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中國工商銀行股份有限公司

**INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED**

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

Stock Code: 1398

USD Preference Shares Stock Code: 4620

## 2022 Interim Results Announcement

The Board of Directors of Industrial and Commercial Bank of China Limited (the “Bank”) announces the unaudited interim results of the Bank and its subsidiaries for the six months ended 30 June 2022. The Board of Directors and the Audit Committee of the Board of Directors of the Bank have reviewed and confirmed the unaudited interim results. Information disclosed in accordance with the Regulation Governing Capital of Commercial Banks (Provisional) is also presented in this Announcement.

### 1. Corporate Information

#### 1.1 Basic Information

	<b>Stock name</b>	<b>Stock code</b>	<b>Stock exchange on which shares are listed</b>
A Share	工商銀行	601398	Shanghai Stock Exchange
H Share	ICBC	1398	The Stock Exchange of Hong Kong Limited
Offshore Preference Share	ICBC 20USDPREF	4620	The Stock Exchange of Hong Kong Limited
Domestic Preference Share	工行優 1	360011	Shanghai Stock Exchange
	工行優 2	360036	Shanghai Stock Exchange

#### 1.2 Contact

##### Board Secretary and Company Secretary

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## 2. Financial Highlights

(Financial data and indicators in this Results Announcement are prepared in accordance with International Financial Reporting Standards (“IFRSs”) and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.)

### 2.1 Financial Data

	<b>Six months ended 30 June 2022</b>	Six months ended 30 June 2021	Six months ended 30 June 2020
<b>Operating results (in RMB millions)</b>			
Net interest income	351,425	336,293	319,891
Net fee and commission income	76,017	75,943	75,558
Operating income	443,788	426,406	402,346
Operating expenses	103,173	94,991	87,925
Impairment losses on assets	133,622	124,547	125,456
Operating profit	206,993	206,868	188,965
Profit before taxation	209,145	208,070	189,351
Net profit	172,570	164,509	149,796
Net profit attributable to equity holders of the parent company	171,506	163,473	148,790
Net cash flows from operating activities	1,410,405	377,546	1,873,733
<b>Per share data (in RMB yuan)</b>			
Basic earnings per share	0.47	0.46	0.42
Diluted earnings per share	0.47	0.46	0.42
	<b>30 June 2022</b>	31 December 2021	31 December 2020
<b>Assets and liabilities (in RMB millions)</b>			
Total assets	38,744,376	35,171,383	33,345,058
Total loans and advances to customers	22,341,360	20,667,245	18,624,308
Corporate loans	13,310,401	12,194,706	11,102,733
Personal loans	8,139,397	7,944,781	7,115,279
Discounted bills	891,562	527,758	406,296
Allowance for impairment losses on loans <sup>(1)</sup>	654,124	603,983	531,161
Investment	10,174,195	9,257,760	8,591,139
Total liabilities	35,411,070	31,896,125	30,435,543
Due to customers	29,272,001	26,441,774	25,134,726
Corporate deposits	14,887,390	13,331,463	12,944,860
Personal deposits	13,701,431	12,497,968	11,660,536
Other deposits	277,723	250,349	261,389
Accrued interest	405,457	361,994	267,941
Due to banks and other financial institutions	3,302,752	2,921,029	2,784,259
Equity attributable to equity holders of the parent company	3,314,198	3,257,755	2,893,502
Share capital	356,407	356,407	356,407
Net asset value per share <sup>(2)</sup> (in RMB yuan)	8.30	8.15	7.48
Net common equity tier 1 capital <sup>(3)</sup>	2,941,410	2,886,378	2,653,002
Net tier 1 capital <sup>(3)</sup>	3,296,397	3,241,364	2,872,792
Net capital base <sup>(3)</sup>	4,050,292	3,909,669	3,396,186
Risk-weighted assets <sup>(3)</sup>	22,124,301	21,690,349	20,124,139
<b>Credit rating</b>			
S&P <sup>(4)</sup>	A	A	A
Moody's <sup>(4)</sup>	A1	A1	A1

- Notes: (1) Calculated by adding allowance for impairment losses on loans and advances to customers measured at amortised cost with allowance for impairment losses on loans and advances to customers measured at fair value through other comprehensive income.
- (2) Calculated by dividing equity attributable to equity holders of the parent company after deduction of other equity instruments at the end of the reporting period by the total number of ordinary shares at the end of the reporting period.
- (3) Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).
- (4) The rating results are in the form of “long-term foreign currency deposits rating”.

## 2.2 Financial Indicators

	<b>Six months ended 30 June 2022</b>	Six months ended 30 June 2021	Six months ended 30 June 2020
<b>Profitability (%)</b>			
Return on average total assets <sup>(1)</sup>	<b>0.93*</b>	0.96*	0.95*
Return on weighted average equity <sup>(2)</sup>	<b>11.25*</b>	11.90*	11.70*
Net interest spread <sup>(3)</sup>	<b>1.85*</b>	1.93*	2.02*
Net interest margin <sup>(4)</sup>	<b>2.03*</b>	2.12*	2.20*
Return on risk-weighted assets <sup>(5)</sup>	<b>1.58*</b>	1.60*	1.56*
Ratio of net fee and commission income to operating income	<b>17.13</b>	17.81	18.78
Cost-to-income ratio <sup>(6)</sup>	<b>22.14</b>	21.19	20.76
	<b>30 June 2022</b>	31 December 2021	31 December 2020
<b>Asset quality (%)</b>			
Non-performing loans (“NPLs”) ratio <sup>(7)</sup>	<b>1.41</b>	1.42	1.58
Allowance to NPLs <sup>(8)</sup>	<b>207.03</b>	205.84	180.68
Allowance to total loans ratio <sup>(9)</sup>	<b>2.93</b>	2.92	2.85
<b>Capital adequacy (%)</b>			
Common equity tier 1 capital adequacy ratio <sup>(10)</sup>	<b>13.29</b>	13.31	13.18
Tier 1 capital adequacy ratio <sup>(10)</sup>	<b>14.90</b>	14.94	14.28
Capital adequacy ratio <sup>(10)</sup>	<b>18.31</b>	18.02	16.88
Total equity to total assets ratio	<b>8.60</b>	9.31	8.73
Risk-weighted assets to total assets ratio	<b>57.10</b>	61.67	60.35

Notes: \* indicates annualised ratios.

- (1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.
- (2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 — Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by China Securities Regulatory Commission.

- (3) Calculated by the spread between yield on average balance of interest-generating assets and cost on average balance of interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the average balance of interest-generating assets.
- (5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.
- (6) Calculated by dividing operating expense (less taxes and surcharges) by operating income.
- (7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.
- (8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.
- (9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.
- (10) Calculated in accordance with the Regulation Governing Capital of Commercial Banks (Provisional).

### **2.3 Reconciliation of Differences between the Financial Statements Prepared under PRC GAAP and Those under IFRSs**

In respect of the financial statements of the Bank prepared under PRC GAAP and those under IFRSs, net profit attributable to equity holders of the parent company for the six months ended 30 June 2022 and equity attributable to equity holders of the parent company as at the end of the reporting period have no differences.

## **3. Overview of Business Operation**

Since the beginning of the year, facing the increasingly complex, severe and uncertain external environment, the Bank followed the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, implemented in depth the important requirements for effective COVID-19 prevention, economic stability, and safe development, and earnestly carried out the decisions and plans made by the Communist Party of China (“CPC” or the “Party”) Central Committee and the State Council. The Bank made stability its top priority and pursued progress while ensuring stability. It followed the 48-character guideline and applied the working method of Three Compares, Three Reviews and Three Improves. It grounded its work in the new stage of development, applied the new development philosophy, served and integrated into the new pattern of development, and promoted high-quality development with high-quality remediation of problems identified in the disciplinary inspection by the CPC Central Committee. The Bank delivered interim results which were not only better than expected, but also better than that of the corresponding period in the past year.

**Key operational indicators maintained stable while gaining sound momentum.** The “strong” foundation was effectively strengthened. The Group’s capital adequacy ratio was 18.31%, at the forefront among major banks around the globe; allowance to NPLs was 207.03%, indicating sound risk resilience; NPL ratio stood at 1.41%, down 0.01 percentage points from the end of last year. The “excellent” quality and efficiency was retained. While the Bank made more profit concessions to the real economy, return on average total assets and return on weighted average equity maintained at a relatively good level; NIM stayed in a reasonable range. The advantages of being “large” were effectively consolidated. Operating income, profit before provision and net profit all maintained a leading position among peers.

**The Bank fulfilled its responsibilities as a large bank to serve the real economy.** With a focus on its main responsibilities and principal businesses, the Bank put emphasis on key areas, gave play to the dual functions of increasing volume and structural adjustment of investment and financing, and assisted in maintaining stable macroeconomic performance with optimized financial supply. In the first half of the year, domestic RMB loans increased by RMB1.61 trillion, a record-high growth, ranking first in the market, and the increment was higher than that in the corresponding period of last year month by month. The Bank increased support to key fields and weak areas of the real economy. The growth rates in loans to manufacturing, sci-tech innovation, inclusive finance, the private sector, green fields and agriculture-related fields were notably higher than the average growth rate of all loans. The growth rates in credit loans to healthcare, transportation and logistics took the lead, which made positive contributions to containing the pandemic and maintaining stable economic growth. Among those loans, loans to manufacturing increased by RMB628.1 billion, 3.5 times of the increment of the corresponding period of the previous year, and the balances of medium to long-term loans and credit loans to manufacturing both exceeded RMB1 trillion for the first time. The aggregate volume and increment of loans to strategic emerging industries ranked first before the Bank’s peers. The Bank issued a carbon neutrality green finance bond, first among domestic commercial banks. The balance of green credits recorded RMB3,499.9 billion. The number of inclusive loan accounts increased by 123 thousand from the beginning of the year, and the balance increased by 27.4% from the beginning of the year, achieving growth in both volume and amount. The Bank implemented “Chunrong Action” in depth and provided targeted support to foreign trade and foreign investment enterprises. Meanwhile, the Bank took solid steps to help enterprises overcome their difficulties. It deferred principal and interest repayments on loans for eligible customers, especially micro and small enterprises and self-employed individuals, effectively supporting the endeavor to keep the operations of market entities stable, ensure employment, and meet basic living needs.

**Pragmatic results were achieved in enterprise-wide risk management.** The Bank pursued development and safety in a coordinated manner, gave priority to active forestalling and diffusion of financial risks, and strengthened the Five-pronged Risk Management Approach, namely the overall risk management of domestic and overseas institutions, on- and off-balance sheet business, commercial banking and investment banking and other services, online and offline business, and Head Office and subordinate institutions. It checked and sorted latent risks item by item and focused on making risk management more holistic, targeted and effective. The Bank continued to make breakthroughs in asset quality. As a result, key indicators of asset quality maintained stable with sound momentum, the amount of recoveries from written-off loans set a record, and NPL ratio and overdue loan rate maintained stable. The Bank established the joint control and prevention mechanism for market risk in five fields, namely, currency, foreign exchange, bond, stock and commodity and responded to fluctuations in the global financial market timely and effectively. Market risk was thus kept generally under control. Meanwhile, the Bank steadily promoted the Year for Value Improvement internal control & compliance campaign and continued to deepen internal control and case prevention governance. It also maintained strict measures for epidemic control and production safety, to fully ensure the safety of personnel and operations.

**The drive of reform and innovation was effectively unleashed.** The Bank refined the strategic plan for the development of the Group, formulated and implemented the plan for deepening comprehensive reform, and put forth effort to solve deep-seated problems through reform. The strategic layout of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation” was further deepened, and key strategies related to personal banking, foreign exchange business, key regions and urban-rural collaborative development produced remarkable results. The “GBC+” projects were implemented in depth, and the momentum for high-quality development was further strengthened. At the end of June, the balance of deposits in local and foreign currencies (including interbank deposits) exceeded RMB30 trillion, and its increment exceeded RMB3 trillion for the first time. Those deposits provided a stable source of funds for serving the real economy. The total number of corporate customers surpassed 10 million, and the number of global cash management customers exceeded 10,000. The Bank earnestly performed its duties as the Chair organization of BRICS Business Council Chinese Chapter and promoted the implementation of various pragmatic cooperation results among the industry and commerce sectors in the five BRICS countries. In addition, the Bank launched the new digital brand “D-ICBC”, and it maintained the first place in the industry in terms of IT regulatory rating.

## 4. Discussion and Analysis

### 4.1 Income Statement Analysis

In the first half of 2022, the Bank spared no effort to serve the real economy, prevent financial risks, deepen the financial reform, and strived to promote its own high-quality development while supporting the high-quality development of the economy and society. The Bank realized a net profit of RMB172,570 million in the first half of 2022, representing an increase of 4.9% as compared to the same period of last year. Annualised return on average total assets stood at 0.93%, and annualised return on weighted average equity was 11.25%. Operating income amounted to RMB443,788 million, recording an increase of 4.1%. Specifically, net interest income was RMB351,425 million, growing by 4.5%. Non-interest income reached RMB92,363 million, rising by 2.5%. Operating expenses amounted to RMB103,173 million, representing an increase of 8.6%, and the cost-to-income ratio was 22.14%. Impairment losses on assets were RMB133,622 million, indicating an increase of 7.3%. Income tax expense decreased by 16.0% to RMB36,575 million.

#### *Net Interest Income*

In the first half of 2022, net interest income amounted to RMB351,425 million, representing an increase of RMB15,132 million or 4.5% as compared to the same period of last year, mainly because the Bank stepped up investment and financing support for the real economy, resulting in the increase in total interest-generating assets. Interest income amounted to RMB620,023 million, growing by RMB56,221 million or 10.0%, and interest expenses rose by RMB41,089 million or 18.1% to RMB268,598 million. The Bank continued to make profit concessions for the real economy, and further lower the financing costs for enterprises. Annualised net interest spread and net interest margin came at 1.85% and 2.03%, 8 basis points and 9 basis points lower than those of the same period of last year, respectively.

## AVERAGE YIELD OF INTEREST-GENERATING ASSETS AND AVERAGE COST OF INTEREST-BEARING LIABILITIES

*In RMB millions, except for percentages*

Item	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Average balance	Interest income/expense	Average yield/cost (%)	Average balance	Interest income/expense	Average yield/cost (%)
<b>Assets</b>						
Loans and advances to customers	21,524,527	442,796	4.15	19,500,822	402,959	4.17
Investment	8,664,057	141,578	3.30	7,799,336	127,855	3.31
Due from central banks <sup>(2)</sup>	2,893,046	20,976	1.46	2,882,674	20,917	1.46
Due from banks and other financial institutions <sup>(3)</sup>	1,748,569	14,673	1.69	1,766,713	12,071	1.38
<b>Total interest-generating assets</b>	<b>34,830,199</b>	<b>620,023</b>	<b>3.59</b>	<b>31,949,545</b>	<b>563,802</b>	<b>3.56</b>
Non-interest-generating assets	2,642,283			2,715,566		
Allowance for impairment losses on assets	(674,800)			(565,002)		
<b>Total assets</b>	<b>36,797,682</b>			<b>34,100,109</b>		
<b>Liabilities</b>						
Deposits	26,405,307	223,078	1.70	23,915,026	190,688	1.61
Due to banks and other financial institutions <sup>(3)</sup>	3,652,766	30,057	1.66	3,148,297	21,838	1.40
Debt securities issued and certificates of deposit	1,084,133	15,463	2.88	1,119,835	14,983	2.70
<b>Total interest-bearing liabilities</b>	<b>31,142,206</b>	<b>268,598</b>	<b>1.74</b>	<b>28,183,158</b>	<b>227,509</b>	<b>1.63</b>
Non-interest-bearing liabilities	2,142,212			2,232,788		
<b>Total liabilities</b>	<b>33,284,418</b>			<b>30,415,946</b>		
<b>Net interest income</b>		<b>351,425</b>			<b>336,293</b>	
<b>Net interest spread</b>			<b>1.85</b>			<b>1.93</b>
<b>Net interest margin</b>			<b>2.03</b>			<b>2.12</b>



Notes: (1) The average balances of interest-generating assets and interest-bearing liabilities represent their daily average balances. The average balances of non-interest-generating assets, non-interest-bearing liabilities and the allowance for impairment losses on assets represent the average of the balances at the beginning of the period and at the end of the period.

(2) Due from central banks mainly includes mandatory reserves and surplus reserves with central banks.

(3) Due from banks and other financial institutions includes the amount of reverse repurchase agreements, and due to banks and other financial institutions includes the amount of repurchase agreements.

## ***Interest Income***

### **◆ *Interest Income on Loans and Advances to Customers***

Interest income on loans and advances to customers was RMB442,796 million, RMB39,837 million or 9.9% higher compared to the same period of last year, as mainly affected by the increase of 10.4% in the average balance of loans and advances to customers.

## **ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY MATURITY STRUCTURE**

*In RMB millions, except for percentages*

<b>Item</b>	<b>Six months ended 30 June 2022</b>			<b>Six months ended 30 June 2021</b>		
	<b>Average balance</b>	<b>Interest income</b>	<b>Average yield (%)</b>	<b>Average balance</b>	<b>Interest income</b>	<b>Average yield (%)</b>
Short-term loans	<b>4,450,319</b>	<b>75,583</b>	<b>3.42</b>	4,006,321	69,190	3.48
Medium to long-term loans	<b>17,074,208</b>	<b>367,213</b>	<b>4.34</b>	15,494,501	333,769	4.34
<b>Total loans and advances to customers</b>	<b><u>21,524,527</u></b>	<b><u>442,796</u></b>	<b>4.15</b>	<u>19,500,822</u>	<u>402,959</u>	4.17

## ANALYSIS OF THE AVERAGE YIELD OF LOANS AND ADVANCES TO CUSTOMERS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Average balance	Interest income	Average yield (%)	Average balance	Interest income	Average yield (%)
Corporate loans	11,765,245	232,838	3.99	10,528,639	211,775	4.06
Discounted bills	652,362	6,975	2.16	339,632	4,722	2.80
Personal loans	7,855,651	185,886	4.77	7,225,440	169,404	4.73
Overseas business	<u>1,251,269</u>	<u>17,097</u>	2.76	<u>1,407,111</u>	<u>17,058</u>	2.44
<b>Total loans and advances to customers</b>	<b><u>21,524,527</u></b>	<b><u>442,796</u></b>	<b>4.15</b>	<b><u>19,500,822</u></b>	<b><u>402,959</u></b>	<b>4.17</b>

### ◆ *Interest Income on Investment*

Interest income on investment amounted to RMB141,578 million, representing an increase of RMB13,723 million or 10.7% as compared to the same period of last year, mainly due to the increase of 11.1% in the average balance of investment.

### ◆ *Interest Income on Due from Banks and Other Financial Institutions*

Interest income on due from banks and other financial institutions was RMB14,673 million, representing an increase of RMB2,602 million or 21.6% as compared to the same period of last year, principally due to the increase of average yield year on year as affected by product structure, product maturity and other factors.

### ***Interest Expense***

#### ◆ *Interest Expense on Deposits*

Interest expense on deposits amounted to RMB223,078 million, representing an increase of RMB32,390 million or 17.0% as compared to the same period of last year, mainly due to the increase of 10.4% in the average balance of due to customers and the increase of 9 basis points in the average cost.

## ANALYSIS OF AVERAGE DEPOSIT COST BY PRODUCTS

*In RMB millions, except for percentages*

Item	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Average balance	Interest expense	Average cost (%)	Average balance	Interest expense	Average cost (%)
<b>Corporate deposits</b>						
Time deposits	5,511,411	68,937	2.52	4,822,432	58,206	2.43
Demand deposits	<u>7,190,420</u>	<u>30,852</u>	<u>0.87</u>	<u>6,945,498</u>	<u>27,951</u>	<u>0.81</u>
<b>Subtotal</b>	<u>12,701,831</u>	<u>99,789</u>	<u>1.58</u>	<u>11,767,930</u>	<u>86,157</u>	<u>1.48</u>
<b>Personal deposits</b>						
Time deposits	7,421,324	108,142	2.94	6,136,842	90,529	2.97
Demand deposits	<u>5,317,036</u>	<u>9,014</u>	<u>0.34</u>	<u>5,015,748</u>	<u>8,795</u>	<u>0.35</u>
<b>Subtotal</b>	<u>12,738,360</u>	<u>117,156</u>	<u>1.85</u>	<u>11,152,590</u>	<u>99,324</u>	<u>1.80</u>
<b>Overseas business</b>	<u>965,116</u>	<u>6,133</u>	<u>1.28</u>	<u>994,506</u>	<u>5,207</u>	<u>1.06</u>
<b>Total deposits</b>	<u>26,405,307</u>	<u>223,078</u>	<u>1.70</u>	<u>23,915,026</u>	<u>190,688</u>	<u>1.61</u>

### ◆ *Interest Expense on Due to Banks and Other Financial Institutions*

Interest expense on due to banks and other financial institutions was RMB30,057 million, representing an increase of RMB8,219 million or 37.6% as compared to the same period of last year, principally because the average balance rose by 16.0% and the average cost increased year on year as affected by the currency type, product maturity and other factors.

### ◆ *Interest Expense on Debt Securities Issued and Certificates of Deposit*

Interest expense on debt securities issued and certificates of deposit was RMB15,463 million, indicating an increase of RMB480 million or 3.2% over the same period of last year, mainly attributable to the increase in the interest rates of debt securities and certificates of deposit issued by overseas institutions.

### ***Non-interest Income***

In the first half of 2022, non-interest income increased by RMB2,250 million or 2.5% to RMB92,363 million, accounting for 20.8% of the Bank's operating income. Specifically, net fee and commission income grew by RMB74 million or 0.1% to RMB76,017 million, and other non-interest income increased by RMB2,176 million or 15.4% to RMB16,346 million.

## NET FEE AND COMMISSION INCOME

*In RMB millions, except for percentages*

Item	Six months ended	Six months ended	Increase/ (decrease)	Growth rate (%)
	30 June 2022	30 June 2021		
Settlement, clearing business and cash management	<b>24,186</b>	21,949	2,237	10.2
Personal wealth management and private banking services	<b>15,499</b>	16,354	(855)	(5.2)
Investment banking business	<b>12,983</b>	15,117	(2,134)	(14.1)
Bank card business	<b>8,681</b>	8,020	661	8.2
Corporate wealth management services	<b>8,070</b>	7,238	832	11.5
Guarantee and commitment business	<b>6,664</b>	7,256	(592)	(8.2)
Asset custody business	<b>4,598</b>	4,512	86	1.9
Trust and agency services	<b>1,268</b>	1,196	72	6.0
Other	<b>1,700</b>	1,590	110	6.9
<b>Fee and commission income</b>	<b>83,649</b>	83,232	417	0.5
<b>Less: Fee and commission expense</b>	<b>7,632</b>	7,289	343	4.7
<b>Net fee and commission income</b>	<b>76,017</b>	75,943	74	0.1

In the first half of 2022, the Bank's net fee and commission income hit RMB76,017 million, representing an increase of RMB74 million or 0.1% as compared to the same period of last year. The income from settlement, clearing business and cash management recorded an increase of RMB2,237 million, as mainly benefited from the increase in third-party payment business income. The income from corporate wealth management services recorded an increase of RMB832 million, mainly due to the increase in income from investment management fee of corporate wealth management. Income from bank card business climbed by RMB661 million, principally due to the increase in income from counterparty service and acquiring business. Income from personal wealth management and private banking services decreased by RMB855 million, mainly attributable to the decrease in income from agency personal fund business affected by capital market fluctuation. The Bank adhered to the business transformation and implemented policies relating to fee reduction and profit concessions. As a result, the income from investment banking business, guarantee and commitment business etc. decreased as compared to the same period of last year.

## OTHER NON-INTEREST RELATED GAINS

*In RMB millions, except for percentages*

Item	Six months ended	Six months ended	Increase/ (decrease)	Growth rate (%)
	30 June 2022	30 June 2021		
Net trading income	4,813	6,047	(1,234)	(20.4)
Net gains on financial investments	6,154	2,952	3,202	108.5
Other operating income, net	5,379	5,171	208	4.0
<b>Total</b>	<b>16,346</b>	<b>14,170</b>	<b>2,176</b>	<b>15.4</b>

Other non-interest related gains amounted to RMB16,346 million, representing an increase of RMB2,176 million or 15.4% as compared to the same period of last year. Among these, the decrease in net trading income was mainly due to the decrease in net income from equity investment; the increase in net gain on financial investments was primarily a result of the decline of expenses on structured deposits.

### *Operating Expenses*

*In RMB millions, except for percentages*

Item	Six months ended	Six months ended	Increase/ (decrease)	Growth rate (%)
	30 June 2022	30 June 2021		
Staff costs	63,214	60,179	3,035	5.0
Property and equipment expenses	13,664	13,179	485	3.7
Taxes and surcharges	4,919	4,646	273	5.9
Amortisation	1,651	1,267	384	30.3
Other	19,725	15,720	4,005	25.5
<b>Total</b>	<b>103,173</b>	<b>94,991</b>	<b>8,182</b>	<b>8.6</b>

## ***Impairment Losses on Assets***

In the first half of 2022, the Bank set aside the impairment losses on assets of RMB133,622 million, an increase of RMB9,075 million or 7.3% as compared to the same period of last year.

## ***Income Tax Expense***

Income tax expense decreased by RMB6,986 million or 16.0% to RMB36,575 million as compared to the same period of last year. The effective tax rate was 17.49%. The decrease in income tax expense was mainly attributable to the increase in tax exempt income from bond investment business.

## **4.2 Segment Information**

### **SUMMARY OPERATING SEGMENT INFORMATION**

*In RMB millions, except for percentages*

<b>Item</b>	<b>Six months ended 30 June 2022</b>		<b>Six months ended 30 June 2021</b>	
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage (%)</b>
<b>Operating income</b>	<b>443,788</b>	<b>100.0</b>	426,406	100.0
Corporate banking	<b>208,992</b>	<b>47.1</b>	205,969	48.3
Personal banking	<b>176,839</b>	<b>39.8</b>	169,370	39.7
Treasury operations	<b>54,030</b>	<b>12.2</b>	48,889	11.5
Other	<b>3,927</b>	<b>0.9</b>	2,178	0.5
<b>Profit/(loss) before taxation</b>	<b>209,145</b>	<b>100.0</b>	208,070	100.0
Corporate banking	<b>92,733</b>	<b>44.3</b>	72,846	35.0
Personal banking	<b>97,802</b>	<b>46.8</b>	97,294	46.8
Treasury operations	<b>19,837</b>	<b>9.5</b>	37,627	18.1
Other	<b>(1,227)</b>	<b>(0.6)</b>	303	0.1

## SUMMARY GEOGRAPHICAL SEGMENT INFORMATION

*In RMB millions, except for percentages*

Item	Six months ended 30 June 2022		Six months ended 30 June 2021	
	Amount	Percentage	Amount	Percentage
		(%)		(%)
<b>Operating income</b>	<b>443,788</b>	<b>100.0</b>	426,406	100.0
Head Office	59,158	13.3	67,251	15.8
Yangtze River Delta	74,762	16.8	68,536	16.1
Pearl River Delta	57,146	12.9	53,468	12.5
Bohai Rim	76,713	17.3	73,048	17.1
Central China	58,086	13.1	52,666	12.4
Western China	66,479	15.0	62,990	14.8
Northeastern China	14,323	3.2	14,630	3.4
Overseas and other	37,121	8.4	33,817	7.9
<b>Profit before taxation</b>	<b>209,145</b>	<b>100.0</b>	208,070	100.0
Head Office	7,296	3.5	19,123	9.2
Yangtze River Delta	40,135	19.2	39,772	19.1
Pearl River Delta	26,699	12.8	27,489	13.2
Bohai Rim	43,017	20.6	39,277	18.9
Central China	30,777	14.7	26,250	12.6
Western China	32,609	15.6	31,891	15.3
Northeastern China	3,345	1.6	3,128	1.5
Overseas and other	25,267	12.0	21,140	10.2

### 4.3 Balance Sheet Analysis

In the first half of 2022, in response to changes in external development trends, the Bank earnestly implemented the macroeconomic and financial policies and regulatory requirements, continued to enhance the foresight, scientificity and initiative of the asset and liability management work, and coordinated and arranged the aggregate amount, structure and pace of assets and liabilities. While maintaining a moderate growth of the total assets and liabilities, the Bank deeply promoted the continuous optimization of the asset and liability structure and coordinated development of quantity and price, in an effort to achieve the high-quality development of assets and liabilities.

#### *Assets Deployment*

As at the end of June, total assets of the Bank amounted to RMB38,744,376 million, RMB3,572,993 million or 10.2% higher than that at the end of the prior year. Specifically, total loans and advances to customers (collectively referred to as “total loans”) increased by RMB1,674,115 million or 8.1% to RMB22,341,360 million, investment increased by RMB916,435 million or 9.9% to RMB10,174,195 million, and cash and balances with central banks increased by RMB250,036 million or 8.1% to RMB3,348,474 million.

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Total loans and advances to customers	22,341,360	—	20,667,245	—
Add: Accrued interest	49,730	—	45,719	—
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	653,669	—	603,764	—
Net loans and advances to customers	21,737,421	56.1	20,109,200	57.2
Investment	10,174,195	26.3	9,257,760	26.3
Cash and balances with central banks	3,348,474	8.6	3,098,438	8.8
Due from banks and other financial institutions	1,009,220	2.6	827,150	2.4
Reverse repurchase agreements	1,178,806	3.0	663,496	1.9
Other	1,296,260	3.4	1,215,339	3.4
<b>Total assets</b>	<b>38,744,376</b>	<b>100.0</b>	<b>35,171,383</b>	<b>100.0</b>

◆ *Loan*

The Bank continued to improve the quality and efficiency of serving the real economy, actively supported the construction of major ongoing projects and projects to make up for deficiencies in new urbanization and transportation areas, and effectively carried out the inclusive and rural revitalization strategies. Besides, it grasped the development opportunities of green finance on all fronts, and continuously increased investment and financing support to intelligent manufacturing, digital economy, optimization and upgrade of manufacturing, and other key areas in the advanced manufacturing industry. As at the end of June, total loans amounted to RMB22,341,360 million, RMB1,674,115 million or 8.1% higher compared with the end of the previous year, of which RMB denominated loans of domestic branches increased by RMB1,606,873 million or 8.5% to RMB20,536,798 million.



## DISTRIBUTION OF LOANS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Corporate loans</b>	<b>13,310,401</b>	<b>59.6</b>	12,194,706	59.0
Short-term corporate loans	3,176,551	14.2	2,737,742	13.2
Medium to long-term corporate loans	10,133,850	45.4	9,456,964	45.8
<b>Discounted bills</b>	<b>891,562</b>	<b>4.0</b>	527,758	2.6
<b>Personal loans</b>	<b>8,139,397</b>	<b>36.4</b>	7,944,781	38.4
Residential mortgages	6,449,004	28.9	6,362,685	30.8
Personal consumption loans	210,826	0.9	187,316	0.9
Personal business loans	821,430	3.7	702,441	3.4
Credit card overdrafts	658,137	2.9	692,339	3.3
<b>Total</b>	<b><u>22,341,360</u></b>	<b><u>100.0</u></b>	<u>20,667,245</u>	<u>100.0</u>

The Bank continued to increase credit allocation to key areas such as manufacturing, strategic emerging industries, inclusive finance, green finance and rural revitalization, and the Bank's corporate loans in key strategic regions such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing economic circle continued to grow. Corporate loans rose by RMB1,115,695 million or 9.1% from the end of last year. Specifically, short-term corporate loans and medium to long-term corporate loans increased by RMB438,809 million and RMB676,886 million respectively.

The Bank continued to increase the supply of personal loans to help improve the inclusiveness of financial services, meet the reasonable housing demand of residents, and promote the continuous recovery of consumption. Personal loans increased by RMB194,616 million or 2.4% compared with the end of last year. Specifically, personal business loans grew by RMB118,989 million or 16.9%.

## DISTRIBUTION OF LOANS BY FIVE-CATEGORY CLASSIFICATION

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Pass	21,608,160	96.72	19,961,778	96.59
Special mention	417,238	1.87	412,038	1.99
NPLs	315,962	1.41	293,429	1.42
Substandard	159,618	0.71	134,895	0.66
Doubtful	120,942	0.54	128,983	0.62
Loss	35,402	0.16	29,551	0.14
<b>Total</b>	<b>22,341,360</b>	<b>100.00</b>	<b>20,667,245</b>	<b>100.00</b>

According to the five-category classification, pass loans amounted to RMB21,608,160 million at the end of June, representing an increase of RMB1,646,382 million compared to the end of the previous year and accounting for 96.72% of total loans. Special mention loans amounted to RMB417,238 million, representing an increase of RMB5,200 million and accounting for 1.87% of total loans, dropping 0.12 percentage points. NPLs amounted to RMB315,962 million, showing an increase of RMB22,533 million, and NPL ratio was 1.41%, with a decrease of 0.01 percentage points.

## DISTRIBUTION OF LOANS AND NPLS

*In RMB millions, except for percentages*

Item	At 30 June 2022				At 31 December 2021			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Corporate loans	13,310,401	59.6	270,375	2.03	12,194,706	59.0	254,887	2.09
Short-term corporate loans	3,176,551	14.2	103,047	3.24	2,737,742	13.2	107,390	3.92
Medium to long-term corporate loans	10,133,850	45.4	167,328	1.65	9,456,964	45.8	147,497	1.56
Discounted bills	891,562	4.0	—	—	527,758	2.6	—	—
Personal loans	8,139,397	36.4	45,587	0.56	7,944,781	38.4	38,542	0.49
Residential mortgages	6,449,004	28.9	20,255	0.31	6,362,685	30.8	15,460	0.24
Personal consumption loans	210,826	0.9	3,246	1.54	187,316	0.9	3,092	1.65
Personal business loans	821,430	3.7	7,333	0.89	702,441	3.4	6,811	0.97
Credit card overdrafts	658,137	2.9	14,753	2.24	692,339	3.3	13,179	1.90
<b>Total</b>	<b>22,341,360</b>	<b>100.0</b>	<b>315,962</b>	<b>1.41</b>	<b>20,667,245</b>	<b>100.0</b>	<b>293,429</b>	<b>1.42</b>

As at the end of June, corporate NPLs were RMB270,375 million, representing an increase of RMB15,488 million over the end of last year, with an NPL ratio of 2.03%, down 0.06 percentage points. Personal NPLs stood at RMB45,587 million, growing by RMB7,045 million, with an NPL ratio of 0.56%, up 0.07 percentage points.

## DISTRIBUTION OF CORPORATE LOANS AND NON-PERFORMING CORPORATE LOANS OF DOMESTIC BRANCHES BY INDUSTRY OF LOAN CUSTOMERS

*In RMB millions, except for percentages*

Item	At 30 June 2022				At 31 December 2021			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Transportation, storage and postal services	2,983,434	24.8	24,008	0.80	2,816,789	25.8	24,762	0.88
Manufacturing	1,899,627	15.8	64,477	3.39	1,654,610	15.1	61,602	3.72
Leasing and commercial services	1,840,457	15.3	39,116	2.13	1,667,376	15.2	33,824	2.03
Water, environment and public utility management	1,472,137	12.2	20,323	1.38	1,370,252	12.5	11,379	0.83
Production and supply of electricity, heat, gas and water	1,120,278	9.3	9,324	0.83	1,065,459	9.7	8,653	0.81
Real estate	708,147	5.9	38,762	5.47	705,714	6.5	33,820	4.79
Wholesale and retail	553,628	4.6	30,019	5.42	464,169	4.2	38,558	8.31
Construction	393,893	3.3	7,357	1.87	312,849	2.9	5,538	1.77
Science, education, culture and sanitation	314,398	2.6	8,919	2.84	287,601	2.6	6,947	2.42
Mining	224,368	1.9	3,414	1.52	203,130	1.9	3,470	1.71
Lodging and catering	74,519	0.6	8,092	10.86	73,063	0.7	8,095	11.08
Other	459,513	3.7	6,987	1.52	317,641	2.9	5,732	1.80
<b>Total</b>	<b>12,044,399</b>	<b>100.0</b>	<b>260,798</b>	<b>2.17</b>	<b>10,938,653</b>	<b>100.0</b>	<b>242,380</b>	<b>2.22</b>

The Bank continued to propel the optimization and adjustment of the industry's credit structure and stepped up efforts to shore up the development of the real economy. Specifically, due to continuously increasing supports for manufacturing, loans to the manufacturing industry went up 14.8% or RMB245,017 million over the end of last year, with a rapid growth of lending to enterprises engaged in new-generation IT and high-end manufacturing sectors such as auto making, pharmaceutical manufacturing, large-scale refineries, electrical equipment manufacturing and so on. Loans to leasing and commercial services increased by RMB173,081 million or 10.4%, mainly due to a growth in financing supports for infrastructure construction, public services, major projects for people's livelihood as well as industrial R&D and high-tech parks construction and operation projects. Loans to transportation, storage and postal services increased by RMB166,645 million or 5.9% over the end of last year, mainly due to active support for the liquidity needs of highway, railway, airport and berth projects and large transportation group companies. Loans to water, environment and public utility management grew by RMB101,885 million or 7.4%, mainly for steadily satisfying the investment and financing needs arising from significant projects and projects for people's livelihood in the areas of urban infrastructure construction, ecological environment protection and public services.

The Bank continued to strengthen risk management of financing in various industries, intensified the disposal of non-performing assets, and actively promoted the operational transformation of risk-bearing assets. Except for the deterioration of loans to customers in some industries affected by external factors such as COVID-19 pandemic, the loan quality generally remained stable.

## DISTRIBUTION OF LOANS AND NPLS BY GEOGRAPHIC AREA

*In RMB millions, except for percentages*

Item	At 30 June 2022				At 31 December 2021			
	Loan	Percentage (%)	NPLs	NPL ratio (%)	Loan	Percentage (%)	NPLs	NPL ratio (%)
Head Office	784,347	3.5	21,814	2.78	791,994	3.8	21,668	2.74
Yangtze River Delta	4,592,357	20.5	35,376	0.77	4,163,732	20.2	35,149	0.84
Pearl River Delta	3,437,308	15.4	43,138	1.25	3,134,781	15.2	33,860	1.08
Bohai Rim	3,685,311	16.5	76,619	2.08	3,371,325	16.3	72,241	2.14
Central China	3,387,211	15.2	38,057	1.12	3,133,539	15.2	40,046	1.28
Western China	4,062,593	18.2	59,495	1.46	3,746,867	18.1	47,031	1.26
Northeastern China	941,274	4.2	31,290	3.32	895,238	4.3	30,600	3.42
Overseas and other	1,450,959	6.5	10,173	0.70	1,429,769	6.9	12,834	0.90
<b>Total</b>	<b>22,341,360</b>	<b>100.0</b>	<b>315,962</b>	<b>1.41</b>	<b>20,667,245</b>	<b>100.0</b>	<b>293,429</b>	<b>1.42</b>

## MOVEMENTS OF ALLOWANCE FOR IMPAIRMENT LOSSES ON LOANS

*In RMB millions*

Item	Allowance for impairment losses on loans and advances to customers measured at amortised cost				Allowance for impairment losses on loans and advances to customers measured at FVTOCI			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Balance at 1 January 2022	269,376	110,649	223,739	603,764	191	—	28	219
Transfer:								
to stage 1	14,763	(13,916)	(847)	—	—	—	—	—
to stage 2	(6,918)	8,618	(1,700)	—	—	—	—	—
to stage 3	(2,542)	(40,804)	43,346	—	—	—	—	—
Charge	40,548	35,694	21,389	97,631	237	—	—	237
Write-offs and transfer out	—	—	(52,682)	(52,682)	—	—	—	—
Recoveries of loans and advances previously written off	—	—	4,513	4,513	—	—	—	—
Other movements	744	504	(805)	443	(1)	—	—	(1)
<b>Balance at 30 June 2022</b>	<b>315,971</b>	<b>100,745</b>	<b>236,953</b>	<b>653,669</b>	<b>427</b>	<b>—</b>	<b>28</b>	<b>455</b>

At the end of June, allowance for impairment losses on loans stood at RMB654,124 million, of which RMB653,669 million on loans and advances to customers measured at amortised cost, and RMB455 million on loans and advances to customers measured at fair value through other comprehensive income. Allowance to NPLs was 207.03%, representing an increase of 1.19 percentage points over the end of last year, and allowance to total loans ratio was 2.93%, representing an increase of 0.01 percentage points.

## DISTRIBUTION OF LOANS BY COLLATERAL

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Loans secured by mortgages	9,853,922	44.1	9,497,898	46.0
Pledged loans	2,186,813	9.8	1,720,583	8.3
Guaranteed loans	2,548,671	11.4	2,459,887	11.9
Unsecured loans	7,751,954	34.7	6,988,877	33.8
<b>Total</b>	<b>22,341,360</b>	<b>100.0</b>	<b>20,667,245</b>	<b>100.0</b>

## OVERDUE LOANS

*In RMB millions, except for percentages*

Overdue periods	At 30 June 2022		At 31 December 2021	
	Amount	% of total loans	Amount	% of total loans
Less than 3 months	80,818	0.36	72,444	0.35
3 months to 1 year	86,581	0.39	70,057	0.34
1 to 3 years	79,388	0.35	93,247	0.45
Over 3 years	21,876	0.10	19,153	0.09
<b>Total</b>	<b>268,663</b>	<b>1.20</b>	<b>254,901</b>	<b>1.23</b>

*Note:* Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by installments, the total amount of such loans is deemed overdue if part of the installments is overdue.

Overdue loans stood at RMB268,663 million, representing an increase of RMB13,762 million from the end of the previous year. Among them, loans overdue for over 3 months amounted to RMB187,845 million, representing an increase of RMB5,388 million.

## RESCHEDULED LOANS

Rescheduled loans and advances amounted to RMB23,567 million, representing an increase of RMB4,433 million as compared to the end of the previous year. Rescheduled loans and advances overdue for over 3 months amounted to RMB2,564 million, representing an increase of RMB263 million.

## LOAN MIGRATION RATIO

Item	<i>In percentages</i>		
	At 30 June 2022	At 31 December 2021	At 31 December 2020
Pass	1.4	1.1	1.2
Special mention	31.9	17.3	26.8
Substandard	57.5	46.4	66.5
Doubtful	58.5	47.6	51.7

*Note:* The above table shows the Group's data calculated according to the Notice on Revising the Definition and Calculation Formula of Basic Indicators for Off-site Supervision of the Banking Industry issued by CBIRC in 2022.

## BORROWER CONCENTRATION

As at the end of June, the total amount of loans granted by the Bank to the single largest borrower and top ten single borrowers accounted for 3.6% and 13.8% of the Bank's net capital base respectively. The total amount of loans granted to the top ten single borrowers was RMB560,172 million, accounting for 2.5% of the total loans.

Item	At 30 June 2022	At 31 December 2021	At 31 December 2020
	Loan concentration to the single largest borrower (%)	3.6	3.6
Loan concentration to the top ten borrowers (%)	13.8	14.2	14.8

◆ *Investment*

The Bank continued to reinforce its financial service capability for the real economy, and scaled up its investment in local government bonds and bonds conducive to the development of strategic industries and the cultivation of new economic drive. As at the end of June, investment amounted to RMB10,174,195 million, representing an increase of RMB916,435 million or 9.9% from the end of the previous year. Among these, bonds rose by RMB894,835 million or 10.1% to RMB9,712,180 million.

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Bonds	9,712,180	95.5	8,817,345	95.2
Equity instruments	193,133	1.9	190,186	2.1
Funds and other	155,474	1.5	148,166	1.6
Accrued interest	113,408	1.1	102,063	1.1
<b>Total</b>	<b>10,174,195</b>	<b>100.0</b>	<b>9,257,760</b>	<b>100.0</b>

**DISTRIBUTION OF INVESTMENT IN BONDS BY ISSUERS**

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Government bonds	7,232,440	74.5	6,371,607	72.3
Central bank bonds	35,974	0.4	38,207	0.4
Policy bank bonds	671,663	6.9	754,719	8.6
Other bonds	1,772,103	18.2	1,652,812	18.7
<b>Total</b>	<b>9,712,180</b>	<b>100.0</b>	<b>8,817,345</b>	<b>100.0</b>

In terms of distribution by issuers, government bonds increased by RMB860,833 million or 13.5% over the end of last year; central bank bonds decreased by RMB2,233 million or 5.8%; policy bank bonds went down by RMB83,056 million or 11.0%; and other bonds increased by RMB119,291 million or 7.2%.

## DISTRIBUTION OF INVESTMENT IN BONDS BY REMAINING MATURITY

*In RMB millions, except for percentages*

Remaining maturity	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Undated <sup>(1)</sup>	210	0.0	167	0.0
Less than 3 months	806,844	8.3	514,685	5.8
3 to 12 months	1,190,433	12.3	1,228,144	13.9
1 to 5 years	3,506,718	36.1	3,517,415	39.9
Over 5 years	4,207,975	43.3	3,556,934	40.4
<b>Total</b>	<b>9,712,180</b>	<b>100.0</b>	<b>8,817,345</b>	<b>100.0</b>

Note: (1) Refers to overdue bonds.

## DISTRIBUTION OF INVESTMENT IN BONDS BY CURRENCY

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
RMB-denominated bonds	8,927,834	91.9	8,110,061	92.0
USD-denominated bonds	532,054	5.5	450,447	5.1
Other foreign currency bonds	252,292	2.6	256,837	2.9
<b>Total</b>	<b>9,712,180</b>	<b>100.0</b>	<b>8,817,345</b>	<b>100.0</b>

In terms of currency structure, RMB-denominated bonds rose by RMB817,773 million or 10.1% over the end of last year. USD-denominated bonds increased by an equivalent of RMB81,607 million, up 18.1%; other foreign currency bonds decreased by an equivalent of RMB4,545 million or 1.8%. During the reporting period, the Bank improved the investment portfolio structure of foreign currency bonds and properly increased the investment in USD-denominated bonds.



## DISTRIBUTION OF INVESTMENT BY MEASURING METHOD

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
Financial investments measured at fair value through profit or loss	765,787	7.5	623,223	6.7
Financial investments measured at fair value through other comprehensive income	1,729,559	17.0	1,803,604	19.5
Financial investments measured at amortised cost	7,678,849	75.5	6,830,933	73.8
<b>Total</b>	<b>10,174,195</b>	<b>100.0</b>	<b>9,257,760</b>	<b>100.0</b>

As at the end of June, the Group held RMB1,653,617 million of financial bonds<sup>1</sup>, including RMB671,663 million of policy bank bonds and RMB981,954 million of bonds issued by banks and non-bank financial institutions, accounting for 40.6% and 59.4% of financial bonds, respectively.

### ◆ *Reverse Repurchase Agreements*

The reverse repurchase agreements were RMB1,178,806 million, an increase of RMB515,310 million or 77.7% compared to the end of last year, mainly because the Bank appropriately arranged fund operation strategy based on the fund changes in the first half of the year, and moderately increased the amount of money lent to the market.

<sup>1</sup> Financial bonds refer to the debt securities issued by financial institutions on the bond market, including bonds issued by policy banks, banks and non-bank financial institutions but excluding debt securities related to restructuring and central bank bonds.

## *Liabilities*

As at the end of June, total liabilities reached RMB35,411,070 million, an increase of RMB3,514,945 million or 11.0% compared with the end of last year.

*In RMB millions, except for percentages*

<b>Item</b>	<b>At 30 June 2022</b>		<b>At 31 December 2021</b>	
	<b>Amount</b>	<b>Percentage (%)</b>	<b>Amount</b>	<b>Percentage (%)</b>
Due to customers	<b>29,272,001</b>	<b>82.7</b>	26,441,774	82.9
Due to banks and other financial institutions	<b>3,302,752</b>	<b>9.3</b>	2,921,029	9.2
Repurchase agreements	<b>490,885</b>	<b>1.4</b>	365,943	1.1
Debt securities issued	<b>852,124</b>	<b>2.4</b>	791,375	2.5
Other	<b>1,493,308</b>	<b>4.2</b>	1,376,004	4.3
<b>Total liabilities</b>	<b><u>35,411,070</u></b>	<b><u>100.0</u></b>	<b><u>31,896,125</u></b>	<b><u>100.0</u></b>

### ◆ *Due to Customers*

Due to customers is the Bank's main source of funds. As at the end of June, the balance of due to customers was RMB29,272,001 million, RMB2,830,227 million or 10.7% higher than that at the end of the previous year. In terms of customer structure, the balance of corporate deposits grew by RMB1,555,927 million or 11.7%; and the balance of personal deposits increased by RMB1,203,463 million or 9.6%. In terms of maturity structure, the balance of time deposits rose by RMB2,107,832 million or 16.3%, while the balance of demand deposits grew by RMB651,558 million or 5.0%. In terms of currency structure, RMB deposits stood at RMB27,603,758 million, an increase of RMB2,689,234 million or 10.8%. Foreign currency deposits were equivalent to RMB1,668,243 million, an increase of RMB140,993 million or 9.2%.

