

# Bank of Tianjin Co., LTD.\*

(A joint stock company incorporated in the People's Republic of China with limited liability)  
(Stock code: 1578)



## 2018 Interim Report



\* *Bank of Tianjin Co., Ltd. is not an authorized institution within the meaning of the Banking Ordinance (Chapter 155 of Laws of Hong Kong), not subject to the supervision of the Hong Kong Monetary Authority, and not authorized to carry on banking and/or deposit-taking business in Hong Kong.*

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## Definitions

In this interim report, unless the context otherwise requires, the following items shall have the meanings set out below:

<b>“Articles of Association”</b>	the articles of association of the Bank as may be amended, supplemented or otherwise modified from time to time
<b>“Bank”, “our Bank”, “we” or “us”</b>	Bank of Tianjin Co., Ltd. (天津銀行股份有限公司), a joint stock company incorporated on November 6, 1996 in Tianjin, China with limited liability in accordance with PRC laws, and, if the context requires, includes its predecessors, subsidiaries, branches and sub-branches
<b>“Board” or “Board of Directors”</b>	the Board of Directors of the Bank
<b>“Board of Supervisors”</b>	the Board of Supervisors of the Bank
<b>“Capital Administrative Measures”</b>	Administrative Measures for the Capital of Commercial Banks (for Trial Implementation)
<b>“CBRC”</b>	the China Banking Regulatory Commission
<b>“CBRC Tianjin Office”</b>	the China Banking Regulatory Commission Tianjin Office
<b>“China” or “PRC”</b>	the People’s Republic of China, excluding for the purposes of this interim report Hong Kong, Taiwan and the Macau Special Administrative Region of the PRC
<b>“Director(s)”</b>	the director(s) of the Bank
<b>“Domestic Shares”</b>	ordinary shares issued by our Bank, with a nominal value of RMB1.00 each, which are subscribed for or credited as paid up in Renminbi
<b>“Foreign Shares”</b>	ordinary shares issued by our Bank, with a nominal value of RMB1.00 each, which are subscribed for in a currency other than Renminbi, or the consideration for which is the injection of assets and are held by persons other than PRC citizens or PRC corporate entities, and are not listed on any stock exchange
<b>“H Shares”</b>	ordinary shares issued by our Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
<b>“HK\$” or “HKD”</b>	Hong Kong dollars, the lawful currency of Hong Kong

## Definitions

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“PBoC” or “Central Bank”	The People’s Bank of China (中國人民銀行)
“Reporting Period”	the six months ended June 30, 2018
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the shareholder(s) of the Bank
“Share(s)”	our ordinary shares in the share capital with a nominal value of RMB1.00 each
“SME” or “SMEs”	small enterprises, medium enterprises and micro enterprises
“Supervisor(s)”	the supervisor(s) of the Bank

## Company Profile

Legal Chinese Name	天津銀行股份有限公司
Abbreviation in Chinese	天津銀行
Legal English Name	Bank of Tianjin Co., Ltd.
Abbreviation in English	Bank of Tianjin
Legal Representative	LI Zongtang
Authorized Representatives	ZHANG Furong, NGAI Wai Fung
Board Secretary	ZHANG Furong
Joint Company Secretaries	ZHANG Furong, NGAI Wai Fung
Registered Address and Headquarters Address	No. 15 Youyi Road, Hexi District, Tianjin, China
Principal Place of Business in Hong Kong	40th Floor, