

*(in millions of RMB unless otherwise stated)*

#### Calculated pursuant to the *Administrative Measures for the Capital of Commercial Banks (Trial Implementation)* issued by the CBIRC <sup>notes</sup>

| Item                                   | The Group | The Bank |
|--|-----------|----------|
| Net core Tier 1 capital                | 707,187   | 618,010  |
| Net Tier 1 capital                     | 808,639   | 717,881  |
| Net capital                            | 924,169   | 828,479  |
| Core Tier 1 capital adequacy ratio (%) | 10.83     | 10.37    |
| Tier 1 capital adequacy ratio (%)      | 12.39     | 12.05    |
| Capital adequacy ratio (%)             | 14.16     | 13.90    |

*Notes:*

- (1) Pursuant to the *Administrative Measures for the Capital of Commercial Banks (Trial Implementation)*, the above calculation excluded China BoCom Insurance Co., Ltd. and BoCommLife Insurance Company Limited.
- (2) According to the implementation scope of the Advanced Measurement Approach of Capital Management approved by the CBIRC, the credit risk which met the regulatory requirements was assessed by the internal rating-based approach, the market risk by the internal model approach, the operational risk by the standardized approach. The credit risk not covered by the internal rating-based approach was assessed by the weighted approach. The market risk not covered by the internal rating-based approach was assessed by the standardized approach. The operational risk not covered by the standardized approach was assessed by the basic-indicator approach.

## II Leverage Ratio

The Group calculated the leverage ratio pursuant to the *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* issued by the CBIRC. As at the end of the Reporting Period, the Group's leverage ratio was 7.18%, which met the regulatory requirements.

*(in millions of RMB unless otherwise stated)*

### **Calculated pursuant to *Administrative Measures for the Leverage Ratio of Commercial Banks (Revised)* issued by the CBIRC**

| <b>Item</b>   | <b>31 March<br/>2020</b> | 31 December<br>2019 | 30 September<br>2019 | 30 June<br>2019 |
|---|--------------------------|---------------------|----------------------|-----------------|
| Net Tier 1 capital                                      | 808,639                  | 789,546             | 771,897              | 713,196         |
| Balance of adjusted on-and off-<br>balance sheet assets | 11,262,732               | 10,631,020          | 10,655,770           | 10,594,418      |
| Leverage ratio (%)                                      | 7.18                     | 7.43                | 7.24                 | 6.73            |

## III Liquidity Coverage Ratio

According to the *Administrative Measures for Liquidity Risk Management of Commercial Banks*, commercial banks with an asset scale not less than RMB200.0 billion should always meet the minimum regulatory standards with a liquidity coverage ratio not less than 100%.

According to the *Measures for Disclosure of Commercial Banks Liquidity Coverage Ratio Information*, commercial banks should disclose the daily average of the quarter of the liquidity coverage ratio. The daily average liquidity coverage ratio of the Group in the first quarter of 2020 was 129.73% (the daily average within the quarter is the simple arithmetic average of daily data of the quarter, the number of daily data on which the average is based is 91), which increased by 9.04 percentage points over the previous quarter mainly due to the increase of high-quality liquid assets. The details of liquidity coverage ratio and the average of specific items thereof in the first quarter are listed as follows:

(in millions of RMB unless otherwise stated)

| Serial Number                                   | Total<br>unweighted<br>value | Total<br>weighted<br>value |
|---|------------------------------|----------------------------|
| <b>The qualified high-quality liquid assets</b> |                              |                            |
| 1   |                              | 1,875,467                  |
| <b>Cash Outflow</b>                             |                              |                            |
| 2   | 1,730,774                    | 161,285                    |
| 3   | 233,594                      | 11,567                     |
| 4   | 1,497,180                    | 149,718                    |
| 5   | 4,093,696                    | 1,772,627                  |
| 6   |                              |                            |
| 7   |                              |                            |
| 8   |                              |                            |
| 9   |                              |                            |
| 10  |                              |                            |
| 11  |                              |                            |
| 12  |                              |                            |
| 13  |                              |                            |
| 14  |                              |                            |
| 15  |                              |                            |
| 16  |                              |                            |
| <b>Cash Inflow</b>                              |                              |                            |
| 17  |                              |                            |
| 18  |                              |                            |
| 19  |                              |                            |
| 20  |                              |                            |
|   | <b>Total adjusted value</b>  |                            |
| 21  |                              | 1,875,467                  |
| 22  |                              | 1,446,916                  |
| 23  |                              | 129.73                     |