## DISTRIBUTION OF DUE TO CUSTOMERS BY BUSINESS LINE

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Amount	Percentage (%)	Amount	Percentage (%)
<b>Corporate deposits</b>				
Time deposits	<b>6,905,845</b>	<b>23.6</b>	5,798,353	21.9
Demand deposits	<b>7,981,545</b>	<b>27.3</b>	7,533,110	28.5
<b>Subtotal</b>	<b>14,887,390</b>	<b>50.9</b>	13,331,463	50.4
<b>Personal deposits</b>				
Time deposits	<b>8,107,726</b>	<b>27.7</b>	7,107,386	26.9
Demand deposits	<b>5,593,705</b>	<b>19.1</b>	5,390,582	20.4
<b>Subtotal</b>	<b>13,701,431</b>	<b>46.8</b>	12,497,968	47.3
<b>Other deposits<sup>(1)</sup></b>	<b>277,723</b>	<b>0.9</b>	250,349	0.9
<b>Accrued interest</b>	<b>405,457</b>	<b>1.4</b>	361,994	1.4
<b>Total</b>	<b>29,272,001</b>	<b>100.0</b>	26,441,774	100.0

*Note:* (1) Includes outward remittance and remittance payables.

#### ◆ *Repurchase Agreements*

The repurchase agreements were RMB490,885 million, an increase of RMB124,942 million or 34.1% compared to the end of last year, mainly because the Bank appropriately absorbed stable funds according to business needs.

#### *Shareholders' Equity*

As at the end of June, shareholders' equity amounted to RMB3,333,306 million in aggregate, RMB58,048 million or 1.8% higher than that at the end of the previous year. Equity attributable to equity holders of the parent company recorded an increase of RMB56,443 million or 1.7% to RMB3,314,198 million.

### 4.4 Capital Adequacy Ratio and Leverage Ratio

The Bank calculated its capital adequacy ratios at all levels in accordance with the Regulation Governing Capital of Commercial Banks (Provisional). According to the scope of implementing the advanced capital management approaches as approved by the regulatory authorities, the Bank adopted the foundation internal ratings-based ("IRB") approach for corporate credit risk, the IRB approach for retail credit risk, the internal model approach ("IMA") for market risk, and the standardized approach for operational risk that met the regulatory requirements. The regulatory weighting approach was adopted for credit risk uncovered by the IRB approach and the standardized approach was adopted for market risk uncovered by the IMA.

#### ◆ **RESULTS OF CAPITAL ADEQUACY RATIO CALCULATION OF THE GROUP AND PARENT COMPANY**

*In RMB millions, except for percentages*

Item	At 30 June 2022		At 31 December 2021	
	Group	Parent Company	Group	Parent Company
Net common equity tier 1 capital	<b>2,941,410</b>	<b>2,656,584</b>	2,886,378	2,614,392
Net tier 1 capital	<b>3,296,397</b>	<b>2,985,617</b>	3,241,364	2,944,636
Net capital base	<b>4,050,292</b>	<b>3,726,714</b>	3,909,669	3,600,883
Common equity tier 1 capital adequacy ratio (%)	<b>13.29</b>	<b>13.30</b>	13.31	13.29
Tier 1 capital adequacy ratio (%)	<b>14.90</b>	<b>14.94</b>	14.94	14.97
Capital adequacy ratio (%)	<b>18.31</b>	<b>18.65</b>	18.02	18.30

As at the end of June, the common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio stood at 13.29%, 14.90% and 18.31%, respectively, complying with regulatory requirements.

## CAPITAL ADEQUACY RATIO

*In RMB millions, except for percentages*

Item	At 30 June 2022	At 31 December 2021
<b>Common equity tier 1 capital</b>	<b>2,959,319</b>	2,903,516
Paid-in capital	356,407	356,407
Valid portion of capital reserve	148,102	148,597
Surplus reserve	356,982	356,849
General reserve	442,286	438,640
Retained profits	1,676,221	1,618,142
Valid portion of minority interests	3,561	3,539
Other	(24,240)	(18,658)
<b>Common equity tier 1 capital deductions</b>	<b>17,909</b>	17,138
Goodwill	7,986	7,691
Other intangible assets other than land use rights	5,710	5,669
Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(3,767)	(4,202)
Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	7,980	7,980
<b>Net common equity tier 1 capital</b>	<b>2,941,410</b>	2,886,378
<b>Additional tier 1 capital</b>	<b>354,987</b>	354,986
Additional tier 1 capital instruments and related premiums	354,331	354,331
Valid portion of minority interests	656	655
<b>Net tier 1 capital</b>	<b>3,296,397</b>	3,241,364
<b>Tier 2 capital</b>	<b>753,895</b>	668,305
Valid portion of tier 2 capital instruments and related premiums	488,668	418,415
Surplus provision for loan impairment	264,131	248,774
Valid portion of minority interests	1,096	1,116
<b>Net capital base</b>	<b>4,050,292</b>	3,909,669
<b>Risk-weighted assets<sup>(1)</sup></b>	<b>22,124,301</b>	21,690,349
<b>Common equity tier 1 capital adequacy ratio (%)</b>	<b>13.29</b>	13.31
<b>Tier 1 capital adequacy ratio (%)</b>	<b>14.90</b>	14.94
<b>Capital adequacy ratio (%)</b>	<b>18.31</b>	18.02

*Note:* (1) Refers to risk-weighted assets after capital floor and adjustments.

## RISK-WEIGHTED ASSETS

Item	<i>In RMB millions</i>	
	At 30 June 2022	At 31 December 2021
Credit risk-weighted assets	<b>20,409,070</b>	20,042,955
Parts covered by internal ratings-based approach	<b>13,267,885</b>	13,472,715
Parts uncovered by internal ratings-based approach	<b>7,141,185</b>	6,570,240
Market risk-weighted assets	<b>221,523</b>	153,686
Parts covered by internal model approach	<b>89,058</b>	51,014
Parts uncovered by internal model approach	<b>132,465</b>	102,672
Operational risk-weighted assets	<b>1,493,708</b>	1,493,708
<b>Total</b>	<b><u>22,124,301</u></b>	<b><u>21,690,349</u></b>

## LEVERAGE RATIO

Item	<i>In RMB millions, except for percentages</i>			
	At 30 June 2022	At 31 March 2022	At 31 December 2021	At 30 September 2021
Net tier 1 capital	<b>3,296,397</b>	3,321,161	3,241,364	3,132,095
Balance of adjusted on- and off-balance sheet assets	<b>41,006,112</b>	39,560,645	37,292,522	37,682,357
Leverage ratio (%)	<b>8.04</b>	8.40	8.69	8.31

On the basis of capital replenishment by retained profits, the Bank proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments, to reinforce the capital strength, optimize capital structure and control the cost of capital rationally.

The Bank publicly issued three tranches of tier 2 capital bonds of RMB40.0 billion, RMB50.0 billion and RMB40.0 billion in China's national inter-bank bond market in January, April and August 2022 respectively. All proceeds were used to replenish the Bank's tier 2 capital in accordance with the applicable laws as approved by relevant regulatory authorities.

For details on the issuance of capital instruments of the Bank, please refer to the announcements published by the Bank on the website of Shanghai Stock Exchange, the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited and the website of the Bank.

## 4.5 Outlook

**In the second half of 2022**, the external environment is expected to become more severe and complex and the global stock market, bond market and foreign exchange market to remain volatile. The World Bank recently slashed its global economic growth forecast by 1.2 percentage points to 2.9% for 2022. The recovery of the **global economy** is very likely to become more difficult and uncertain. The **Chinese economy** demonstrates strong resilience and great potential, with its long-term good prospects remaining unchanged. Its economic growth is expected to maintain within an appropriate range and its enormous growth potential will be unleashed. That will provide favorable conditions for the **banking industry** to continue to improve its strength and drive high-quality development.

**ICBC** will follow the guidance of Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhere to the general principle of pursuing progress while ensuring stability, apply the new development philosophy in full, in the right way, and in all fields of endeavor and move faster to create a new pattern of development. It will put forth effort to promote high-quality development, keep focusing on the political and people-oriented nature of financial work, and implement the important requirements for effective COVID-19 prevention, economic stability, and safe development. The Bank will adhere to the 48-character guideline and apply the working method of Three Compares, Three Reviews and Three Improves. On the basis of sound development in the first half of the year, the Bank will fully consolidate its work conducive to the stable growth state, improve the quality of progress and expand the achievements in remediation, to create, with concrete actions, a stable and healthy economic environment for the successful holding of the 20th National Congress of the CPC.

**First, to further strengthen the guidance of the Party building theory.** The Bank will adhere to the centralized and unified leadership of the CPC Central Committee on economic and financial work, use the creative theories of the Party to arm the mind, guide actions and advance work, and closely follow the financial development path with Chinese characteristics in thinking and action. The Bank will incorporate strict standards and strict measures into the whole governance process of the Party and strengthen the “strict” atmosphere of full and strict Party self-governance. Meanwhile, the Bank will improve the regular and long-term mechanism for remediation of problems identified in the disciplinary inspection by the CPC Central Committee, focus on the implementation and results of remediation tasks, and continue to consolidate and expand the achievements in remediation.

**Second, to spare no effort to serve for stable economic growth.** The Bank will further give play to its leading role as a large bank to implement, in a high-quality manner, the central government’s package of policies for maintaining stable economic growth, and be a good leader in countercyclical credit supply. With a focus on expanding demand, the Bank will channel more funds into key areas and weak links of high-quality development such as manufacturing, sci-tech innovation, inclusive finance, private sector and green fields. The Bank will actively develop consumer finance, enrich financial supply to areas that are important to people’s livelihood such as elderly care and healthcare, strengthen financial support to epidemic control, safeguarding the stability and security of industrial and supply chains, ensuring smooth transportation and logistics, food safety, energy resources, etc., and contribute to the stable development of foreign trade, import and export.

**Third, to firmly secure safe development.** The Bank will strengthen enterprise-wide risk management, and deepen the Five-pronged Risk Management Approach, namely the overall risk management of domestic and overseas institutions, on- and off-balance sheet business, commercial banking and investment banking and other services, online and offline business, and Head Office and subordinate institutions. The Bank will keep a close watch on major latent risks and sources of infection and adopt effective prevention and control measures to build a strong line of defense against risks and avoid secondary risks. The Bank will focus on credit risk governance in key areas, attach more importance to forestalling and defusing risks from the perspectives of industrial chain and ecological chain, and make better use of asset value to increase social benefit. The Bank will improve the effectiveness of internal control and compliance and step up efforts in the establishment, execution and supervision of policies and regulations.

**Fourth, to deepen financial reform in a steadfast and orderly manner.** The Bank will improve the implementation mechanism of major national strategies to provide long-term and targeted financial support. It will fully promote the execution of the Group's comprehensive reform plan, refine the reform path item by item, and make sure all tasks are well executed. The Bank will also systematically optimize the evaluation system and monitoring system, promote segment operation and straight-through management, and improve the operation vitality of the Head Office, branches, sub-branches, and front, middle and back offices on all fronts.

**Fifth, to improve the implementation quality of development planning.** The Bank will deepen the strategic layout of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation” and the implementation of key strategies such as No.1 Personal Bank, Preferred Bank for Foreign Exchange Business, Sharpening Competitive Edge in Key Regions and Urban-Rural Collaborative Development and improve capability for balanced, coordinated and sustainable development. Meanwhile, the Bank will promote global operations in depth and better serve high-standard opening up. It will carry out “GBC+” projects in depth and form a working pattern in which the projects drive and empower each other. In addition, the Bank will continue the building of D-ICBC , stress on “soup-making” integration, and push for implementation of established tasks at a faster pace.

**Sixth, to promote the building of the leadership and talent teams with high standards.** The Bank will implement in depth the Party's organizational path in the new era, continue to strengthen training and staffing of cadres, and intensify selection and training of outstanding young cadres and cadres exchange. The Bank will improve talent introduction and training quality, deepen integration of industry, education and research, stress on the building of key professional talent teams, and push for refined and deep implementation of the bank-wide talent development plan. The Bank will steadily promote the adjustment and optimization of the organizational system against the backdrop of digital transformation to better support high-quality development.



## 4.6 Hot Topics in the Capital Market

### *Hot Topic 1: Striking Performance Highlighting the “Strong, Excellent, Large and Distinctive” Features*

In the first half of 2022, ICBC adhered to the 48-character guideline, coordinated COVID-19 prevention and control efforts with business development, and steadily pushed forward the implementation of the strategic pattern of “leveraging our strengths, tackling areas of weaknesses and solidifying the foundation”. With all-round efforts to keep the macro-economy on an even keel, the Bank advanced its new development plan in an orderly manner, further improved its sustainable development, and took new steps in its high-quality development.

**In terms of strategy advancement, first of all, the Bank leveraged its business strengths.** ICBC further gave full play to and cemented its core strengths in institutional finance, corporate finance, trade finance and settlement finance, thus effectively enhanced its capacity to serve the real economy. **Second, the Bank identified its strategic focuses.** Consistently committed to the top business priority of serving customers and the first development goal of becoming the preferred bank for customers, ICBC accelerated its implementation of the No.1 Personal Bank, the Preferred Bank for Foreign Exchange Business, Sharpening Competitive Edge in Key Regions, and Urban-Rural Collaborative Development strategies. **Third, the Bank laid a solid foundation for operation.** ICBC strengthened its capabilities in reform, innovation and risk prevention and control, enhanced its technology drive and financial empowerment, and optimized its resource allocation and risk management, in a bid to develop hard power for development. **Fourth, the Bank reinforced its development base.** ICBC focused on GBC interactions and coordination of channels, enhanced the competitiveness of its talent team, and modernized its financial governance system and capacity.

**In terms of operating performance,** the Bank delivered remarkable performance in core business indicators and continued to highlight its “strong, excellent, large and distinctive” features. **First, operational efficiency was “strong”.** Annualized return on weighted average equity (ROE) and annualized return on average total assets (ROA) reached 11.25% and 0.93% respectively, demonstrating the Bank’s relatively strong profitability. Capital adequacy ratio stood at 18.31%, an increase of 0.29 percentage points from the end of the previous year, ranking among the top of the global banking sector and reflecting the Bank’s ever-growing capital strength. Allowance to NPLs was 207.03%, justifying the Bank’s relatively strong risk resilience. **Second, operating quality was “excellent”.** Both the NPL ratio (1.41%) and overdue loan rate (1.20%) declined, dropping by 1 and 3 basis points respectively from the end of the previous year; the price scissors between overdue loans and NPLs came at RMB-47.3 billion, maintaining negative for nine consecutive quarters and further enhancing asset quality. Annualized net interest margin (NIM) stood at 2.03%, maintaining its performance better than domestic comparable peers. Non-interest income accounted for 20.8% of operating income, an increase of 1.0 percentage points over the previous year, demonstrating more diverse income sources. **Third, scale advantage was “larger”.** Total assets, operating income and net profit exceeded RMB38 trillion, RMB440.0 billion and RMB170.0 billion respectively, ranking first in the global banking sector and hitting the highest record in all interim reporting periods. Deposits and loans increased by RMB2,830,227 million and RMB1,674,115 million respectively from the end of the previous year, with the time-point

increments being the highest among the domestic peers. Both the increments and growth rate were at the best level in the same periods of the past near 10 years. **Fourth, services for the real economy were “distinctive”.** Focusing on the tasks of “ensuring stability on six key fronts” and the missions of “maintaining security in six key areas”, the Bank continued to invest more funds to support the real economy. In the first half of the year, the growth rates of loans to characteristic and key areas such as manufacturing, sci-tech innovation, green and inclusive industries were each higher than the average growth rate of loans in general, gradually showing a prominent credit characteristic. Specifically, the balance of loans to manufacturing reached RMB2,792.6 billion, increased by RMB628.1 billion over the end of the previous year with the increment increased by RMB449.2 billion year on year, ranking first among peers in terms of both the balance and increment. The time-point balance of loans to manufacturing accounted for 23.2% of all domestic corporate loans, increasing by 3.4 percentage points from the beginning of the year, strongly demonstrating the responsibility as a large bank. The balance of green loans reached RMB3,499.9 billion, increased by RMB694.7 billion from the beginning of the year, ranking first among peers in terms of both the balance and increment. As a result, the service system for green finance has been further improved.

### ***Hot Topic 2: Leading in Credit Volume and Ever-improving Credit Structure***

So far this year, facing the complex internal and external situations as well as multiple risks and challenges, the Bank actively arranged the aggregate volume, structure, pace and pricing of investment and financing, increased credit support for key areas and weak links in the real economy, and made continuous efforts to provide more adaptable, more competitive, and more inclusive financial services.

**First, the aggregate credit volume grew steadily.** The Bank introduced 30 measures to help stabilize the macro-economy and 13 instruments to optimize credit policies. By means such as expanding the total size of loans, optimizing credit policies, streamlining credit review and approval procedures, and improving relevant assessments and incentives, the Bank maintained steady growth in aggregate credit volume. At the end of June 2022, the Bank’s domestic RMB loans increased by RMB1.61 trillion from the end of the previous year with the increment increased by RMB346.5 billion year on year, and bonds underwritten by the Bank exceeded RMB1.2 trillion in the first half of the year. Both the amount of domestic RMB loans and underwritten bonds set record highs and ranked first in the market.

**Second, the pace of credit granting became more balanced.** The Bank highlighted the average daily growth of credit granting. In the first half of the year, the Bank set appropriate intensity, pace and direction of credit granting, made proactive efforts to grant loans to key areas, and appropriately accelerated its loan placement. By doing so, the Bank strove to meet the needs of the real economy, helped stabilize the overall economy, and solidified its competitiveness in the credit market.

**Third, the credit structure focused on key areas.** The Bank optimized its credit structure by mainly supporting key economic areas and weak links, and focused on providing all-round and one-stop loan services. **In terms of serving manufacturing and green development,** the Bank highlighted its traditional characteristic advantages and facilitated green transformation development. The balance of loans to manufacturing reached RMB2.8 trillion, representing an increase of RMB628.1 billion from the end of the previous year. Such level of growth was 3.5 times in that of the same period of the previous year. Green loans topped RMB3 trillion, an increase of RMB694.7 billion from the beginning of the year. Both the balances and increments of loans to manufacturing and green loans ranked first in the market. **In terms of serving technological innovation,** the Bank targeted efforts at where the innovation chain and the industrial chain converge to facilitate technological research and development as well as the industrial application of relevant results. The balance of loans to strategic emerging industries increased by 38.7% from the end of the previous year, and the balance of loans to “Specialization, Refinement, Differentiation and Innovation” enterprises increased beyond 70%. **In terms of serving small and medium enterprises,** the Bank vigorously promoted active and flexible credit granting through a sound combination of online and offline channels. Inclusive loans grew by more than RMB300.0 billion compared with the end of the previous year and the number of customers increased by 15.6%. **In terms of helping to stabilize foreign investment and foreign trade,** the “Chunrong Action” with the theme of stabilizing foreign trade and foreign investment was deeply carried out in strict accordance with the national policy orientation, and extended special support to customers in important strategic areas such as advanced manufacturing, and “Specialization, Refinement, Differentiation and Innovation”. In the first half of the year, the Bank cumulatively released RMB627.1 billion of financing both on and off balance sheet to key foreign trade and foreign-invested domestic enterprises through the “Chunrong Action”.

**Fourth, the regional layout became more coordinated.** Focusing on the key regions rich in customer and project resources, such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing region, the Bank gave full play to its comprehensive financial advantages to continuously cement and improve its market competitiveness. In the first half of the year, the Bank’s RMB loans to the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China, and Chengdu-Chongqing region grew by RMB1.19 trillion over the end of the previous year, and the growth of loans to key regions was higher than the average growth of all loans of the Bank. At the same time, branch loans in areas with slow credit growth maintained a year-on-year increase in increment, which facilitated regional coordinated development.

**Fifth, the financing costs of market players were pushed down.** The Bank deepened and improved the grade- and category-based authorization system for LPR pricing loans, and provided more targeted support for the pricing of loans to key areas of the real economy. By doing so, the Bank pushed forward the stable reduction of the comprehensive financing costs of enterprises.

In accordance with the requirements for “effective COVID-19 prevention, economic stability, and safe development”, and around the key tasks of “ensuring stability on six key fronts” and “maintaining security in six key areas”, the Bank will continue to coordinate the intensity, pace and structure of credit granting and reduce the financing costs of the real economy, actively contributing to stabilizing the overall economy.

### *Hot Topic 3: Optimized Customer Ecosystem and Improved Competitiveness in Deposits*

At the end of June, the Bank’s due to customers increased by RMB2.83 trillion from the end of the previous year with the increment increased by RMB1.4 trillion year on year. The balance and increment of domestic local- and foreign-currency deposits (including inter-bank deposits) exceeded RMB30 trillion and RMB3 trillion respectively. Both the balance and the increment ranked first in the market. With such financial strengths, the Bank provided stable and sustainable financial support for the real economy.

**First, new progress was made in the high-quality development of deposit business.** Adhering to taking deposits as the main source of liabilities, the Bank solidly promoted the high-quality development of deposit business, and further improved its competitiveness in the fierce deposit market effectively. **Various types of deposit business developed in a coordinated and balanced manner.** The Bank strengthened its prospective judgments on the pattern of flow of funds in society and improved the mechanism of collaboration among business sectors and lines. As a result, the balances of domestic personal and corporate deposits both topped RMB13 trillion. Specifically, the balance of personal deposits increased by RMB1.2 trillion from the end of the previous year; the balance of corporate deposits increased by RMB1.5 trillion from the end of the previous year, hitting a record high for the same period in history. **The stability of deposits enhanced significantly.** By means such as continuously promoting customer expansion, stepping up product innovation, improving service quality and efficiency, and proactively responding to the maturity of existing deposits, the Bank made more prominent efforts to enhance deposit stability. In the first half of the year, the Bank’s equilibrium rate of new deposits reached the highest level for the same period in the past near ten years, representing a significant progress in stability. **Branch deposits in key regions showed higher competitiveness.** By following the national major regional strategies and grasping the business opportunities in areas such as technological innovation, industrial upgrading, green development, industrial revitalization and population transfer in key regions, the Bank improved its service quality and efficiency on all fronts and maintained its leading position in branch deposits in key regional markets. In the first half of the year, the balances and increments of deposits in the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing region stayed ahead of the market.

**Second, the customer ecosystem was gradually optimized.** Considering the situation and trend of the macro-economy and market competition, the Bank gave full play to its advantages in comprehensive financial services such as products, services, channels and technology to speed up digital transformation and solidly promote the implementation of the “GBC+” projects, with phased results achieved. **The GBC (government, business, consumption) interaction mechanism came into play.** By creating closed loops of customers, funds, and information, the GBC ends integrated to promote each other. The Bank capitalized its advantages of customer cooperation on the G and B ends to facilitate the downstream fund retention and the agency payroll business on the G end. During the reporting period, the numbers of customers acquired and activated at G-end, B-end and C-end key scenarios were 4,770, 199 thousand and 30.80 million, respectively, and the customers attracted by agency payroll business increased by more than 22% year on year. **The internal circulation chains of funds became smoother.** By making good use of its huge fund flow, the Bank further smoothed its internal circulation chains of funds, turned flow of funds to deposits and significantly improved its closed-loop fund management and fund retention. Its fund retention rate increased by 3.2 percentage points from the beginning of the year. **Customer base was continuously consolidated.** The Bank carried out the “Net Making and Patching” program and upgraded the “Smart Brain” decision-making center and omni-channel operation system to reach all customers, expand the customer base, optimize the customer quality, and activate customer transactions. As at the end of June, the personal assets under management (AUM) reached RMB17.93 trillion, increasing by RMB973.8 billion from the end of the previous year with the increment increased by RMB328.6 billion year on year. The number of personal mobile banking customers reached 488 million, and the number of monthly active users (“MAU”) at mobile terminals exceeded 160 million, maintaining a leading position in the industry. The number of corporate customers reached 10,287 thousand, increasing by 596 thousand from the beginning of the year, and making ICBC the first of the industry to have acquired more than 10 million corporate customers.

**Third, the development capacity of volume-price coordination was improved.** The Bank actively followed the reform of the self-discipline mechanism for market-based interest rate pricing, gave full play to its advantages in comprehensive services, and continued to improve the pricing management system. By continuously optimizing the deposit terms, interest rates, product structure and pace of offering, the Bank kept the deposit interest rates at an outstanding level among peers. In June, the Bank’s interest rate of new time deposits was lower than the industry average, decreasing remarkably from the same period of the previous year with the dropping rate higher than the industry average, showing the Bank’s significant improvements in the volume-price coordination level of deposit and capacity of value creation.

In the next stage, in accordance with the concept of high-quality development, the Bank will solidly promote the implementation of the “GBC+” projects and continue to optimize its customer ecosystem and structure of new deposits, striving to provide more stable financial support for the real economy.

## 5. Information Disclosed Pursuant to the Regulation Governing Capital of Commercial Banks (Provisional)

### Capital Adequacy Ratio

#### ◆ *Scope of Capital Adequacy Ratio Calculation*

The scope of capital adequacy ratio calculation shall cover the Bank and all eligible financial institutions in which the Bank has a direct or indirect investment as specified in the Regulation Governing Capital of Commercial Banks (Provisional).

#### ◆ *Risk-Weighted Assets and Calculation Method and Measurement Results of Capital Adequacy Ratio*

Please refer to the section headed “Discussion and Analysis — Capital Adequacy Ratio and Leverage Ratio”.

### Credit Risk

#### *CREDIT RISK EXPOSURE*

*In RMB millions*

Item	At 30 June 2022		At 31 December 2021	
	Parts covered by internal ratings-based approach	Parts uncovered by internal ratings-based approach	Parts covered by internal ratings-based approach	Parts uncovered by internal ratings-based approach
Corporate	12,826,407	1,743,714	11,784,229	1,579,671
Sovereign	—	8,477,892	—	7,788,462
Financial institution	—	4,295,002	—	3,234,577
Retail	8,006,748	520,031	7,803,147	558,255
Equity	—	188,860	—	186,061
Asset securitization	—	103,366	—	109,803
Other	—	5,405,785	—	4,855,985
<b>Total risk exposure</b>	<b>20,833,155</b>	<b>20,734,650</b>	<b>19,587,376</b>	<b>18,312,814</b>

## Market Risk

### CAPITAL REQUIREMENT FOR MARKET RISK

*In RMB millions*

Risk type	At 30 June	At 31 December
	2022	2021
<b>Parts covered by internal model approach</b>	<b>7,125</b>	4,081
<b>Parts uncovered by internal model approach</b>	<b>10,597</b>	8,214
Interest rate risk	<b>5,376</b>	4,465
Commodity risk	<b>5,176</b>	3,707
Option risk	<b>45</b>	42
<b>Total</b>	<b><u>17,722</u></b>	<b><u>12,295</u></b>

*Note:* According to the scope of implementing the advanced capital management approaches as approved by the regulatory authorities, the internal model approach for market risk of the Bank covers the Group's currency risk, the general interest rate risk of the parent company and Industrial and Commercial Bank of China (Canada) and the commodity risk of the parent company. Parts uncovered by the internal model approach are measured by the standardized approach.

The Bank applied the Historical Simulation Method (adopting a confidence interval of 99%, holding period of 10 days and historical data of 250 days) to measure VaR for use in capital measurement by internal model approach.

### VALUE AT RISK (VAR)

*In RMB millions*

Item	Six months ended 30 June 2022				Six months ended 30 June 2021			
	Period end	Average	Maximum	Minimum	Period end	Average	Maximum	Minimum
<b>VaR</b>	<b>428</b>	<b>354</b>	<b>539</b>	<b>231</b>	596	651	839	497
Interest rate risk	<b>204</b>	<b>223</b>	<b>287</b>	<b>125</b>	307	547	811	254
Currency risk	<b>343</b>	<b>313</b>	<b>365</b>	<b>219</b>	418	486	913	235
Commodity risk	<b>74</b>	<b>79</b>	<b>256</b>	<b>49</b>	197	258	503	93
<b>Stressed VaR</b>	<b>1,709</b>	<b>1,683</b>	<b>2,058</b>	<b>996</b>	1,227	900	1,396	587
Interest rate risk	<b>1,753</b>	<b>1,640</b>	<b>2,076</b>	<b>588</b>	747	669	811	467
Currency risk	<b>421</b>	<b>842</b>	<b>1,414</b>	<b>370</b>	1,019	782	1,206	394
Commodity risk	<b>137</b>	<b>145</b>	<b>518</b>	<b>97</b>	281	285	503	153

### Operational Risk

The Bank adopted the standardized approach to measure capital requirement for operational risk. As at the end of June 2022, the capital requirement for operational risk was RMB119,497 million.

## Interest Rate Risk in the Banking Book

Supposing that there is parallel shift of overall market interest rates, and taking no account of possible risk management actions that might be taken by the management to mitigate the interest rate risk, the analysis on interest rate sensitivity of the Bank categorized by major currencies at the end of June 2022 is shown in the following table:

*In RMB millions*

Currency	+100 basis points		-100 basis points	
	Effect on net interest income	Effect on equity	Effect on net interest income	Effect on equity
RMB	(33,822)	(38,252)	33,822	42,790
USD	(752)	(4,040)	752	4,203
HKD	(542)	(336)	542	82
Other	398	(1,998)	(398)	3,876
<b>Total</b>	<b>(34,718)</b>	<b>(44,626)</b>	<b>34,718</b>	<b>50,951</b>

## Equity Risk in the Banking Book

*In RMB millions*

Equity type	At 30 June 2022			At 31 December 2021		
	Publicly-traded equity investment risk exposure <sup>(1)</sup>	Non-publicly-traded equity investment risk exposure <sup>(1)</sup>	Unrealised potential gains (losses) <sup>(2)</sup>	Publicly-traded equity investment risk exposure <sup>(1)</sup>	Non-publicly-traded equity investment risk exposure <sup>(1)</sup>	Unrealised potential gains (losses) <sup>(2)</sup>
Financial institution	31,292	15,504	5,104	29,513	14,205	7,207
Corporate	27,897	131,413	(3,046)	25,412	134,605	(2,667)
<b>Total</b>	<b>59,189</b>	<b>146,917</b>	<b>2,058</b>	<b>54,925</b>	<b>148,810</b>	<b>4,540</b>

Notes: (1) Publicly-traded equity investment refers to equity investment made in listed companies, and non-publicly-traded equity investment refers to equity investment made in non-listed companies.

(2) Unrealised potential gains (losses) refer to the unrealised gains (losses) recognized on the balance sheet but not recognized on the income statement.



## 6. Details of Changes in Share Capital and Shareholding of Substantial Shareholders

### Details of Securities Issuance and Listing

During the reporting period, the Bank did not issue any shares, did not have any employee shares, did not issue any convertible bonds, or corporate bonds to be disclosed in accordance with Chapter II, Section 9 of the “No. 3 Standards on the Content and Format of Information Disclosure of Companies with Public Offerings — Content and Format of the Half-year Report (Revision 2021)”.

### Number of Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had a total number of 706,817 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 111,903 holders of H shares and 594,914 holders of A shares.

### PARTICULARS OF SHAREHOLDING OF THE TOP 10 ORDINARY SHAREHOLDERS OF THE BANK

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease of shares during the reporting period	Number of shares held at the end of reporting period	Shareholding percentage (%)	<i>Unit: Share</i>
						Number of pledged/ locked-up/ marked shares
Central Huijin Investment Ltd.	State-owned	A Share	—	123,717,852,951	34.71	None
MOF	State-owned	A Share	—	110,984,806,678	31.14	None
HKSCC Nominees Limited <sup>(5)</sup>	Foreign legal person	H Share	-2,838,368	86,151,286,181	24.17	Unknown
National Council for Social Security Fund <sup>(6)</sup>	State-owned	A Share	—	12,331,645,186	3.46	None
Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products	Other entities	A Share	-736,135,000	2,951,195,676	0.83	None
China Securities Finance Co., Ltd.	State-owned legal person	A Share	—	2,416,131,540	0.68	None
Hong Kong Securities Clearing Company Limited <sup>(7)</sup>	Foreign legal person	A Share	315,904,263	1,702,355,929	0.48	None
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A Share	—	1,013,921,700	0.28	None
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu	Other entities	A Share	247,925,138	683,836,023	0.19	None
Taiping Life Insurance Co., Ltd.	State-owned legal person	A Share	291,056,026	458,853,272	0.13	None

- Notes:*
- (1) The above data are based on the Bank's register of shareholders as at 30 June 2022.
  - (2) The Bank had no shares subject to restrictions on sales.
  - (3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned shareholders.
  - (4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.
  - (5) The number of shares held by HKSCC Nominees Limited at the end of the period refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 30 June 2022, which included H shares of the Bank held by National Council for Social Security Fund, Ping An Asset Management Co., Ltd. and Temasek Holdings (Private) Limited.
  - (6) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), MOF transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than 3-year lock-up period as of the date of the receipt of transferred shares. At the end of the reporting period, according to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund also held 7,946,049,758 H shares of the Bank and 20,277,694,944 A and H shares in aggregate, accounting for 5.69% of the Bank's total ordinary shares.
  - (7) The number of shares held by Hong Kong Securities Clearing Company Limited at the end of the period refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 30 June 2022.

## Changes of the Controlling Shareholders and De Facto Controller

During the reporting period, the Bank's controlling shareholders and de facto controller remained unchanged.

## Interests and Short Positions Held by Substantial Shareholders and Other Persons

### Substantial Shareholders and Persons Having Notifiable Interests or Short Positions Pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance of Hong Kong

As at 30 June 2022, the Bank received notices from the following persons about their interests or short positions held in the Bank's ordinary shares and underlying shares, which were recorded in the register pursuant to Section 336 of the Securities and Futures Ordinance of Hong Kong as follows:

#### HOLDERS OF A SHARES

Name of substantial shareholder	Capacity	Number of A shares held (share)	Nature of interests	Percentage of A shares <sup>(2)</sup> (%)	Percentage of total ordinary shares <sup>(2)</sup> (%)
Central Huijin Investment Ltd. <sup>(1)</sup>	Beneficial owner	123,717,852,951	Long position	45.89	34.71
	Interest of controlled corporations	1,013,921,700	Long position	0.38	0.28
	Total	124,731,774,651		46.26	35.00
MOF	Beneficial owner	110,984,806,678	Long position	41.16	31.14

Notes: (1) According to the register of shareholders of the Bank as at 30 June 2022, Central Huijin Investment Ltd. held 123,717,852,951 shares in the Bank, while Central Huijin Asset Management Co., Ltd., a subsidiary of Central Huijin Investment Ltd., held 1,013,921,700 shares in the Bank.

(2) Due to rounding, percentages presented herein are for reference only.

## HOLDERS OF H SHARES

Name of substantial shareholder	Capacity	Number of H shares held (share)	Nature of interests	Percentage of H shares <sup>(3)</sup> (%)	Percentage of total ordinary shares <sup>(3)</sup> (%)
Ping An Asset Management Co., Ltd. <sup>(1)</sup>	Investment manager	12,168,809,000	Long position	14.02	3.41
National Council for Social Security Fund <sup>(2)</sup>	Beneficial owner	8,663,703,234	Long position	9.98	2.43
Temasek Holdings (Private) Limited	Interest of controlled corporations	7,317,475,731	Long position	8.43	2.05

*Notes:* (1) As confirmed by Ping An Asset Management Co., Ltd., such shares were held by Ping An Asset Management Co., Ltd. on behalf of certain customers (including but not limited to Ping An Life Insurance Company of China, Ltd.) in its capacity as investment manager and the interests in such shares were disclosed based on the latest disclosure of interests form filed by Ping An Asset Management Co., Ltd. for the period ended 30 June 2022 (the date of relevant event being 12 June 2019). Both Ping An Life Insurance Company of China, Ltd. and Ping An Asset Management Co., Ltd. are subsidiaries of Ping An Insurance (Group) Company of China, Ltd. As Ping An Asset Management Co., Ltd. is in a position to fully exercise the voting rights in respect of such shares on behalf of customers and independently exercise the rights of investment and business management in its capacity as investment manager, and is completely independent from Ping An Insurance (Group) Company of China, Ltd., Ping An Insurance (Group) Company of China, Ltd. is exempted from aggregating the interests in such shares as a holding company under the aggregation exemption and disclosing the holding of the same in accordance with the Securities and Futures Ordinance of Hong Kong.

(2) According to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund held 7,946,049,758 H shares of the Bank as at the end of the reporting period, accounting for 9.16% of the Bank's H shares and 2.23% of the Bank's total ordinary shares.

(3) Due to rounding, percentages presented herein are for reference only.

## Preference Shares

### ◆ Issuance and Listing of Preference Shares during the Reporting Period

During the reporting period, the Bank did not issue any preference shares.

### ◆ Number of Preference Shareholders and Particulars of Shareholding

As at the end of the reporting period, the Bank had one offshore preference shareholder (or proxy), 28 domestic preference shareholders of “工行優 1” and 34 domestic preference shareholders of “工行優 2”.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 OFFSHORE PREFERENCE SHAREHOLDERS (OR PROXIES) OF THE BANK

*Unit: Share*

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
The Bank of New York Depository (Nominees) Limited	Foreign legal person	USD offshore preference shares	—	145,000,000	100	—	Unknown

- Notes:* (1) The above data are based on the Bank’s register of offshore preference shareholders as at 30 June 2022.
- (2) As the issuance of the offshore preference shares above was non-public offering, the register of preference shareholders presented the information on the registered holder of the offshore preference shares.
- (3) The Bank is not aware of any connected relations or concert party action between the afore-mentioned preference shareholder and top 10 ordinary shareholders.
- (4) “Shareholding percentage” refers to the percentage of offshore preference shares held by preference shareholders in total number of offshore preference shares.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優1”

*Unit: Share*

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	200,000,000	44.4	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	11.1	—	None
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	35,000,000	7.8	—	None
Ping An Life Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	30,000,000	6.7	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	18,000,000	4.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	—	15,000,000	3.3	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	11,400,000	2.5	—	None
China National Tobacco Corporation Shandong Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
China National Tobacco Corporation Heilongjiang Branch	Other entities	Domestic preference shares	—	10,000,000	2.2	—	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	10,000,000	2.2	—	None

*Notes:* (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優1” as at 30 June 2022.

(2) China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are both wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. “Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優1” held by preference shareholders in total number (450 million shares) of domestic preference shares of “工行優1”.

## PARTICULARS OF SHAREHOLDING OF THE TOP 10 DOMESTIC PREFERENCE SHAREHOLDERS OF “工行優2”

*Unit: Share*

Name of shareholder	Nature of shareholder	Class of shares	Increase/ decrease during the reporting period	Shares held at the end of the period	Shareholding percentage (%)	Number of shares subject to restrictions on sales	Number of pledged/ locked-up/ marked shares
China Life Insurance Company Limited	State-owned legal person	Domestic preference shares	—	120,000,000	17.1	—	None
Hwabao Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	112,750,000	16.1	—	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	Domestic preference shares	—	100,000,000	14.3	—	None
BOC International (China) Co., Ltd.	State-owned legal person	Domestic preference shares	—	70,000,000	10.0	—	None
CCB Trust Co., Ltd.	State-owned legal person	Domestic preference shares	-6,000,000	64,000,000	9.1	—	None
China National Tobacco Corporation	Other entities	Domestic preference shares	—	50,000,000	7.1	—	None
Jiangsu International Trust Co., Ltd.	State-owned legal person	Domestic preference shares	—	37,250,000	5.3	—	None
Shanghai Tobacco Group Co., Ltd.	Other entities	Domestic preference shares	—	30,000,000	4.3	—	None
Bank of Beijing Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	-3,000,000	17,000,000	2.4	—	None
BOCOM Schroders Asset Management Co., Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None
Ping An Property & Casualty Insurance Company of China, Ltd.	Domestic non-state-owned legal person	Domestic preference shares	—	15,000,000	2.1	—	None

*Notes:* (1) The above data are based on the Bank’s register of domestic preference shareholders of “工行優2” as at 30 June 2022.

(2) Shanghai Tobacco Group Co., Ltd., China National Tobacco Corporation Shandong Branch and China National Tobacco Corporation Heilongjiang Branch are all wholly-owned subsidiaries of China National Tobacco Corporation. “China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 Hu” is managed by China Life Insurance Company Limited. “Ping An Life Insurance Company of China, Ltd. — Traditional — Ordinary insurance products” is managed by Ping An Life Insurance Company of China, Ltd. Ping An Life Insurance Company of China, Ltd. and Ping An Property & Casualty Insurance Company of China, Ltd. have connected relations. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the afore-mentioned preference shareholders and among the afore-mentioned preference shareholders and top 10 ordinary shareholders.

(3) “Shareholding percentage” refers to the percentage of domestic preference shares of “工行優2” held by preference shareholders in total number (700 million shares) of domestic preference shares of “工行優2”.

#### ◆ *Dividend Distribution of Preference Shares*

During the reporting period, the Bank did not distribute dividends on preference share.

The Bank reviewed and approved the distribution of dividends on “工行優 2” and offshore USD preference shares at the meeting of the Board of Directors on 30 August 2022, planning to distribute the dividends on “工行優 2” on 26 September 2022 at the dividend rate of 4.2% (inclusive of tax, and the tax payable on dividends received by holders of domestic preference shares should be borne by them in compliance with relevant laws and regulations) and the total dividends distributed will be RMB2,940 million; and planning to distribute the dividends on offshore USD preference shares on 23 September 2022 at the dividend rate of 3.58% (post-tax, namely the actual dividend rate obtained by offshore USD preference shareholders) and the dividends distributed on offshore USD preference shares will be approximately USD115.3 million including approximately USD103.8 million to be paid to preference shareholders and approximately USD11.5 million of withholding income tax.

#### ◆ *Redemption or Conversion of Preference Shares*

During the reporting period, the Bank did not redeem or convert any preference share.

#### ◆ *Restoration of Voting Rights of Preference Shares*

During the reporting period, the Bank did not restore any voting right of preference share.

#### ◆ *Accounting Policy Adopted for Preference Shares and Rationale*

According to the Accounting Standard for Business Enterprises No. 22 — Recognition and Measurement of Financial Instruments, the Accounting Standard for Business Enterprises No. 37 — Presentation of Financial Instruments promulgated by MOF as well as the International Financial Reporting Standard 9 — Financial Instruments and the International Accounting Standard 32 — Financial Instruments: Presentation promulgated by International Accounting Standards Board and other accounting standards and the key terms of issuance of the Bank’s preference shares, the issued and existing preference shares do not contain contractual obligations to deliver cash or other financial assets or contractual obligations to deliver variable equity instruments for settlement, and shall be accounted for as other equity instruments.

## **7. Material Assets Acquisition, Sale and Merger**

During the reporting period, the Bank had no material assets acquisition, sale and merger.



## 8. Other Information

### Corporate Governance Code

The Bank complied with the principles, code provisions and recommended best practices stipulated in the Corporate Governance Code (Appendix 14 to the Hong Kong Listing Rules).

With regard to the compliance with Article B.(f) under Part 1 of the Corporate Governance Code (Appendix 14 to the Hong Kong Listing Rules), Mr. Nout Wellink ceased to act as Independent Non-executive Director of the Bank since 31 March 2022 due to expiration of his term of office; at the Annual General Meeting for the Year 2021 held on 23 June 2022, Mr. Norman Chan Tak Lam was elected as Independent Non-executive Director of the Bank, and his qualification is under the review and approval procedures of China Banking and Insurance Regulatory Commission.

### Profits and Dividends Distribution

The formulation and implementation of the Bank's cash dividend policy accords with the provisions stipulated in the Articles of Association and the requirements provided in the resolutions of the Shareholders' General Meeting, the dividend distribution standards and proportion are clear and explicit, and the decision-making procedure and mechanism are complete. Moreover, Independent Non-executive Directors issued their opinions for it. Minority shareholders can fully express their opinions and appeals, to completely safeguard their legitimate rights.

As approved at the Annual General Meeting for the Year 2021 held on 23 June 2022, the Bank distributed cash dividends of about RMB104,534 million, or RMB2.933 per ten shares (pre-tax) for the period from 1 January 2021 to 31 December 2021 to the ordinary shareholders whose names appeared on the share register after the close of market on 11 July 2022. The Bank will not declare or distribute interim dividends for 2022, nor will it convert any capital reserves to share capital.

For details on the distribution of dividends on preference shares of the Bank, please refer to the section headed "Details of Changes in Share Capital and Shareholding of Substantial Shareholders — Preference Shares".

### Purchase, Sale and Redemption of Shares

During the reporting period, neither the Bank nor any of its subsidiaries purchased, sold or redeemed any listed shares of the Bank.

## **Securities Transactions of Directors and Supervisors**

The Bank has adopted a set of codes of conduct concerning the securities transactions by directors and supervisors which are no less stringent than the standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers, Appendix 10 to the Hong Kong Listing Rules. After making enquiries to all Directors and Supervisors of the Bank, each Director and Supervisor confirmed that he/she has complied with the provisions of the aforesaid codes of conduct during the reporting period.

## **Review of the Interim Report**

The 2022 interim financial report prepared by the Bank in accordance with PRC GAAP and IFRSs have been reviewed by Deloitte Touche Tohmatsu Certified Public Accountants LLP and Deloitte Touche Tohmatsu in accordance with Chinese and international standards on review engagements, respectively.

The Interim Report has been reviewed and approved by the Audit Committee of the Board of Directors of the Bank.

## 9. Financial Report

### 9.1 Consolidated Statement of Profit or Loss, Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Financial Position, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows

#### 9.1.1 Unaudited Interim Consolidated Statement of Profit or Loss

(In RMB millions, unless otherwise stated)

	Six months ended 30 June	
	2022	2021
	(unaudited)	(unaudited)
Interest income	620,023	563,802
Interest expense	(268,598)	(227,509)
<b>NET INTEREST INCOME</b>	<b>351,425</b>	<b>336,293</b>
Fee and commission income	83,649	83,232
Fee and commission expense	(7,632)	(7,289)
<b>NET FEE AND COMMISSION INCOME</b>	<b>76,017</b>	<b>75,943</b>
Net trading income	4,813	6,047
Net gains on financial investments	6,154	2,952
Other operating income, net	5,379	5,171
<b>OPERATING INCOME</b>	<b>443,788</b>	<b>426,406</b>
Operating expenses	(103,173)	(94,991)
Impairment losses on assets	(133,622)	(124,547)
<b>OPERATING PROFIT</b>	<b>206,993</b>	<b>206,868</b>
Share of results of associates and joint ventures	2,152	1,202
<b>PROFIT BEFORE TAXATION</b>	<b>209,145</b>	<b>208,070</b>
Income tax expense	(36,575)	(43,561)
<b>PROFIT FOR THE PERIOD</b>	<b>172,570</b>	<b>164,509</b>
Profit for the period attributable to:		
Equity holders of the parent company	171,506	163,473
Non-controlling interests	1,064	1,036
<b>PROFIT FOR THE PERIOD</b>	<b>172,570</b>	<b>164,509</b>
<b>EARNINGS PER SHARE</b>		
— Basic (RMB yuan)	0.47	0.46
— Diluted (RMB yuan)	0.47	0.46

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

(In RMB millions, unless otherwise stated)

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
	<b>(unaudited)</b>	(unaudited)
<b>Profit for the period</b>	<b>172,570</b>	164,509
Other comprehensive income (after tax, net):		
(a) Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at fair value through other comprehensive income	(3,242)	993
(ii) Other comprehensive income recognised under the equity method	(14)	2
(iii) Other	6	1
(b) Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at fair value through other comprehensive income	(15,448)	(982)
(ii) Credit losses of debt instruments measured at fair value through other comprehensive income	2,365	654
(iii) Cash flow hedging reserve	446	899
(iv) Other comprehensive income recognised under the equity method	(153)	(98)
(v) Foreign currency translation reserve	10,609	(4,089)
(vi) Other	(983)	383
<b>Subtotal of other comprehensive income for the period</b>	<b>(6,414)</b>	(2,237)
<b>Total comprehensive income for the period</b>	<b>166,156</b>	162,272
<b>Total comprehensive income for the period attributable to:</b>		
Equity holders of the parent company	164,559	161,200
Non-controlling interests	1,597	1,072
	<b>166,156</b>	162,272

### 9.1.3 Unaudited Interim Consolidated Statement of Financial Position

(In RMB millions, unless otherwise stated)

	<b>30 June 2022 (unaudited)</b>	31 December 2021 (audited)
<b>ASSETS</b>		
Cash and balances with central banks	3,348,474	3,098,438
Due from banks and other financial institutions	1,009,220	827,150
Derivative financial assets	116,493	76,140
Reverse repurchase agreements	1,178,806	663,496
Loans and advances to customers	21,737,421	20,109,200
Financial investments	10,174,195	9,257,760
— Financial investments measured at fair value through profit or loss	765,787	623,223
— Financial investments measured at fair value through other comprehensive income	1,729,559	1,803,604
— Financial investments measured at amortised cost	7,678,849	6,830,933
Investments in associates and joint ventures	65,020	61,782
Property and equipment	292,772	290,296
Deferred tax assets	97,468	79,259
Other assets	724,507	707,862
<b>TOTAL ASSETS</b>	<b>38,744,376</b>	<b>35,171,383</b>
<b>LIABILITIES</b>		
Due to central banks	66,924	39,723
Due to banks and other financial institutions	3,302,752	2,921,029
Financial liabilities measured at fair value through profit or loss	87,250	87,180
Derivative financial liabilities	116,891	71,337
Repurchase agreements	490,885	365,943
Certificates of deposit	258,680	290,342
Due to customers	29,272,001	26,441,774
Income tax payable	62,122	92,443
Debt securities issued	852,124	791,375
Deferred tax liabilities	5,016	5,624
Other liabilities	896,425	789,355
<b>TOTAL LIABILITIES</b>	<b>35,411,070</b>	<b>31,896,125</b>
<b>EQUITY</b>		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	354,331	354,331
Reserves	924,588	926,375
Retained profits	1,678,872	1,620,642
Non-controlling interests	3,314,198	3,257,755
	19,108	17,503
<b>TOTAL EQUITY</b>	<b>3,333,306</b>	<b>3,275,258</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>38,744,376</b>	<b>35,171,383</b>

## 9.1.4 Unaudited Interim Consolidated Statement of Changes in Equity

(In RMB millions, unless otherwise stated)

	Attributable to equity holders of the parent company													Total equity
	Reserves										Retained profits	Non-controlling interests		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal				
Balance as at 1 January 2022	356,407	354,331	148,703	357,169	438,952	24,628	(39,999)	(4,243)	1,165	926,375	1,620,642	3,257,755	17,503	3,275,258
Profit for the period	-	-	-	-	-	-	-	-	-	-	171,506	171,506	1,064	172,570
Other comprehensive income	-	-	-	-	-	(16,587)	10,312	475	(1,147)	(6,947)	-	(6,947)	533	(6,414)
Total comprehensive income	-	-	-	-	-	(16,587)	10,312	475	(1,147)	(6,947)	171,506	164,559	1,597	166,156
Dividends — ordinary shares 2021 final	-	-	-	-	-	-	-	-	-	-	(104,534)	(104,534)	-	(104,534)
Distributions to other equity instrument holders	-	-	-	-	-	-	-	-	-	-	(3,559)	(3,559)	-	(3,559)
Appropriation to surplus reserve (i)	-	-	-	133	-	-	-	-	-	133	(133)	-	-	-
Appropriation to general reserve (ii)	-	-	-	-	3,646	-	-	-	-	3,646	(3,646)	-	-	-
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(28)	(28)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	(74)	-	-	-	(74)	74	-	-	-
Other	-	-	(495)	-	-	-	1,950	-	-	1,455	(1,478)	(23)	36	13
Balance as at 30 June 2022 (unaudited)	356,407	354,331	148,208	357,302	442,598	7,967	(27,737)	(3,768)	18	924,588	1,678,872	3,314,198	19,108	3,333,306

(i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB68 million and RMB65 million, respectively.

(ii) Includes the appropriation to general reserve made by subsidiaries in the amounts of RMB3,646 million.

	Attributable to equity holders of the parent company													Total equity
	Reserves										Retained profits	Non-controlling interests		
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal				
Balance as at 1 January 2021	356,407	225,819	148,640	322,911	339,701	22,377	(27,882)	(4,725)	(304)	800,718	1,510,558	2,893,502	16,013	2,909,515
Profit for the period	-	-	-	-	-	-	-	-	-	-	163,473	163,473	1,036	164,509
Other comprehensive income	-	-	-	-	-	520	(3,992)	913	286	(2,273)	-	(2,273)	36	(2,237)
Total comprehensive income	-	-	-	-	-	520	(3,992)	913	286	(2,273)	163,473	161,200	1,072	162,272
Dividends — ordinary shares 2020 final	-	-	-	-	-	-	-	-	-	-	(94,804)	(94,804)	-	(94,804)
Appropriation to surplus reserve (i)	-	-	-	240	-	-	-	-	-	240	(240)	-	-	-
Appropriation to general reserve (ii)	-	-	-	-	193	-	-	-	-	193	(193)	-	-	-
Capital injection by other equity instrument holders	-	69,992	-	-	-	-	-	-	-	-	-	69,992	-	69,992
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(168)	(168)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	352	-	-	-	352	(352)	-	-	-
Balance as at 30 June 2021 (unaudited)	356,407	295,811	148,640	323,151	339,894	23,249	(31,874)	(3,812)	(18)	799,230	1,578,442	3,029,890	16,917	3,046,807

(i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB56 million and RMB184 million, respectively.

(ii) Includes the appropriation to general reserve made by overseas branches and subsidiaries in the amounts of RMB23 million and RMB170 million, respectively.

Attributable to equity holders of the parent company

	Reserves												Non-controlling interests	Total equity
	Share capital	Other equity instruments	Capital reserve	Surplus reserve	General reserve	Investment revaluation reserve	Foreign currency translation reserve	Cash flow hedging reserve	Other reserves	Subtotal	Retained profits	Total		
Balance as at 1 January 2021	356,407	225,819	148,640	322,911	339,701	22,377	(27,882)	(4,725)	(304)	800,718	1,510,558	2,893,502	16,013	2,909,515
Profit for the year	-	-	-	-	-	-	-	-	-	-	348,338	348,338	1,878	350,216
Other comprehensive income	-	-	-	-	-	1,917	(12,117)	482	1,469	(8,249)	-	(8,249)	77	(8,172)
Total comprehensive income	-	-	-	-	-	1,917	(12,117)	482	1,469	(8,249)	348,338	340,089	1,955	342,044
Dividends — ordinary shares 2020 final	-	-	-	-	-	-	-	-	-	-	(94,804)	(94,804)	-	(94,804)
Distributions to other equity instrument holders	-	-	-	-	-	-	-	-	-	-	(9,607)	(9,607)	-	(9,607)
Appropriation to surplus reserve (i)	-	-	-	34,258	-	-	-	-	-	34,258	(34,258)	-	-	-
Appropriation to general reserve (ii)	-	-	-	-	99,251	-	-	-	-	99,251	(99,251)	-	-	-
Capital injection by other equity instrument holders	-	139,730	-	-	-	-	-	-	-	-	-	139,730	-	139,730
Capital reduction by other equity instrument holders	-	(11,218)	63	-	-	-	-	-	-	63	-	(11,155)	-	(11,155)
Dividends to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	-	-	(465)	(465)
Other comprehensive income transferred to retained earnings	-	-	-	-	-	334	-	-	-	334	(334)	-	-	-
Balance as at 31 December 2021(audited)	<u>356,407</u>	<u>354,331</u>	<u>148,703</u>	<u>357,169</u>	<u>438,952</u>	<u>24,628</u>	<u>(39,999)</u>	<u>(4,243)</u>	<u>1,165</u>	<u>926,375</u>	<u>1,620,642</u>	<u>3,257,755</u>	<u>17,503</u>	<u>3,275,258</u>

- (i) Includes the appropriation to surplus reserve made by overseas branches and subsidiaries in the amounts of RMB56 million and RMB1,764 million, respectively.
- (ii) Includes the appropriation to general reserve made by overseas branches and subsidiaries in the amounts of RMB47 million and RMB1,746 million, respectively.

## 9.1.5 Unaudited Interim Consolidated Statement of Cash Flows

(In RMB millions, unless otherwise stated)

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	<b>209,145</b>	208,070
Adjustments for:		
Share of results of associates and joint ventures	<b>(2,152)</b>	(1,202)
Depreciation	<b>14,855</b>	13,382
Amortisation	<b>1,651</b>	1,267
Impairment losses on assets	<b>133,622</b>	124,547
Unrealised losses on foreign exchange	<b>12,874</b>	17,488
Interest expense on debt securities issued	<b>14,355</b>	13,939
Accreted interest on impaired loans	<b>(879)</b>	(735)
Net gains on financial investments	<b>(13,198)</b>	(9,272)
Interest income on financial investments	<b>(141,578)</b>	(127,855)
Net losses/(gains) on changes in fair value	<b>4,231</b>	(1,329)
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)	<b>(957)</b>	(873)
Dividend income	<b>(2,165)</b>	(1,326)
	<b>229,804</b>	236,101
Net (increase)/decrease in operating assets:		
Due from central banks	<b>(133,089)</b>	(179,968)
Due from banks and other financial institutions	<b>(9,283)</b>	177,811
Financial assets measured at fair value through profit or loss	<b>(131,686)</b>	30,416
Reverse repurchase agreements	<b>(23,050)</b>	(137,720)
Loans and advances to customers	<b>(1,639,112)</b>	(1,435,048)
Other assets	<b>(18,630)</b>	37,525
	<b>(1,954,850)</b>	(1,506,984)
Net increase/(decrease) in operating liabilities:		
Financial liabilities measured at fair value through profit or loss	<b>24</b>	(502)
Due to central banks	<b>27,082</b>	(12,305)
Due to banks and other financial institutions	<b>338,861</b>	193,692
Repurchase agreements	<b>116,480</b>	6,153
Certificates of deposit	<b>(42,871)</b>	(29,847)
Due to customers	<b>2,707,647</b>	1,424,532
Other liabilities	<b>71,334</b>	145,449
	<b>3,218,557</b>	1,727,172
Net cash flows from operating activities before taxation	<b>1,493,511</b>	456,289
Income tax paid	<b>(83,106)</b>	(78,743)
Net cash flows from operating activities	<b>1,410,405</b>	377,546



	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of property and equipment and other assets	(16,122)	(9,041)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)	665	2,139
Purchases of financial investments	(2,345,763)	(1,635,233)
Proceeds from sale and redemption of financial investments	1,534,583	1,296,712
Investments in associates and joint ventures	(3,762)	(929)
Proceeds from disposal of associates and joint ventures	1,511	–
Investment returns received	147,758	129,788
	<u>(681,130)</u>	<u>(216,564)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of other equity instruments	–	70,000
Proceeds from issuance of debt securities	496,196	417,449
Interest paid on debt securities	(12,684)	(11,418)
Repayment of debt securities	(446,942)	(430,449)
Dividends or interest paid to other equity instrument holders	(3,559)	–
Dividends paid to non-controlling shareholders	(28)	(168)
Cash payment for other financing activities	(2,785)	(5,154)
	<u>30,198</u>	<u>40,260</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		
	759,473	201,242
Cash and cash equivalents at beginning of the period	1,436,757	1,791,122
Effect of exchange rate changes on cash and cash equivalents	24,010	(12,797)
	<u>2,220,240</u>	<u>1,979,567</u>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>		
	<u>2,220,240</u>	<u>1,979,567</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>		
Interest received	527,744	458,441
Interest paid	(206,102)	(173,129)
	<u>321,642</u>	<u>285,312</u>

## 9.2 Significant Accounting Policies

### *Application of amendments to IFRSs*

In the current interim period, the Group has applied, for the first time, the following amendments to IFRSs issued by the IASB which are mandatorily effective for the annual periods beginning on or after 1 January 2022 for the preparation of the Group's consolidated financial statements:

- Amendments to IFRS 3: Reference to the Conceptual Framework
- Amendments to IAS 16: Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract
- Amendments to IFRSs: Annual Improvements to IFRSs 2018–2020

The adoption of the above-mentioned amendments to IFRSs has had no material impact on the financial position and financial performance of the Group.

### *Significant accounting policies*

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments, and certain non-financial assets measured at fair value.

Other than the application of the amendments to IFRSs mentioned above, the accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2022 are the same as those presented in the Group's annual financial statements for the year ended 31 December 2021.

### 9.3 Notes to the Unaudited Interim Financial Report

(In RMB millions, unless otherwise stated)

#### 9.3.1 NET INTEREST INCOME

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Interest income on:		
Loans and advances to customers		
Corporate loans and advances	<b>247,365</b>	226,742
Personal loans	<b>188,281</b>	171,427
Discounted bills	<b>7,150</b>	4,790
Financial investments	<b>141,578</b>	127,855
Due from central banks	<b>20,976</b>	20,917
Due from banks and other financial institutions	<b>14,673</b>	12,071
	<b>620,023</b>	563,802
Interest expense on:		
Due to customers	<b>(223,078)</b>	(190,688)
Due to banks and other financial institutions	<b>(30,057)</b>	(21,838)
Debt securities issued and certificates of deposit	<b>(15,463)</b>	(14,983)
	<b>(268,598)</b>	(227,509)
Net interest income	<b>351,425</b>	336,293

#### 9.3.2 NET FEE AND COMMISSION INCOME

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Fee and commission income on:		
Settlement, clearing business and cash management	<b>24,186</b>	21,949
Personal wealth management and private banking services	<b>15,499</b>	16,354
Investment banking business	<b>12,983</b>	15,117
Bank card business	<b>8,681</b>	8,020
Corporate wealth management services	<b>8,070</b>	7,238
Guarantee and commitment business	<b>6,664</b>	7,256
Asset custody business	<b>4,598</b>	4,512
Trust and agency services	<b>1,268</b>	1,196
Other	<b>1,700</b>	1,590
	<b>83,649</b>	83,232
Fee and commission expense	<b>(7,632)</b>	(7,289)
Net fee and commission income	<b>76,017</b>	75,943

### 9.3.3 NET TRADING INCOME

	Six months ended 30 June	
	2022	2021
Debt securities	3,132	3,265
Derivatives and other	2,862	1,682
Equity investments	(1,181)	1,100
	<u>4,813</u>	<u>6,047</u>

### 9.3.4 NET GAINS ON FINANCIAL INVESTMENTS

	Six months ended 30 June	
	2022	2021
Dividend income from equity investments designated as at FVTOCI, including:		
Derecognised during the period	2,165	1,326
Held at the end of current period	11	–
	2,154	1,326
Gains on financial instruments measured at FVTPL, net, including:	1,942	526
Net losses on financial instruments designated as at FVTPL	(3,620)	(10,391)
Net gains on disposal of financial instruments measured at FVTOCI, net	2,009	1,124
Other	38	(24)
	<u>6,154</u>	<u>2,952</u>

Note: “FVTPL” stands for fair value through profit or loss.

“FVTOCI” stands for fair value through other comprehensive income.

### 9.3.5 OTHER OPERATING INCOME, NET

	Six months ended 30 June	
	2022	2021
Net premium income	32,436	23,479
Operating cost of insurance business	(32,675)	(26,227)
Net lease income	6,362	7,231
Net gains on disposal of property and equipment, repossessed assets and other assets	986	881
Other	(1,730)	(193)
	<u>5,379</u>	<u>5,171</u>

### 9.3.6 OPERATING EXPENSES

	Six months ended 30 June	
	2022	2021
Staff costs:		
Salaries and bonuses	42,155	40,186
Staff benefits	11,755	11,509
Post-employment benefits — defined contribution plans	9,304	8,484
	<u>63,214</u>	<u>60,179</u>
Property and equipment expenses:		
Depreciation charge for property and equipment	7,943	7,291
Depreciation charge for right-of-use assets and other leasing expense	3,936	4,056
Repairs and maintenance charges	923	1,001
Utility expenses	862	831
	<u>13,664</u>	<u>13,179</u>
Amortisation	1,651	1,267
Other administrative expenses	10,086	9,553
Taxes and surcharges	4,919	4,646
Other	9,639	6,167
	<u>103,173</u>	<u>94,991</u>

### 9.3.7 IMPAIRMENT LOSSES ON ASSETS

	Six months ended 30 June	
	2022	2021
Loans and advances to customers	97,868	102,257
Other	35,754	22,290
	<u>133,622</u>	<u>124,547</u>

### 9.3.8 INCOME TAX EXPENSE

#### (a) Income tax expense

	Six months ended 30 June	
	2022	2021
Current income tax expense		
Chinese mainland	50,083	45,478
Hong Kong SAR and Macau SAR	1,037	998
Other overseas jurisdictions	1,617	1,263
	<u>52,737</u>	<u>47,739</u>
Deferred income tax expense	(16,162)	(4,178)
	<u>36,575</u>	<u>43,561</u>

#### (b) Reconciliation between income tax and accounting profit

PRC statutory income tax rate is 25%. Taxes on profits assessable elsewhere have been calculated at the applicable rates of tax prevailing in the countries/regions in which the Group operates in. The Group has reconciled income tax expense applicable to profit before taxation at the PRC statutory income tax rate to actual income tax expense for the Group as follows:

	Six months ended 30 June	
	2022	2021
Profit before taxation	<u>209,145</u>	<u>208,070</u>
Tax at the PRC statutory income tax rate	52,286	52,018
Effects of different applicable rates of tax prevailing in other countries/regions	(664)	(983)
Effects of non-deductible expenses	14,474	15,867
Effects of non-taxable income	(29,025)	(22,958)
Effects of profits attributable to associates and joint ventures	(538)	(301)
Effects of other	42	(82)
Income tax expense	<u>36,575</u>	<u>43,561</u>

### 9.3.9 DIVIDENDS

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Dividends on ordinary shares declared and paid or proposed:		
Dividends on ordinary shares for 2021 RMB0.2933 per share (2020: RMB0.2660 per share)	<b>104,534</b>	94,804
Dividends or interests declared and paid to other equity instrument holders:		
Interest on perpetual bond distributed	<b>3,559</b>	–

### 9.3.10 EARNINGS PER SHARE

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Earnings:		
Profit for the period attributable to equity holders of the parent company	<b>171,506</b>	163,473
Less: Profit for the period attributable to other equity instrument holders of the parent company	<b>(3,559)</b>	–
Profit for the period attributable to ordinary shareholders of the parent company	<b>167,947</b>	163,473
Shares:		
Weighted average number of ordinary shares in issue (in million shares)	<b>356,407</b>	356,407
Basic earnings per share (RMB yuan)	<b>0.47</b>	0.46
Diluted earnings per share (RMB yuan)	<b>0.47</b>	0.46

Basic and diluted earnings per share were calculated using the profit for the period attributable to ordinary shareholders of the parent company divided by the weighted average number of ordinary shares in issue.

### 9.3.11 DERIVATIVE FINANCIAL INSTRUMENTS

A derivative is a financial instrument, the value of which changes in response to the changes in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other similar variables. The Group uses derivative financial instruments including forwards, swaps, options and futures.

The notional amount of a derivative represents the underlying amount of the specific financial instruments mentioned above. It indicates the volume of business transacted by the Group but does not reflect the risk.

The notional amounts and fair values of derivative financial instruments held by the Group are set out below:

	30 June 2022			31 December 2021		
	Notional amounts	Fair values		Notional amounts	Fair values	
		Assets	Liabilities		Assets	Liabilities
Exchange rate contracts	5,255,551	61,594	(60,943)	5,107,815	44,956	(41,578)
Interest rate contracts	2,224,205	30,888	(28,613)	2,018,010	15,706	(15,457)
Commodity derivatives and other	1,213,438	24,011	(27,335)	975,169	15,478	(14,302)
	<u>8,693,194</u>	<u>116,493</u>	<u>(116,891)</u>	<u>8,100,994</u>	<u>76,140</u>	<u>(71,337)</u>



(1) *Cash flow hedges*

The Group's cash flow hedges consist of interest rate swap contracts, currency swap contracts, equity and other derivatives that are used to protect against exposures to variability of future cash flows.

Included in the above derivative financial instruments, those designated as hedging instruments in the Group's cash flow hedges are set out below:

	30 June 2022						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
		three months	one year				
Interest rate swap contracts	154	3,355	5,873	–	9,382	129	(6)
Currency swap contracts	35,021	40,628	1,675	–	77,324	2,058	(932)
Equity and other derivatives	10,572	17,705	74	7	28,358	250	(424)
	<u>45,747</u>	<u>61,688</u>	<u>7,622</u>	<u>7</u>	<u>115,064</u>	<u>2,437</u>	<u>(1,362)</u>

  

	31 December 2021						
	Notional amounts with remaining maturity of					Fair values	
	Within three months	Over three months but within one year	Over one year but within five years	Over five years	Total	Assets	Liabilities
		three months	one year				
Interest rate swap contracts	64	2,878	5,283	127	8,352	8	(146)
Currency swap contracts	47,204	43,049	1,391	–	91,644	436	(948)
Equity and other derivatives	4,383	1,243	49	4	5,679	–	(96)
	<u>51,651</u>	<u>47,170</u>	<u>6,723</u>	<u>131</u>	<u>105,675</u>	<u>444</u>	<u>(1,190)</u>

Details of the Group's hedged risk exposures in cash flow hedges and the corresponding effect on equity are as follows:

	30 June 2022			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current period	Accumulated effect on other comprehensive income
Debt securities (i)	33,649	(22,827)	202	363
Loans and advances to customers	-	-	8	-
Other (ii)	34,808	(22,675)	196	(4,220)
	<u>68,457</u>	<u>(45,502)</u>	<u>406</u>	<u>(3,857)</u>

- (i) Debt securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.
- (ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, customer deposits and other liabilities.

	31 December 2021			
	Carrying amount of hedged items		Hedging instruments	
	Assets	Liabilities	Effect on other comprehensive income during the current year	Accumulated effect on other comprehensive income
Debt securities (i)	19,617	(35,786)	192	161
Loans and advances to customers	4,708	-	74	(8)
Other (ii)	14,027	(28,533)	108	(4,416)
	<u>38,352</u>	<u>(64,319)</u>	<u>374</u>	<u>(4,263)</u>

- (i) Debt securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.
- (ii) Other hedged items are included in due from banks and other financial institutions, other assets, due to banks and other financial institutions, customer deposits and other liabilities.

There was no ineffectiveness recognised in profit or loss that arises from the cash flow hedges during the six months ended 30 June 2022 and 30 June 2021.

(2) *Fair value hedges*

Fair value hedges are used by the Group to protect against changes in fair value of financial assets and financial liabilities due to movements in market interest rates. The Group mainly used interest rate swaps as hedging instruments to hedge the interest risk of financial assets and financial liabilities.

The changes in fair value of the hedging instruments and net gains or losses arising from the hedged risk relating to the hedged items are set out below:

	<b>Six months ended 30 June</b>	
	<b>2022</b>	<b>2021</b>
Gains/(losses) arising from fair value hedges, net:		
Hedging instruments	<b>3,547</b>	1,361
Hedged risk relating to the hedged items	<b>(3,467)</b>	(1,341)
	<b>80</b>	<b>20</b>

Included in the above derivative financial instruments, those designated as hedging instruments in fair value hedges are interest rate swaps and the details are set out below:

	<b>Notional amounts with remaining maturity of</b>				<b>Fair values</b>		
	<b>Within three months</b>	<b>Over three months but within one year</b>	<b>Over one year but within five years</b>	<b>Over five years</b>	<b>Total</b>	<b>Assets</b>	<b>Liabilities</b>
30 June 2022	<u>2,675</u>	<u>19,778</u>	<u>58,518</u>	<u>21,061</u>	<u>102,032</u>	<u>3,781</u>	<u>(662)</u>
31 December 2021	<u>4,623</u>	<u>7,187</u>	<u>41,439</u>	<u>21,108</u>	<u>74,357</u>	<u>627</u>	<u>(1,071)</u>

Details of the Group's hedged risk exposures in fair value hedges are set out below:

	30 June 2022			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Debt securities (i)	82,283	(1,222)	(985)	14
Loans and advances to customers	1,973	–	(80)	–
Other (ii)	1,004	(12,326)	(50)	365
	<u>85,260</u>	<u>(13,548)</u>	<u>(1,115)</u>	<u>379</u>

- (i) Debt securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.
- (ii) Other hedged items are included in due from banks and other financial institutions, repurchase agreements and other liabilities.

	31 December 2021			
	Carrying amount of hedged items		Accumulated adjustments to the fair value of hedged items	
	Assets	Liabilities	Assets	Liabilities
Debt securities (i)	62,768	(339)	21	(3)
Loans and advances to customers	2,441	–	(21)	–
Other (ii)	955	(6,954)	(1)	59
	<u>66,164</u>	<u>(7,293)</u>	<u>(1)</u>	<u>56</u>

- (i) Debt securities are included in financial investments measured at FVTOCI, financial investments measured at amortised cost and debt securities issued.
- (ii) Other hedged items are included in due from banks and other financial institutions, repurchase agreements and customer deposits.

### (3) *Net investment hedges*

The Group's consolidated statement of financial position is affected by exchange differences between the functional currency of the Bank and functional currencies of its branches and subsidiaries. The Group hedges such exchange exposures under certain circumstances. Hedging is undertaken by using customer deposits taken in the same currencies as the functional currencies of related branches and subsidiaries which are accounted for as hedges of certain net investments in foreign operations.

As at 30 June 2022, an accumulated net gains from the hedging instrument of RMB386 million was recognised in other comprehensive income (31 December 2021: accumulated net gains of RMB1,650 million). There was no ineffectiveness in profit or loss that arises from the net investment hedges during the six months ended 30 June 2022 and 30 June 2021.

### (4) *Offsetting of financial instruments*

In accordance with the principle of offsetting financial instruments, the Group offsets certain derivative financial assets and derivative financial liabilities, and presents the net amounts after offsetting in the financial statements.

	30 June 2022		31 December 2021	
	Gross amounts	Net amounts	Gross amounts	Net amounts
Derivative financial assets	<u>38,120</u>	<u>26,777</u>	<u>36,220</u>	<u>25,442</u>
Derivative financial liabilities	<u>43,985</u>	<u>32,642</u>	<u>41,792</u>	<u>31,014</u>

(5) *Counterparty credit risk-weighted assets of derivative financial instruments*

The credit risk-weighted assets in respect of the above derivatives of the Group as at the end of the reporting period are as follows:

	<b>30 June 2022</b>	31 December 2021
Counterparty credit default risk-weighted assets	<b>140,274</b>	126,653
Including: Non-netting settled credit default risk-weighted assets	<b>81,274</b>	120,128
Netting settled credit default risk-weighted assets	<b>59,000</b>	6,525
Credit value adjustment risk-weighted assets	<b>41,527</b>	67,911
Central counterparties credit risk-weighted assets	<b>9,473</b>	1,751
	<b><u>191,274</u></b>	<u>196,315</u>

The credit risk-weighted assets of derivative financial instruments were calculated with reference to Regulation Governing Capital of Commercial Banks (Provisional). The risk-weighted assets for counterparty credit risk of derivatives of the Group were calculated in accordance with the Rules on Measuring Derivative Counterparty Default Risk Assets since 1 January 2019.

### 9.3.12 FINANCIAL INVESTMENTS

	<b>30 June 2022</b>	31 December 2021
Financial investments measured at FVTPL	<b>765,787</b>	623,223
Financial investments measured at FVTOCI	<b>1,729,559</b>	1,803,604
Financial investments measured at amortised cost	<b>7,678,849</b>	6,830,933
	<b><u>10,174,195</u></b>	<u>9,257,760</u>

### 9.3.13 OTHER COMPREHENSIVE INCOME

(a) *Other comprehensive income attributable to equity holders of the parent company in the consolidated statement of financial position*

	<b>Investment revaluation reserve</b>	<b>Foreign currency translation reserve</b>	<b>Other</b>	<b>Total</b>
1 January 2021	22,377	(27,882)	(4,923)	(10,428)
Movement during the year	<u>2,251</u>	<u>(12,117)</u>	<u>1,951</u>	<u>(7,915)</u>
31 December 2021 and 1 January 2022	24,628	(39,999)	(2,972)	(18,343)
Movement during the period	<u>(16,661)</u>	<u>12,262</u>	<u>(672)</u>	<u>(5,071)</u>
30 June 2022	<b><u>7,967</u></b>	<b><u>(27,737)</u></b>	<b><u>(3,644)</u></b>	<b><u>(23,414)</u></b>

(b) *Other comprehensive income in the consolidated statement of profit or loss and other comprehensive income*

	<b>Six months ended 30 June</b>	
	<b>2022</b>	2021
Items that will not be reclassified to profit or loss:		
(i) Changes in fair value of equity instruments designated as at FVTOCI	<b>(3,242)</b>	993
(ii) Other comprehensive income recognised under the equity method	<b>(14)</b>	2
(iii) Other	<b>6</b>	1
Items that may be reclassified subsequently to profit or loss:		
(i) Changes in fair value of debt instruments measured at FVTOCI	<b>(17,558)</b>	(3)
Less: Amount transferred to profit or loss from other comprehensive income and income tax effect	<b>2,110</b>	(979)
	<b>(15,448)</b>	(982)
(ii) Credit losses of debt instruments measured at FVTOCI	<b>2,365</b>	654
(iii) Cash flow hedging reserve		
Gain during the period	<b>406</b>	411
Less: Income tax effect	<b>40</b>	488
	<b>446</b>	899
(iv) Other comprehensive income recognised under the equity method	<b>(153)</b>	(98)
(v) Foreign currency translation reserve	<b>10,609</b>	(4,089)
(vi) Other	<b>(983)</b>	383
	<b>(6,414)</b>	(2,237)



### 9.3.14 COMMITMENTS AND CONTINGENT LIABILITIES

#### (a) Capital commitments

At the end of the reporting period, the Group had capital commitments as follows:

	<b>30 June 2022</b>	31 December 2021
Contracted but not provided for	<u><b>30,682</b></u>	<u>31,307</u>

#### (b) Credit commitments

The Group has outstanding commitments to extend credit including approved loans and undrawn credit card limits.

The Group provides letters of credit and financial guarantees to guarantee the performance of customers to third parties.

Bank acceptances comprise undertakings by the Group to pay bills of exchange drawn on customers. The Group expects most acceptances to be settled simultaneously with the reimbursement from the customers.

The contractual amounts of credit commitments by category are set out below. The amounts disclosed in respect of loan commitments and undrawn credit card limits are under the assumption that the amounts will be fully advanced. The amounts for bank acceptances, letters of credit and guarantees represent the maximum potential losses that would be recognised at the end of the reporting period had the counterparties failed to perform as contracted.

	<b>30 June 2022</b>	31 December 2021
Bank acceptances	<b>602,182</b>	449,141
Guarantees issued		
— Financing letters of guarantees	<b>40,483</b>	50,114
— Non-financing letters of guarantees	<b>512,846</b>	444,418
Sight letters of credit	<b>63,408</b>	54,466
Usance letters of credit and other commitments	<b>118,592</b>	114,733
Loan commitments		
— With an original maturity of under one year	<b>61,873</b>	50,199
— With an original maturity of one year or over	<b>396,565</b>	497,892
Undrawn credit card limits	<b>1,115,140</b>	1,069,406
	<b><u>2,911,089</u></b>	<u>2,730,369</u>
	<b>30 June 2022</b>	31 December 2021
Credit risk-weighted assets of credit commitments	<b><u>1,099,434</u></b>	<u>1,082,099</u>

(c) *Operating leases*

At the end of the reporting period, the Group's total future minimum lease receivables in respect of non-cancellable operating leases of assets are as follows:

	<b>30 June 2022</b>	31 December 2021
Within one year	<b>17,017</b>	16,451
Over one year but within two years	<b>16,605</b>	15,920
Over two years but within three years	<b>16,157</b>	15,937
Over three years but within five years	<b>27,046</b>	27,840
Over five years	<b>58,415</b>	59,648
	<b><u>135,240</u></b>	<u>135,796</u>

*(d) Legal proceedings and arbitrations*

The Group is involved in lawsuits and arbitrations during its normal course of operations. As at 30 June 2022, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB5,108 million (31 December 2021: RMB6,165 million).

In the opinion of management, the Group has made adequate allowance for any probable losses based on the current facts and circumstances, and the ultimate outcome of these lawsuits and arbitrations will not have any significant impact on the financial position or operations of the Group.

*(e) Redemption commitments of government bonds and securities underwriting commitments*

As an underwriting agent of the MOF, the Bank underwrites certain PRC government bonds and sells the bonds to the general public. The Bank is obliged to redeem these bonds at the discretion of the holders at any time prior to maturity. The redemption price for the bonds is based on the nominal value of the bonds plus any interest accrued up to the redemption date. The MOF will not provide funding for the early redemption of these PRC government bonds on a back-to-back basis but is obliged to repay the principal and the respective interest upon maturity. The redemption obligations, which represent the nominal value of government bonds underwritten and sold by the Group, but not yet matured as at 30 June 2022 were RMB67,073 million (31 December 2021: RMB75,553 million). Management expects that the redemption obligation of these PRC government bonds by the Bank prior to maturity will not be material.

As at 30 June 2022, the Group has no outstanding securities underwriting commitments (31 December 2021: RMB6,350 million).

(f) *Designated funds and loans*

	<b>30 June 2022</b>	31 December 2021
Designated funds	<u><b>3,096,145</b></u>	<u>2,783,961</u>
Designated loans	<u><b>3,095,861</b></u>	<u>2,783,778</u>

The designated funds represent the funding that the trustors have instructed the Group to use to make loans to third parties as designated by them. The credit risk remains with the trustors.

The designated loans represent the loans granted to specific borrowers designated by the trustors on their behalf according to the entrust agreements signed by the Group and the trustors. The Group does not bear any risk.

(g) *Fiduciary activities*

The Group provides custody, trust and asset management services to third parties. Revenue from such activities is included in “net fee and commission income” set out in Note 9.3.2. Those assets held in a fiduciary capacity are not included in the Group’s consolidated statement of financial position.

### 9.3.15 SEGMENT INFORMATION

#### (a) Operating segments

The Group is organised into different operating segments, namely corporate banking, personal banking and treasury operations, based on internal organisation structure, management requirements and internal reporting system.

##### Corporate banking

The corporate banking segment covers the provision of financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit-taking activities, corporate wealth management services, custody activities and various types of corporate intermediary services.

##### Personal banking

The personal banking segment covers the provision of financial products and services to individual customers. The products and services include personal loans, deposit-taking activities, card business, personal wealth management services and various types of personal intermediary services.

##### Treasury operations

The treasury operations segment covers the Group's treasury operations which include money market transactions, investment securities, foreign exchange transactions and the holding of derivative positions, for its own accounts or on behalf of customers.

##### Other

This segment covers the Group's assets, liabilities, income and expenses that are not directly attributable or cannot be allocated to a segment on a reasonable basis.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resources allocation and performance assessment. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group.

Transactions between segments mainly represent the provision of funding to and from individual segments. The internal transfer pricing of these transactions are determined with reference to the market rates and have been reflected in the performance of each segment. Net interest income and expense arising on internal fund transfer are referred to as "internal net interest income or expense". Net interest income and expense relating to third parties are referred to as "external net interest income or expense".

Segment revenues, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The basis for allocation is mainly based on occupation of or contribution to resources. Income taxes are managed on a group basis and are not allocated to operating segments.

	<b>Six months ended 30 June 2022</b>				
	<b>Corporate banking</b>	<b>Personal banking</b>	<b>Treasury operations</b>	<b>Other</b>	<b>Total</b>
External net interest income	150,461	71,225	129,739	–	351,425
Internal net interest income/(expense)	7,500	78,576	(86,076)	–	–
Net fee and commission income	45,994	29,727	296	–	76,017
Other income/(expense), net (i)	5,037	(2,689)	10,071	3,927	16,346
Operating income	208,992	176,839	54,030	3,927	443,788
Operating expenses	(42,133)	(51,648)	(7,277)	(2,115)	(103,173)
Impairment losses on assets	(74,126)	(27,389)	(26,916)	(5,191)	(133,622)
Operating profit/(loss)	92,733	97,802	19,837	(3,379)	206,993
Share of results of associates and joint ventures	–	–	–	2,152	2,152
Profit/(loss) before taxation	92,733	97,802	19,837	(1,227)	209,145
Income tax expense					(36,575)
Profit for the period					<u>172,570</u>
Other segment information:					
Depreciation and amortisation	5,171	6,407	1,362	109	13,049
Capital expenditure	5,767	7,234	1,518	127	14,646

30 June 2022

	Corporate banking	Personal banking	Treasury operations	Other	Total
Segment assets	13,993,568	8,544,398	15,937,493	171,449	38,646,908
Including:					
Investments in associates and joint ventures	–	–	–	65,020	65,020
Property and equipment	106,267	138,182	27,892	20,431	292,772
Other non-current assets (ii)	42,863	21,659	5,376	9,782	79,680
Unallocated assets					<u>97,468</u>
Total assets					<u><u>38,744,376</u></u>
Segment liabilities	15,553,367	14,460,653	5,030,583	299,329	35,343,932
Unallocated liabilities					<u>67,138</u>
Total liabilities					<u><u>35,411,070</u></u>
Other segment information:					
Credit commitments	<u>1,811,416</u>	<u>1,099,673</u>	<u>–</u>	<u>–</u>	<u>2,911,089</u>

(i) Includes net trading income, net gains on financial investments and other net operating income.

(ii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

	Six months ended 30 June 2021				
	Corporate banking	Personal banking	Treasury operations	Other	Total
External net interest income	142,390	72,344	121,559	–	336,293
Internal net interest income/(expense)	10,308	70,280	(80,588)	–	–
Net fee and commission income	47,114	28,030	799	–	75,943
Other income/(expense), net (i)	6,157	(1,284)	7,119	2,178	14,170
Operating income	205,969	169,370	48,889	2,178	426,406
Operating expenses	(36,928)	(47,624)	(7,554)	(2,885)	(94,991)
Impairment losses on assets	(96,195)	(24,452)	(3,708)	(192)	(124,547)
Operating profit/(loss)	72,846	97,294	37,627	(899)	206,868
Share of results of associates and joint ventures	–	–	–	1,202	1,202
Profit before taxation	72,846	97,294	37,627	303	208,070
Income tax expense					(43,561)
Profit for the period					<u>164,509</u>
Other segment information:					
Depreciation and amortisation	4,659	6,076	1,233	154	12,122
Capital expenditure	5,202	6,965	1,352	158	13,677

	31 December 2021				
	Corporate banking	Personal banking	Treasury operations	Other	Total
Segment assets	12,436,885	8,399,240	14,086,517	169,482	35,092,124
Including:					
Investments in associates and joint ventures	–	–	–	61,782	61,782
Property and equipment	112,952	120,366	37,432	19,546	290,296
Other non-current assets (ii)	43,468	20,945	6,304	9,944	80,661
Unallocated assets					<u>79,259</u>
Total assets					<u>35,171,383</u>
Segment liabilities	13,960,681	13,213,984	4,425,332	198,061	31,798,058
Unallocated liabilities					<u>98,067</u>
Total liabilities					<u>31,896,125</u>
Other segment information:					
Credit commitments	<u>1,674,769</u>	<u>1,055,600</u>	<u>–</u>	<u>–</u>	<u>2,730,369</u>

(i) Includes net trading income or expense, net gains on financial investments and other net operating income.

(ii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.



*(b) Geographical information*

The Group operates principally in Chinese mainland, and also has branches and subsidiaries operating outside Chinese mainland. The distribution of the geographical areas is as follows:

Chinese mainland (Head Office and domestic branches)

Head Office (“HO”): the HO business divisions (including institutions directly managed by the HO and its offices);

Yangtze River Delta: including Shanghai, Jiangsu, Zhejiang and Ningbo;

Pearl River Delta: including Guangdong, Shenzhen, Fujian and Xiamen;

Bohai Rim: including Beijing, Tianjin, Hebei, Shandong and Qingdao;

Central China: including Shanxi, Henan, Hubei, Hunan, Anhui, Jiangxi and Hainan;

Western China: including Chongqing, Sichuan, Guizhou, Yunnan, Guangxi, Shaanxi, Gansu, Qinghai, Ningxia, Xinjiang, Inner Mongolia and Tibet; and

Northeastern China: including Liaoning, Heilongjiang, Jilin and Dalian.

Overseas and other

Branches located outside Chinese mainland, domestic and overseas subsidiaries, and investments in associates and joint ventures.

## Six months ended 30 June 2022

	Chinese mainland (HO and domestic branches)							Overseas and other	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
External net interest income	139,891	41,385	42,525	10,109	39,617	53,110	4,912	19,876	-	351,425
Internal net interest (expense)/income	(110,232)	21,314	6,221	55,765	12,013	7,378	8,454	(913)	-	-
Net fee and commission income	21,286	13,274	9,010	11,546	6,751	6,694	1,686	6,979	(1,209)	76,017
Other income/(expense), net (i)	8,217	(1,211)	(610)	(707)	(295)	(703)	(729)	11,179	1,205	16,346
Operating income	59,162	74,762	57,146	76,713	58,086	66,479	14,323	37,121	(4)	443,788
Operating expenses	(14,829)	(14,743)	(11,501)	(16,302)	(14,458)	(15,616)	(4,938)	(10,790)	4	(103,173)
Impairment losses on assets	(37,037)	(19,884)	(18,946)	(17,394)	(12,851)	(18,254)	(6,040)	(3,216)	-	(133,622)
Operating profit	7,296	40,135	26,699	43,017	30,777	32,609	3,345	23,115	-	206,993
Share of results of associates and joint ventures	-	-	-	-	-	-	-	2,152	-	2,152
Profit before taxation	7,296	40,135	26,699	43,017	30,777	32,609	3,345	25,267	-	209,145
Income tax expense										(36,575)
Profit for the period										<u>172,570</u>
Other segment information:										
Depreciation and amortisation	2,223	1,929	1,321	1,955	1,690	2,077	724	1,130	-	13,049
Capital expenditure	380	1,219	1,160	759	980	1,021	210	8,917	-	14,646

## 30 June 2022

	Chinese mainland (HO and domestic branches)							Overseas and other	Eliminations	Total
	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China			
Assets by geographical areas	8,995,666	9,170,196	5,968,624	5,545,016	4,051,221	4,932,497	1,418,729	4,250,590	(5,685,631)	38,646,908
Including:										
Investments in associates and joint ventures	-	-	-	-	-	-	-	65,020	-	65,020
Property and equipment	12,907	32,595	13,607	19,957	18,348	22,399	8,449	164,510	-	292,772
Other non-current assets (ii)	15,928	7,080	5,999	6,619	8,199	9,412	2,221	24,222	-	79,680
Unallocated assets										97,468
Total assets										<u>38,744,376</u>
Liabilities by geographical areas	6,329,352	9,782,368	5,783,344	8,307,625	3,852,692	4,196,764	1,736,385	1,041,033	(5,685,631)	35,343,932
Unallocated liabilities										67,138
Total liabilities										<u>35,411,070</u>
Other segment information:										
Credit commitments	<u>1,170,995</u>	<u>1,208,677</u>	<u>879,701</u>	<u>1,001,989</u>	<u>507,762</u>	<u>610,324</u>	<u>162,005</u>	<u>676,385</u>	<u>(3,306,749)</u>	<u>2,911,089</u>

(i) Includes net trading income, net gains on financial investments and other net operating income.

(ii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

## Six months ended 30 June 2021

## Chinese mainland (HO and domestic branches)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and other	Eliminations	Total
External net interest income	129,164	38,894	40,993	12,774	38,008	51,483	6,136	18,841	-	336,293
Internal net interest (expense)/income	(95,315)	18,667	5,128	49,900	9,261	6,016	7,258	(915)	-	-
Net fee and commission income	21,706	13,469	8,923	11,785	6,305	7,278	1,440	5,905	(868)	75,943
Other income/(expense), net (i)	11,746	(2,494)	(1,576)	(1,411)	(908)	(1,787)	(204)	9,986	818	14,170
Operating income	67,301	68,536	53,468	73,048	52,666	62,990	14,630	33,817	(50)	426,406
Operating expenses	(13,777)	(13,072)	(10,624)	(15,073)	(12,833)	(14,689)	(4,674)	(10,299)	50	(94,991)
Impairment losses on assets	(34,401)	(15,692)	(15,355)	(18,698)	(13,583)	(16,410)	(6,828)	(3,580)	-	(124,547)
Operating profit	19,123	39,772	27,489	39,277	26,250	31,891	3,128	19,938	-	206,868
Share of results of associates and joint ventures	-	-	-	-	-	-	-	1,202	-	1,202
Profit before taxation	19,123	39,772	27,489	39,277	26,250	31,891	3,128	21,140	-	208,070
Income tax expense										(43,561)
Profit for the period										<u>164,509</u>
Other segment information:										
Depreciation and amortisation	1,856	1,675	1,277	1,927	1,638	1,928	708	1,113	-	12,122
Capital expenditure	1,028	1,260	772	1,506	1,115	1,234	354	6,408	-	<u>13,677</u>

## 31 December 2021

## Chinese mainland (HO and domestic branches)

	Head Office	Yangtze River Delta	Pearl River Delta	Bohai Rim	Central China	Western China	Northeastern China	Overseas and other	Eliminations	Total
Assets by geographical areas	8,145,032	8,248,981	5,870,705	5,186,815	3,786,925	4,553,489	1,333,077	4,100,318	(6,133,218)	35,092,124
Including:										
Investments in associates and joint ventures	-	-	-	-	-	-	-	61,782	-	61,782
Property and equipment	13,971	33,190	13,729	20,726	18,911	23,331	8,865	157,573	-	290,296
Other non-current assets (ii)	16,056	7,371	6,075	7,087	8,457	9,685	2,317	23,613	-	80,661
Unallocated assets										<u>79,259</u>
Total assets										<u>35,171,383</u>
Liabilities by geographical areas	5,470,908	8,944,022	5,645,178	7,928,583	3,568,847	3,745,729	1,539,014	1,088,995	(6,133,218)	31,798,058
Unallocated liabilities										<u>98,067</u>
Total liabilities										<u>31,896,125</u>
Other segment information:										
Credit commitments	<u>1,123,767</u>	<u>1,172,580</u>	<u>791,688</u>	<u>1,001,597</u>	<u>450,171</u>	<u>611,013</u>	<u>147,856</u>	<u>631,815</u>	<u>(3,200,118)</u>	<u>2,730,369</u>

(i) Includes net trading income or expense, net gains on financial investments and other net operating income.

(ii) Includes intangible assets, goodwill, long-term deferred expenses, right-of-use assets and other non-current assets.

## 10. Unaudited Supplementary Information to the Consolidated Financial Statements

### 10.1 Correspondence between balance sheet in published financial statements and capital composition

The disclosure of correspondence between balance sheet in published financial statements and capital composition is based on the Notice on Issuing Regulatory Documents on Capital Regulation for Commercial Banks (Yin Jian Fa, No. 33, 2013) Appendix 2 Notice on Enhancing Disclosure Requirements for Composition of Capital.

#### (i) Capital composition

Item	30 June 2022	31 December 2021	Reference	
<b>Common equity tier 1 capital:</b>				
1	Paid-in capital	356,407	356,407	X18
2	Retained earnings	2,475,489	2,413,631	
2a	Surplus reserve	356,982	356,849	X21
2b	General reserve	442,286	438,640	X22
2c	Retained profits	1,676,221	1,618,142	X23
3	Accumulated other comprehensive income (and other public reserve)	123,862	129,939	
3a	Capital reserve	148,102	148,597	X19
3b	Other	(24,240)	(18,658)	X24
4	Valid portion to common equity tier 1 capital during the transition period (only applicable to non-joint stock companies. Fill in 0 for joint stock banks)	–	–	
5	Valid portion of minority interests	3,561	3,539	X25
6	<b>Common equity tier 1 capital before regulatory adjustments</b>	<b>2,959,319</b>	<b>2,903,516</b>	
<b>Common equity tier 1 capital: Regulatory adjustments</b>				
7	Prudential valuation adjustments	–	–	
8	Goodwill (net of deferred tax liabilities)	7,986	7,691	X16
9	Other intangible assets other than land use rights (net of deferred tax liabilities)	5,710	5,669	X14-X15
10	Deferred tax assets that rely on future profits excluding those arising from temporary differences (net of deferred tax liabilities)	–	–	
11	Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	(3,767)	(4,202)	X20
12	Shortfall of provision for loan impairment	–	–	
13	Gain on sales related to asset securitisation	–	–	

<b>Item</b>	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>Reference</b>	
14	Unrealised gains and losses due to changes in own credit risk on fair-valued liabilities	–	–	
15	Defined-benefit pension fund net assets (net of deferred tax liabilities)	–	–	
16	Direct or indirect investments in own ordinary shares	–	–	
17	Reciprocal cross-holdings in common equity tier 1 capital between banks, or between banks and other financial institutions	–	–	
18	Deductible amount of non-significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	–	
19	Deductible amount of significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	–	–	
20	Mortgage servicing rights	N/A	N/A	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of deferred tax liabilities)	–	–	
22	Deductible amount exceeding the 15% threshold for significant minority capital investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation and undeducted portion of deferred tax assets arising from temporary differences (net of deferred tax liabilities)	–	–	
23	Including: Deductible amount of significant minority investments in common equity tier 1 capital instruments issued by financial institutions	–	–	
24	Including: Deductible amount of mortgage servicing rights	N/A	N/A	
25	Including: Deductible amount in deferred tax assets arising from temporary differences	–	–	
26a	Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	<b>7,980</b>	7,980	X11

Item	30 June 2022	31 December 2021	Reference
26b	–	–	
Shortfall in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation			
26c	–	–	
Other that should be deducted from common equity tier 1 capital			
27	–	–	
Undeducted shortfall that should be deducted from additional tier 1 capital and tier 2 capital			
<b>28</b>	<b>17,909</b>	17,138	
<b>Total regulatory adjustments to common equity tier 1 capital</b>			
<b>29</b>	<b>2,941,410</b>	2,886,378	
<b>Common equity tier 1 capital</b>			
<b>Additional tier 1 capital:</b>			
30	<b>354,331</b>	354,331	
Additional tier 1 capital instruments and related premiums			
31	<b>354,331</b>	354,331	X28+X32
Including: Portion classified as equity			
32	–	–	
Including: Portion classified as liabilities			
33	–	–	
Invalid instruments to additional tier 1 capital after the transition period			
34	<b>656</b>	655	X26
Valid portion of minority interests			
35	–	–	
Including: Invalid portion to additional tier 1 capital after the transition period			
<b>36</b>	<b>354,987</b>	354,986	
<b>Additional tier 1 capital before regulatory adjustments</b>			
<b>Additional tier 1 capital: Regulatory adjustments</b>			
37	–	–	
Direct or indirect investments in own additional tier 1 instruments			
38	–	–	
Reciprocal cross-holdings in additional tier 1 capital between banks, or between banks and other financial institutions			
39	–	–	
Deductible amount of non-significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation			
40	–	–	
Significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation			
41a	–	–	
Investments in additional tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation			

Item	30 June 2022	31 December 2021	Reference
41b	–	–	
Shortfall in additional tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation			
41c	–	–	
Other that should be deducted from additional tier 1 capital			
42	–	–	
Undeducted shortfall that should be deducted from tier 2 capital			
<b>43</b>	<b>–</b>	<b>–</b>	
<b>Total regulatory adjustments to additional tier 1 capital</b>			
<b>44</b>	<b>354,987</b>	354,986	
<b>Additional tier 1 capital</b>			
<b>45</b>	<b>3,296,397</b>	3,241,364	
<b>Tier 1 capital (common equity tier 1 capital + additional tier 1 capital)</b>			
<b>Tier 2 capital:</b>			
46	<b>488,668</b>	418,415	X17
Tier 2 capital instruments and related premiums			
47	–	20,285	
Invalid instruments to tier 2 capital after the transition period			
48	<b>1,096</b>	1,116	X27
Valid portion of minority interests			
49	–	–	
Including: Invalid portion to tier 2 capital after the transition period			
50	<b>264,131</b>	248,774	X02+X04
Valid portion of surplus provision for loan impairment			
<b>51</b>	<b>753,895</b>	668,305	
<b>Tier 2 capital before regulatory adjustments</b>			
<b>Tier 2 capital: Regulatory adjustments</b>			
52	–	–	
Direct or indirect investments in own tier 2 instruments			
53	–	–	
Reciprocal cross-holdings in tier 2 capital between banks, or between banks and other financial institutions			
54	–	–	
Deductible portion of non-significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation			
55	–	–	X31
Significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation			
56a	–	–	
Investments in tier 2 capital instruments issued by financial institutions that are under control but not subject to consolidation			

<b>Item</b>	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>Reference</b>
56b Shortfall in tier 2 capital instruments issued by financial institutions that are under control but not subject to consolidation	–	–	
56c Other that should be deducted from tier 2 capital	–	–	
<b>57 Total regulatory adjustments to tier 2 capital</b>	<b>–</b>	<b>–</b>	
<b>58 Tier 2 capital</b>	<b>753,895</b>	668,305	
<b>59 Total capital (tier 1 capital+ tier 2 capital)</b>	<b>4,050,292</b>	3,909,669	
<b>60 Total risk-weighted assets</b>	<b>22,124,301</b>	21,690,349	
<b>Requirements for capital adequacy ratio and reserve capital</b>			
61 Common equity tier 1 capital adequacy ratio	<b>13.29%</b>	13.31%	
62 Tier 1 capital adequacy ratio	<b>14.90%</b>	14.94%	
63 Capital adequacy ratio	<b>18.31%</b>	18.02%	
64 Institution specific buffer requirements	<b>4.0%</b>	4.0%	
65 Including: Capital conservation buffer requirements	<b>2.5%</b>	2.5%	
66 Including: Countercyclical buffer requirements	–	–	
67 Including: G-SIB buffer requirements	<b>1.5%</b>	1.5%	
68 Percentage of common equity tier 1 capital meeting buffers to risk-weighted assets	<b>8.29%</b>	8.31%	
<b>Domestic minima for regulatory capital</b>			
69 Common equity tier 1 capital adequacy ratio	<b>5.0%</b>	5.0%	
70 Tier 1 capital adequacy ratio	<b>6.0%</b>	6.0%	
71 Capital adequacy ratio	<b>8.0%</b>	8.0%	
<b>Amounts below the thresholds for deduction</b>			
72 Undeducted portion of non-significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	<b>153,895</b>	155,815	X05+X07 +X08+X09 +X12+X29 +X30
73 Undeducted portion of significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	<b>29,696</b>	28,773	X06+X10 +X13
74 Mortgage servicing rights (net of deferred tax liabilities)	<b>N/A</b>	N/A	
75 Deferred tax assets arising from temporary differences (net of deferred tax liabilities)	<b>97,468</b>	74,611	



<b>Item</b>	<b>30 June 2022</b>	<b>31 December 2021</b>	<b>Reference</b>	
<b>Valid caps of surplus provision for loan impairment in tier 2 capital</b>				
76	Provision for loan impairment under the weighted approach	<b>27,257</b>	24,545	X01
77	Valid cap of surplus provision for loan impairment in tier 2 capital under the weighted approach	<b>17,663</b>	15,909	X02
78	Surplus provision for loan impairment under the internal ratings-based approach	<b>626,412</b>	579,219	X03
79	Valid cap of surplus provision for loan impairment in tier 2 capital under the internal ratings-based approach	<b>246,468</b>	232,865	X04
<b>Capital instruments subject to phase-out arrangements</b>				
80	Valid cap to common equity tier 1 capital instruments for the current period due to phase-out arrangements	–	–	
81	Excluded from common equity tier 1 capital due to cap	–	–	
82	Valid cap to additional tier 1 capital instruments for the current period due to phase-out arrangements	–	–	
83	Excluded from additional tier 1 capital due to cap	–	–	
84	Valid cap to tier 2 capital instruments for the current period due to phase-out arrangements	–	20,285	
85	Excluded from tier 2 capital for the current period due to cap	<b>38,000</b>	37,740	

*(ii) Consolidated financial statements*

	<b>30 June 2022 Consolidated balance sheet as in published financial statements*</b>	<b>30 June 2022 Balance sheet under regulatory scope of consolidation*</b>	<b>31 December 2021 Consolidated balance sheet as in published financial statements*</b>	<b>31 December 2021 Balance sheet under regulatory scope of consolidation*</b>
<b>Assets</b>				
Cash and balances with central banks	<b>3,348,474</b>	<b>3,348,474</b>	3,098,438	3,098,438
Due from banks and other financial institutions	<b>458,179</b>	<b>407,983</b>	346,457	301,191
Precious metals	<b>312,560</b>	<b>312,560</b>	265,962	265,962
Placements with banks and other financial institutions	<b>551,041</b>	<b>551,041</b>	480,693	480,693
Derivative financial assets	<b>116,493</b>	<b>116,493</b>	76,140	76,140
Reverse repurchase agreements	<b>1,178,806</b>	<b>1,177,750</b>	663,496	662,544
Loans and advances to customers	<b>21,737,421</b>	<b>21,735,453</b>	20,109,200	20,107,266
Financial investments	<b>10,174,195</b>	<b>9,963,135</b>	9,257,760	9,060,427
— Financial investments measured at FVTPL	<b>765,787</b>	<b>694,275</b>	623,223	560,683
— Financial investments measured at FVTOCI	<b>1,729,559</b>	<b>1,668,438</b>	1,803,604	1,743,097
— Financial investments measured at amortised cost	<b>7,678,849</b>	<b>7,600,422</b>	6,830,933	6,756,647
Long-term equity investments	<b>65,020</b>	<b>73,000</b>	61,782	69,762
Fixed assets	<b>272,938</b>	<b>272,876</b>	270,017	269,952
Construction in progress	<b>17,896</b>	<b>17,872</b>	18,182	18,172
Deferred tax assets	<b>97,468</b>	<b>97,468</b>	79,259	79,259
Other assets	<b>413,885</b>	<b>407,750</b>	443,997	430,485
<b>Total assets</b>	<b><u>38,744,376</u></b>	<b><u>38,481,855</u></b>	<b><u>35,171,383</u></b>	<b><u>34,920,291</u></b>

(\*) Prepared in accordance with PRC GAAP.

	<b>30 June 2022 Consolidated balance sheet as in published financial statements*</b>	<b>30 June 2022 Balance sheet under regulatory scope of consolidation*</b>	<b>31 December 2021 Consolidated balance sheet as in published financial statements*</b>	<b>31 December 2021 Balance sheet under regulatory scope of consolidation*</b>
<b>Liabilities</b>				
Due to central banks	66,924	66,924	39,723	39,723
Due to banks and other financial institutions	2,798,085	2,798,085	2,431,689	2,431,689
Placements from banks and other financial institutions	504,667	504,667	489,340	489,340
Financial liabilities measured at FVTPL	87,250	87,250	87,180	87,180
Derivative financial liabilities	116,891	116,891	71,337	71,337
Repurchase agreements	490,885	485,687	365,943	351,049
Certificates of deposit	258,680	258,680	290,342	290,342
Due to customers	29,272,001	29,272,001	26,441,774	26,441,774
Employee benefits payable	37,677	37,336	41,083	40,659
Taxes payable	80,036	79,991	108,897	108,871
Debt securities issued	852,124	847,070	791,375	791,375
Deferred tax liabilities	5,016	4,557	5,624	4,648
Other liabilities	840,834	601,657	731,818	508,191
<b>Total liabilities</b>	<b>35,411,070</b>	<b>35,160,796</b>	<b>31,896,125</b>	<b>31,656,178</b>
<b>Equity</b>				
Share capital	356,407	356,407	356,407	356,407
Other equity instruments	354,331	354,331	354,331	354,331
Capital reserve	148,102	148,102	148,597	148,597
Other comprehensive income	(23,414)	(24,240)	(18,343)	(18,658)
Surplus reserve	357,302	356,982	357,169	356,849
General reserve	442,598	442,286	438,952	438,640
Retained profits	1,678,872	1,676,221	1,620,642	1,618,142
Equity attributable to equity holders of the parent company	3,314,198	3,310,089	3,257,755	3,254,308
Minority interests	19,108	10,970	17,503	9,805
<b>Total equity</b>	<b>3,333,306</b>	<b>3,321,059</b>	<b>3,275,258</b>	<b>3,264,113</b>

(\*) Prepared in accordance with PRC GAAP.

*(iii) Description of related items*

<b>Item</b>	<b>30 June 2022 Balance sheet under regulatory scope of consolidation</b>	<b>Reference</b>
<b>Loans and advances to customers</b>	<b>21,735,453</b>	
Total loans and advances to customers	<b>22,389,122</b>	
Less: Provision for loan impairment under the weighted approach	<b>27,257</b>	X01
Including: Valid cap of surplus provision for loan impairment in tier 2 capital under the weighted approach	<b>17,663</b>	X02
Less: Provision for loan impairment under the internal ratings-based approach	<b>626,412</b>	X03
Including: Valid cap of surplus provision for loan impairment in tier 2 capital under the internal ratings-based approach	<b>246,468</b>	X04
<b>Financial investments</b>		
Financial investments measured at FVTPL	<b>694,275</b>	
Including: Non-significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	<b>192</b>	X05
Including: Significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	<b>10</b>	X06
Including: Non-significant minority investments in additional tier 1 capital instruments issued by financial institutions that are not subject to consolidation	<b>–</b>	X07
Including: Non-significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	<b>136,795</b>	X08
Financial investments measured at FVTOCI	<b>1,668,438</b>	
Including: Non-significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	<b>14,222</b>	X09
Including: Significant minority investments in common equity tier 1 capital instruments issued by financial institutions that are not subject to consolidation	<b>2,138</b>	X10
Including: Non-significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	<b>–</b>	X29

<b>Item</b>	<b>30 June 2022 Balance sheet under regulatory scope of consolidation</b>	<b>Reference</b>
Financial investments measured at amortised cost	<b>7,600,422</b>	
Including: Non-significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	–	X30
Including: Significant minority investments in tier 2 capital instruments issued by financial institutions that are not subject to consolidation	–	X31
<b>Long-term equity investments</b>	<b>73,000</b>	
Including: Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	<b>7,980</b>	X11
Including: Undeducted portion of non-significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	<b>2,686</b>	X12
Including: Undeducted portion of significant minority investments in capital instruments issued by financial institutions that are not subject to consolidation	<b>27,548</b>	X13
<b>Other Assets</b>	<b>407,750</b>	
Interest receivable	<b>2,173</b>	
Intangible assets	<b>20,916</b>	X14
Including: Land use rights	<b>15,206</b>	X15
Other receivables	<b>250,296</b>	
Goodwill	<b>7,986</b>	X16
Long-term deferred expenses	<b>5,335</b>	
Reposessed assets	<b>3,457</b>	
Other	<b>117,587</b>	
<b>Debt securities issued</b>	<b>847,070</b>	
Including: Valid portion of tier 2 capital instruments and their premiums	<b>488,668</b>	X17
<b>Share capital</b>	<b>356,407</b>	X18
<b>Other equity instruments</b>	<b>354,331</b>	
Including: Preference shares	<b>134,614</b>	X28
Including: Perpetual bonds	<b>219,717</b>	X32
<b>Capital reserve</b>	<b>148,102</b>	X19

<b>Item</b>	<b>30 June 2022 Balance sheet under regulatory scope of consolidation</b>	<b>Reference</b>
<b>Other comprehensive income</b>	<b>(24,240)</b>	X24
Reserve for changes in fair value of financial assets	<b>7,263</b>	
Reserve for cash flow hedging	<b>(3,768)</b>	
Including: Cash flow hedging reserve that relates to the hedging of items that are not fair-valued on the balance sheet	<b>(3,767)</b>	X20
Changes in share of other owners' equity of associates and joint ventures	<b>(415)</b>	
Foreign currency translation reserve	<b>(27,948)</b>	
Other	<b>628</b>	
<b>Surplus reserve</b>	<b>356,982</b>	X21
<b>General reserve</b>	<b>442,286</b>	X22
<b>Retained profits</b>	<b>1,676,221</b>	X23
<b>Minority interests</b>	<b>10,970</b>	
Including: Valid portion of common equity tier 1 capital	<b>3,561</b>	X25
Including: Valid portion of additional tier 1 capital	<b>656</b>	X26
Including: Valid portion of tier 2 capital	<b>1,096</b>	X27

***(iv) Main features of eligible capital instruments***

<b>Main features of regulatory capital instrument</b>	<b>Ordinary shares (A share)</b>	<b>Ordinary shares (H share)</b>	<b>Preference shares (Domestic)</b>	<b>Preference shares (Domestic)</b>
Issuer	The Bank	The Bank	The Bank	The Bank
Unique identifier	601398	1398	360011	360036
Governing law(s) of the instrument	Securities Law of the People's Republic of China/China	Securities and Futures Ordinance of Hong Kong/Hong Kong SAR, China	Company Law of the People's Republic of China, Securities Law of the People's Republic of China. Guidance of the State Council on Launch of Preference Shares Pilot, Trial Administrative Measures on Preference Shares, Guidance on the Issuance of Preference Shares of Commercial Banks to Replenish Tier 1 Capital/China	Company Law of the People's Republic of China, Securities Law of the People's Republic of China, Guidance of the State Council on Launch of Preference Shares Pilot, Trial Administrative Measures on Preference Shares, Guidance on the Issuance of Preference Shares of Commercial Banks to Replenish Tier 1 Capital/China
Regulatory treatment				
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Common equity tier 1 capital	Common equity tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Common equity tier 1 capital	Common equity tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Common equity tier 1 capital instrument	Common equity tier 1 capital instrument	Additional tier 1 capital instrument	Additional tier 1 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB336,554	RMB168,374	RMB44,947	RMB69,981
Par value of instrument (in millions)	RMB269,612	RMB86,795	RMB45,000	RMB70,000
Accounting treatment	Share capital, capital reserve	Share capital, capital reserve	Other equity	Other equity
Original date of issuance	19 October 2006	19 October 2006	18 November 2015	19 September 2019
Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual
Including: Original maturity date	No maturity date	No maturity date	No maturity date	No maturity date

<b>Main features of regulatory capital instrument</b>	<b>Ordinary shares (A share)</b>	<b>Ordinary shares (H share)</b>	<b>Preference shares (Domestic)</b>	<b>Preference shares (Domestic)</b>
Issuer call (subject to prior supervisory approval)	No	No	Yes	Yes
Including: Optional call date, contingent call dates and redemption amount	N/A	N/A	The First Redemption Date is 18 November 2020, in full or partial amount	The First Redemption Date is 24 September 2024, in full or partial amount
Including: Subsequent call dates, if applicable	N/A	N/A	Commences on the First Redemption Date (18 November 2020) and ends on the completion date of redemption or conversion of all the Domestic Preference Shares	Commences on the First Redemption Date (24 September 2024) and ends on the completion date of redemption or conversion of all the Domestic Preference Shares
Coupons/dividends				
Including: Fixed or floating dividend/coupon	Floating	Floating	Fixed to floating	Fixed to floating
Including: Coupon rate and any related index	N/A	N/A	4.5% (dividend rate) before 23 November 2020, 4.58% (dividend rate) between 23 November 2020 and 22 November 2025	4.2% (dividend rate) before 24 September 2024
Including: Existence of a dividend stopper	N/A	N/A	Yes	Yes
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
Including: Redemption incentive mechanism	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	No	No	Yes	Yes
Including: If convertible, conversion trigger(s)	N/A	N/A	Additional Tier 1 Capital Trigger Event or Tier 2 Capital Trigger Event	Additional Tier 1 Capital Trigger Event or Tier 2 Capital Trigger Event
Including: If convertible, fully or partially	N/A	N/A	Fully or partially convertible when an Additional Tier 1 Capital Trigger Event occurs; fully convertible when a Tier 2 Capital Trigger Event occurs	Fully or partially convertible when an Additional Tier 1 Capital Trigger Event occurs; fully convertible when a Tier 2 Capital Trigger Event occurs



Main features of regulatory capital instrument	Ordinary shares (A share)	Ordinary shares (H share)	Preference shares (Domestic)	Preference shares (Domestic)
Including: If convertible, conversion rate	N/A	N/A	The initial conversion price is equal to the average trading price of the A shares of the Bank for the 20 trading days preceding 25 July 2014, the date of publication of the Board resolution in respect of the issuance plan	The initial conversion price is equal to the average trading price of the A shares of the Bank for the 20 trading days preceding 30 August 2018, the date of publication of the Board resolution in respect of the issuance plan
Including: If convertible, mandatory or optional conversion	N/A	N/A	Mandatory	Mandatory
Including: If convertible, specify instrument type convertible into	N/A	N/A	Common equity tier 1 capital	Common equity tier 1 capital
Including: If convertible, specify issuer of instrument it converts into	N/A	N/A	The Bank	The Bank
Write-down feature	No	No	No	No
Including: If write-down, write-down trigger(s)	N/A	N/A	N/A	N/A
Including: If write-down, full or partial	N/A	N/A	N/A	N/A
Including: If write-down, permanent or temporary	N/A	N/A	N/A	N/A
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to depositor, general creditor, creditor of the subordinated debts and preference shareholders	Subordinated to depositor, general creditor, creditor of the subordinated debts and preference shareholders	Subordinated to deposits, general debts, subordinated debts, tier 2 capital bonds and undated additional tier 1 capital bonds	Subordinated to deposits, general debts, subordinated debts, tier 2 capital bonds and undated additional tier 1 capital bonds
Non-compliant transitioned features	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A

Main features of regulatory capital instrument	Preference shares (Offshore)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Offshore)	Undated additional tier 1 capital bonds (Domestic)
Issuer	The Bank	The Bank	The Bank	The Bank	The Bank
Unique identifier	4620	1928018	2128021	Regulation S ISIN: XS2383421711	2128044
Governing law(s) of the instrument	The creation and issue of the Offshore Preference Shares and the rights and obligations (including non-contractual rights and obligations) attached to them are governed by, and shall be construed in accordance with, PRC law	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents/China	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents/China	The Notes and any other non-contractual obligations arising out of or in connection with them shall be governed by and construed in accordance with English law. However, the provisions in the terms and conditions of the Notes relating to subordination of the Notes shall be governed by and construed in accordance with PRC law and regulations	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents/China
Regulatory treatment					
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital	Additional tier 1 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Additional tier 1 capital instrument	Additional tier 1 capital instrument	Additional tier 1 capital instrument	Additional tier 1 capital instrument	Additional tier 1 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB equivalent 19,687	RMB79,987	RMB69,992	RMB equivalent 39,742	RMB29,997
Par value of instrument (in millions)	USD2,900	RMB80,000	RMB70,000	USD6,160	RMB30,000
Accounting treatment	Other equity	Other equity	Other equity	Other equity	Other equity
Original date of issuance	23 September 2020	26 July 2019	4 June 2021	24 September 2021	24 November 2021
Perpetual or dated	Perpetual	Perpetual	Perpetual	Perpetual	Perpetual
Including: Original maturity date	No maturity date	No maturity date	No maturity date	No maturity date	No maturity date
Issuer call (subject to prior supervisory approval)	Yes	Yes	Yes	Yes	Yes

Main features of regulatory capital instrument	Preference shares (Offshore)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Offshore)	Undated additional tier 1 capital bonds (Domestic)
Including: Optional call date, contingent call dates and redemption amount Including: Subsequent call dates, if applicable	The First Redemption Date is 23 September 2025, in full or partial amount 23 September in each year after the First Redemption Date	The First Redemption Date is 30 July 2024, in full or partial amount Redemption of present bonds in full or in part on each Distribution Payment Date since the First Redemption Date (30 July 2024). The Issuer has the right to redeem the present bonds in full rather than in part if the present bonds are no longer qualified as additional tier 1 capital after they are issued due to unpredictable changes in regulatory rules	The First Redemption Date is 8 June 2026, in full or partial amount Redemption of present bonds in full or in part on each Distribution Payment Date since the First Redemption Date (8 June 2026). The Issuer has the right to redeem the present bonds in full rather than in part if the present bonds are no longer qualified as additional tier 1 capital after they are issued due to unpredictable changes in regulatory rules	The First Redemption Date is 24 September 2026, in full or partial amount Redemption of present bonds in full or in part on each Distribution Payment Date since the First Redemption Date (24 September 2026). The Issuer has the right to redeem the present bonds in full rather than in part if the present bonds are no longer qualified as additional tier 1 capital after they are issued due to unpredictable changes in regulatory rules	The First Redemption Date is 26 November 2026, in full or partial amount Redemption of present bonds in full or in part on each Distribution Payment Date since the First Redemption Date (26 November 2026). The Issuer has the right to redeem the present bonds in full rather than in part if the present bonds are no longer qualified as additional tier 1 capital after they are issued due to unpredictable changes in regulatory rules
Coupons/dividends					
Including: Fixed or floating dividend/coupon	Fixed to floating	Fixed to floating	Fixed to floating	Fixed to floating	Fixed to floating
Including: Coupon rate and any related index	3.58% (dividend rate) before 23 September 2025	4.45% (interest rate) before 30 July 2024	4.04% (interest rate) before 8 June 2026	3.20% (interest rate) before 24 September 2026	3.65% (interest rate) before 26 November 2026
Including: Existence of a dividend stopper	Yes	Yes	Yes	Yes	Yes
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary	Fully discretionary
Including: Redemption incentive mechanism	No	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	Yes	No	No	No	No
Including: If convertible, conversion trigger(s)	Non-viability Trigger Event	N/A	N/A	N/A	N/A
Including: If convertible, fully or partially	Fully or partially convertible when a Non-viability Trigger Event occurs	N/A	N/A	N/A	N/A
Including: If convertible, conversion rate	The initial conversion price is equal to the average trading price of the H shares of the Bank for the 20 trading days preceding 30 August 2018, the date of publication of the Board resolution in respect of the issuance plan	N/A	N/A	N/A	N/A
Including: If convertible, mandatory or optional conversion	Mandatory	N/A	N/A	N/A	N/A

Main features of regulatory capital instrument	Preference shares (Offshore)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Domestic)	Undated additional tier 1 capital bonds (Offshore)	Undated additional tier 1 capital bonds (Domestic)
Including: If convertible, specify instrument type convertible into	Common equity tier 1 capital	N/A	N/A	N/A	N/A
Including: If convertible, specify issuer of instrument it converts into	The Bank	N/A	N/A	N/A	N/A
Write-down feature	No	Yes	Yes	Yes	Yes
Including: If write-down, write-down trigger(s)	N/A	Additional Tier 1 Capital Trigger Event or Tier 2 Capital Trigger Event	Non-viability Trigger Event	Non-viability Trigger Event	Non-viability Trigger Event
Including: If write-down, full or partial	N/A	Full or partial write-down when an Additional Tier 1 Capital Trigger Event occurs; full write-down when a Tier 2 Capital Trigger Event occurs	Full or partial write-down when a Non-viability Trigger Event occurs	Full or partial write-down when a Non-viability Trigger Event occurs	Full or partial write-down when a Non-viability Trigger Event occurs
Including: If write-down, permanent or temporary	N/A	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to deposits, general debts, subordinated debts, tier 2 capital bonds and undated additional tier 1 capital bonds	Subordinated to deposits, general debts, subordinated debts and tier 2 capital bonds	Subordinated to deposits, general debts, subordinated debts and tier 2 capital bonds	Subordinated to deposits, general debts, subordinated debts and tier 2 capital bonds	Subordinated to deposits, general debts, subordinated debts and tier 2 capital bonds
Non-compliant transitioned features	No	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Issuer	The Bank	The Bank	The Bank	The Bank
Unique identifier	Rule 144A ISIN: US455881AD47 Regulation S ISIN: USY39656AC06	1728021	1728022	1928006
Governing law(s) of the instrument	The Notes and the Fiscal Agency Agreement shall be governed by, and shall be construed in accordance with New York law, except that the provisions of the Notes relating to subordination shall be governed by, and construed in accordance with PRC law	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents
Regulatory treatment				
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB equivalent 10,665	RMB44,000	RMB44,000	RMB45,000
Par value of instrument (in millions)	USD2,000	RMB44,000	RMB44,000	RMB45,000
Accounting treatment	Debt securities issued	Debt securities issued	Debt securities issued	Debt securities issued
Original date of issuance	21 September 2015	6 November 2017	20 November 2017	21 March 2019
Perpetual or dated	Dated	Dated	Dated	Dated
Including: Original maturity date	21 September 2025	8 November 2027	22 November 2027	25 March 2029
Issuer call (subject to prior supervisory approval)	No	Yes	Yes	Yes
Including: Optional call date, contingent call dates and redemption amount	N/A	8 November 2022, in full amount	22 November 2022, in full amount	25 March 2024, in full amount
Including: Subsequent call dates, if applicable	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Coupons/dividends				
Including: Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
Including: Coupon rate and any related index	4.875%	4.45%	4.45%	4.26%
Including: Existence of a dividend stopper	No	No	No	No
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Mandatory	Mandatory	Mandatory	Mandatory
Including: Redemption incentive mechanism	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	No	No	No	No
Including: If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
Including: If convertible, fully or partially	N/A	N/A	N/A	N/A
Including: If convertible, conversion rate	N/A	N/A	N/A	N/A
Including: If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
Including: If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
Including: If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down feature	Yes	Yes	Yes	Yes
Including: If write-down, write-down trigger(s)	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Including: If write-down, full or partial	Partial or full write-down	Partial or full write-down	Partial or full write-down	Partial or full write-down
Including: If write-down, permanent or temporary	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to depositor and general creditor, pari passu with other subordinated debts	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds
Non-compliant transitioned features	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Issuer	The Bank	The Bank	The Bank	The Bank
Unique identifier	1928007	1928011	1928012	2028041
Governing law(s) of the instrument	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents
Regulatory treatment				
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB10,000	RMB45,000	RMB10,000	RMB60,000
Par value of instrument (in millions)	RMB10,000	RMB45,000	RMB10,000	RMB60,000
Accounting treatment	Debt securities issued	Debt securities issued	Debt securities issued	Debt securities issued
Original date of issuance	21 March 2019	24 April 2019	24 April 2019	22 September 2020
Perpetual or dated	Dated	Dated	Dated	Dated
Including: Original maturity date	25 March 2034	26 April 2029	26 April 2034	24 September 2030
Issuer call (subject to prior supervisory approval)	Yes	Yes	Yes	Yes
Including: Optional call date, contingent call dates and redemption amount	25 March 2029, in full amount	26 April 2024, in full amount	26 April 2029, in full amount	24 September 2025, in full amount
Including: Subsequent call dates, if applicable	N/A	N/A	N/A	N/A



<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Coupons/dividends				
Including: Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
Including: Coupon rate and any related index	4.51%	4.40%	4.69%	4.20%
Including: Existence of a dividend stopper	No	No	No	No
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Mandatory	Mandatory	Mandatory	Mandatory
Including: Redemption incentive mechanism	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	No	No	No	No
Including: If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
Including: If convertible, fully or partially	N/A	N/A	N/A	N/A
Including: If convertible, conversion rate	N/A	N/A	N/A	N/A
Including: If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
Including: If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
Including: If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down feature	Yes	Yes	Yes	Yes
Including: If write-down, write-down trigger(s)	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
Including: If write-down, full or partial	Partial or full write-down	Partial or full write-down	Partial or full write-down	Partial or full write-down
Including: If write-down, permanent or temporary	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds
Non-compliant transitioned features	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Issuer	The Bank	The Bank	The Bank	The Bank
Unique identifier	2028049	2028050	2128002	2128051
Governing law(s) of the instrument	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents
Regulatory treatment				
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB30,000	RMB10,000	RMB30,000	RMB50,000
Par value of instrument (in millions)	RMB30,000	RMB10,000	RMB30,000	RMB50,000
Accounting treatment	Debt securities issued	Debt securities issued	Debt securities issued	Debt securities issued
Original date of issuance	12 November 2020	12 November 2020	19 January 2021	13 December 2021
Perpetual or dated	Dated	Dated	Dated	Dated
Including: Original maturity date	16 November 2030	16 November 2035	21 January 2031	15 December 2031
Issuer call (subject to prior supervisory approval)	Yes	Yes	Yes	Yes
Including: Optional call date, contingent call dates and redemption amount	16 November 2025, in full amount	16 November 2030, in full amount	21 January 2026, in full amount	15 December 2026, in full amount
Including: Subsequent call dates, if applicable	N/A	N/A	N/A	N/A

<b>Main features of regulatory capital instrument</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>	<b>Tier 2 capital bonds</b>
Coupons/dividends				
Including: Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed
Including: Coupon rate and any related index	4.15%	4.45%	4.15%	3.48%
Including: Existence of a dividend stopper	No	No	No	No
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Mandatory	Mandatory	Mandatory	Mandatory
Including: Redemption incentive mechanism	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	No	No	No	No
Including: If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A
Including: If convertible, fully or partially	N/A	N/A	N/A	N/A
Including: If convertible, conversion rate	N/A	N/A	N/A	N/A
Including: If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
Including: If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
Including: If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
Write-down feature	Yes	Yes	Yes	Yes
Including: If write-down, write-down trigger(s)	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
Including: If write-down, full or partial	Partial or full write-down	Partial or full write-down	Partial or full write-down	Partial or full write-down
Including: If write-down, permanent or temporary	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A

Main features of regulatory capital instrument	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds
Non-compliant transitioned features	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A

Main features of regulatory capital instrument	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
Issuer	The Bank	The Bank	The Bank	The Bank	The Bank
Unique identifier	2128052	2228004	2228005	2228024	2228025
Governing law(s) of the instrument	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents	Governed by the Commercial Banking Law of the People's Republic of China, the Regulation Governing Capital of Commercial Banks (Provisional) and the Measures for Administration of Financial Bond Issuance in China's Inter-bank Bond Market, as well as other applicable laws, regulations and normative documents
Regulatory treatment					
Including: Transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Post-transition arrangement of Regulation Governing Capital of Commercial Banks (Provisional)	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital	Tier 2 capital
Including: Eligible to the parent company/group level	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group	Parent company/Group
Instrument type	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument	Tier 2 capital instrument
Amount recognised in regulatory capital (in millions, as at the latest reporting date)	RMB10,000	RMB35,000	RMB5,000	RMB45,000	RMB5,000
Par value of instrument (in millions)	RMB10,000	RMB35,000	RMB5,000	RMB45,000	RMB5,000
Accounting treatment	Debt securities issued	Debt securities issued	Debt securities issued	Debt securities issued	Debt securities issued
Original date of issuance	13 December 2021	18 January 2022	18 January 2022	12 April 2022	12 April 2022
Perpetual or dated	Dated	Dated	Dated	Dated	Dated
Including: Original maturity date	15 December 2036	20 January 2032	20 January 2037	14 April 2032	14 April 2037
Issuer call (subject to prior supervisory approval)	Yes	Yes	Yes	Yes	Yes
Including: Optional call date, contingent call dates and redemption amount	15 December 2031, in full amount	18 January 2027, in full amount	18 January 2032, in full amount	12 April 2027, in full amount	12 April 2032, in full amount
Including: Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A
Coupons/dividends					
Including: Fixed or floating dividend/coupon	Fixed	Fixed	Fixed	Fixed	Fixed
Including: Coupon rate and any related index	3.74%	3.28%	3.60%	3.50%	3.74%
Including: Existence of a dividend stopper	No	No	No	No	No

Main features of regulatory capital instrument	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
Including: Fully discretionary, partially discretionary or mandatory cancellation of coupons/dividends	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
Including: Redemption incentive mechanism	No	No	No	No	No
Including: Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative	Non-cumulative
Convertible or non-convertible	No	No	No	No	No
Including: If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A
Including: If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A
Including: If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A
Including: If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A
Including: If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A
Including: If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A
Write-down feature	Yes	Yes	Yes	Yes	Yes
Including: If write-down, write-down trigger(s)	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable	Whichever occurs earlier: (i) CBIRC having decided that a write-down is necessary, without which the Issuer would become non-viable; or (ii) any relevant authority having decided that a public sector injection of capital or equivalent support is necessary, without which the Issuer would become non-viable
Including: If write-down, full or partial	Partial or full write-down	Partial or full write-down	Partial or full write-down	Partial or full write-down	Partial or full write-down
Including: If write-down, permanent or temporary	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down	Permanent write-down
Including: If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A

**Main features of regulatory capital instrument**

	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds	Tier 2 capital bonds
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital bonds; pari passu with other subordinated debts that have been issued by the Issuer and are pari passu with the present bonds; and pari passu with other tier 2 capital instruments that will possibly be issued in the future and are pari passu with the present bonds	Subordinated to depositor and general creditor; but senior to equity capital, additional tier 1 capital instruments and hybrid capital instruments that will possibly be issued in the future and are pari passu with the present bonds
Non-compliant transitioned features	No	No	No	No	No
Including: If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A



## 10.2 Disclosure of Leverage Ratio

The following information is disclosed in accordance with the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) (CBRC No.1, 2015).

- (i) Correspondence between Regulatory Leverage Ratio Items and Accounting Items and their differences

S/N	Item	30 June 2022	31 December 2021
1	Total consolidated assets as per published financial statements	38,744,376	35,171,383
2	Consolidated adjustments for accounting purposes but outside the scope of regulatory consolidation	(262,521)	(251,092)
3	Adjustments for fiduciary assets	–	–
4	Adjustments for derivative financial instruments	178,114	104,865
5	Adjustment for securities financing transactions	39,574	40,027
6	Adjustment for off-balance sheet items	2,324,478	2,244,477
7	Other adjustments	(17,909)	(17,138)
8	Balance of adjusted on- and off-balance sheet assets	41,006,112	37,292,522

(ii) Leverage Ratio, Net Tier 1 Capital, Balance of Adjusted On- and Off-balance Sheet Assets and Related Information

S/N	Item	30 June 2022	31 December 2021
1	On-balance sheet items (excluding derivatives and SFTs)	<b>37,442,607</b>	34,436,056
2	Less: Asset amounts deducted in determining Basel III tier 1 capital	<b>(17,909)</b>	(17,138)
3	Balance of adjusted on-balance sheet assets (excluding derivatives and SFTs)	<b>37,424,698</b>	34,418,918
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	<b>131,402</b>	84,898
5	Add-on amounts for PFE associated with all derivatives transactions	<b>160,285</b>	91,940
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	–	–
7	Less: Deductions of receivables assets for cash variation margin provided in derivatives transactions	–	–
8	Less: Exempted CCP leg of client-cleared trade exposures	<b>(17)</b>	(128)
9	Effective notional amount of written credit derivatives	<b>62,864</b>	37,702
10	Less: Adjusted effective notional deductions for written credit derivatives	<b>(59,927)</b>	(33,407)
11	Total derivative exposures	<b>294,607</b>	181,005
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	<b>922,755</b>	408,095
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	–	–
14	CCR exposure for SFT assets	<b>39,574</b>	40,027
15	Agent transaction exposures	–	–
16	Total securities financing transaction exposures	<b>962,329</b>	448,122
17	Off-balance sheet exposure at gross notional amount	<b>6,719,687</b>	6,328,760
18	Less: Adjustments for conversion to credit equivalent amounts	<b>(4,395,209)</b>	(4,084,283)
19	Balance of adjusted off-balance sheet assets	<b>2,324,478</b>	2,244,477
20	Net tier 1 capital	<b>3,296,397</b>	3,241,364
21	Balance of adjusted on- and off-balance sheet assets	<b>41,006,112</b>	37,292,522
22	Leverage ratio	<b>8.04%</b>	8.69%

### 10.3 Quantitative Information Disclosure of Liquidity Coverage Ratio Using Advanced Capital Management Approach

The Group discloses liquidity coverage ratio using Advanced Capital Management Approach in accordance with Measures for the Disclosure of Information on Liquidity Coverage Ratio by Commercial Banks (Yin Jian Fa [2015] No. 52).

S/N	Item	Second-quarter 2022	
		Total unweighted value	Total weighted value
<b>High-quality liquid assets</b>			
1	Total high-quality liquid assets (HQLA)		5,999,669
<b>Cash outflows</b>			
2	Retail deposits and deposits from small business customers of which:	14,204,585	1,416,808
3	Stable deposits	57,196	2,069
4	Less stable deposits	14,147,389	1,414,739
5	Unsecured wholesale funding, of which:	15,911,581	5,319,756
6	Operational deposits (excluding those generated from correspondent banking activities)	9,295,092	2,262,614
7	Non-operational deposits (all counterparties)	6,538,792	2,979,445
8	Unsecured debt	77,697	77,697
9	Secured funding		11,307
10	Additional requirements, of which:	3,330,951	1,432,166
11	Outflows related to derivative exposures and other collateral requirements	1,272,227	1,272,227
12	Outflows related to loss of funding on debt products	–	–
13	Credit and liquidity facilities	2,058,724	159,939
14	Other contractual funding obligations	78,173	78,151
15	Other contingent funding obligations	5,360,999	103,876
16	Total cash outflows		8,362,064
<b>Cash inflows</b>			
17	Secured lending (including reverse repos and securities borrowing)	1,161,127	925,496
18	Inflows from fully performing exposures	1,666,129	1,127,045
19	Other cash inflows	1,280,095	1,277,510
20	Total cash inflows	4,107,351	3,330,051
		<b>Total Adjusted Value</b>	
21	Total HQLA		5,999,669
22	Total net cash outflows		5,032,013
23	Liquidity coverage ratio (%)		119.33%

Data of the above table are the simple arithmetic average of the 91 calendar days' figures of the recent quarter.

## 10.4 Quantitative Information Disclosure of Net Stable Funding Ratio (NSFR) Using Advanced Capital Management Approach

The Group discloses net stable funding ratio information in accordance with Measures for the Disclosure of Information on Net Stable Funding Ratio by Commercial Banks (Yin Bao Jian Fa [2019] No. 11).

		30 June 2022				
		Unweighted value				
No.	Item	No maturity	< 6 months	6 months to < 1 year	≥ 1 year	Weighted value
<b>Available stable funding (ASF) item</b>						
1	Capital:	3,583,225	–	–	400,665	3,983,890
2	Regulatory capital	3,583,225	–	–	400,665	3,983,890
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	6,746,911	8,083,155	30,735	10,870	13,390,379
5	Stable deposits	42,647	36,390	16,706	6,997	97,953
6	Less stable deposits	6,704,264	8,046,765	14,029	3,873	13,292,426
7	Wholesale funding:	9,391,190	7,695,662	491,149	235,128	8,466,370
8	Operational deposits	8,995,350	627,988	9,774	2,673	4,819,229
9	Other wholesale funding	395,840	7,067,674	481,375	232,455	3,647,141
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	9,395	1,201,431	21,285	615,658	565,353
12	NSFR derivative liabilities				70,343	
13	All other liabilities and equities not included in the above categories	9,395	1,201,431	21,285	545,315	565,353
14	Total ASF					26,405,992
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					1,139,190
16	Deposits held at other financial institutions for operational purposes	194,095	18,163	259	983	107,480
17	Loans and securities:	560	4,657,192	3,467,415	17,932,323	18,578,399
18	Loans to financial institutions secured by Level 1 HQLA	–	749,789	–	–	111,382
19	Loans to financial institutions secured by non-Level 1 HQLA and unsecured loans to financial institutions	–	1,133,743	341,540	211,698	552,530

30 June 2022

No.	Item	Unweighted value				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and PSEs, of which:	–	2,384,540	2,991,647	10,276,498	11,326,206
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	484,943	744,938	317,348	807,535
22	Residential mortgages, of which:	–	2,131	3,593	6,455,006	5,487,260
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	408	405	12,676	8,823
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	560	386,989	130,635	989,121	1,101,021
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	323,646	388,932	36,284	116,118	721,431
27	Physical traded commodities, including gold	38,457				32,688
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				38,249	32,512
29	NSFR derivative assets				62,748	–
30	NSFR derivative liabilities with additional variation margin posted				86,599*	17,320
31	All other assets not included in the above categories	285,189	388,932	36,284	15,121	638,911
32	Off-balance sheet items				8,210,983	241,869
33	Total RSF					20,788,369
34	Net Stable Funding Ratio (%)					127.02%

(\*) The amount of derivative liabilities shall be filled in for this item, which is the amount of NSFR derivative liabilities without regard to maturity before deducting variation margin. It is excluded from the item 26 “Other assets”.

31 March 2022

No. Item	Unweighted value				Weighted value	
	No maturity	< 6 months	6 months to < 1 year	≥ 1 year		
<b>Available stable funding (ASF) item</b>						
1	Capital:	3,610,100	–	–	350,103	3,960,203
2	Regulatory capital	3,610,100	–	–	350,103	3,960,203
3	Other capital instruments	–	–	–	–	–
4	Retail deposits and deposits from small business customers:	6,608,445	7,873,901	18,402	9,699	13,064,862
5	Stable deposits	39,466	38,660	11,664	6,804	92,104
6	Less stable deposits	6,568,979	7,835,241	6,738	2,895	12,972,758
7	Wholesale funding:	8,907,893	7,254,109	490,465	262,371	8,061,546
8	Operational deposits	8,531,753	662,626	21,425	3,919	4,611,821
9	Other wholesale funding	376,140	6,591,483	469,040	258,452	3,449,725
10	Liabilities with matching interdependent assets	–	–	–	–	–
11	Other liabilities:	9,226	942,222	116,702	667,079	672,890
12	NSFR derivative liabilities				61,766	
13	All other liabilities and equities not included in the above categories	9,226	942,222	116,702	605,313	672,890
14	Total ASF					25,759,501
<b>Required stable funding (RSF) item</b>						
15	Total NSFR high-quality liquid assets (HQLA)					1,074,553
16	Deposits held at other financial institutions for operational purposes	138,878	59,689	247	980	101,422
17	Loans and securities:	745	4,395,450	2,976,868	17,515,092	17,899,225
18	Loans to financial institutions secured by Level 1 HQLA	–	642,863	–	–	95,565
19	Loans to financial institutions secured by non-Level 1 HQLA and unsecured loans to financial institutions	–	1,092,671	255,535	168,298	459,967
20	Loans to retail and small business customers, non-financial institutions, sovereigns, central banks and PSEs, of which:	–	2,328,431	2,605,859	9,985,974	10,864,156

31 March 2022

No.	Item	Unweighted value				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1 year	
21	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	411,344	513,995	305,058	646,795
22	Residential mortgages, of which:	–	2,074	3,575	6,456,203	5,487,911
23	With a risk weight of less than or equal to 35% under the Basel II standardised approach for credit risk	–	423	425	14,393	9,971
24	Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	745	329,411	111,899	904,617	991,626
25	Assets with matching interdependent liabilities	–	–	–	–	–
26	Other assets:	314,854	461,279	45,484	121,378	795,527
27	Physical traded commodities, including gold	36,333				30,883
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs				43,541	37,010
29	NSFR derivative assets				58,214	–
30	NSFR derivative liabilities with additional variation margin posted				83,045*	16,609
31	All other assets not included in the above categories	278,521	461,279	45,484	19,623	711,025
32	Off-balance sheet items				7,966,429	238,873
33	Total RSF					20,109,600
34	Net Stable Funding Ratio (%)					128.10%

(\*) The amount of derivative liabilities shall be filled in for this item, which is the amount of NSFR derivative liabilities without regard to maturity before deducting variation margin. It is excluded from the item 26 “Other assets”.

## 11. Issue of Results Announcement and Interim Report

This Announcement will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com) simultaneously. The 2022 Interim Report prepared in accordance with IFRSs will be released on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.icbc-ltd.com) and will be dispatched to the shareholders of H shares of the Bank. The 2022 Interim Report and its abstract prepared in accordance with PRC GAAP will be released simultaneously on the websites of Shanghai Stock Exchange (www.sse.com.cn) and the Bank (www.icbc-ltd.com).

This Results Announcement has been prepared in both Chinese and English languages. In case of any discrepancy between the two versions, the Chinese version shall prevail.

By Order of  
The Board of Directors of  
**Industrial and Commercial Bank of China Limited**

30 August 2022

*As at the date of this announcement, the Board of Directors comprises Mr. CHEN Siqing, Mr. LIAO Lin, Mr. ZHENG Guoyu and Mr. WANG Jingwu as executive directors, Mr. LU Yongzhen, Mr. FENG Weidong, Ms. CAO Liqun, Ms. CHEN Yifang and Mr. DONG Yang as non-executive directors, Mr. Anthony Francis NEOH, Mr. YANG Siu Shun, Mr. SHEN Si and Mr. Fred Zuliou HU as independent non-executive directors.*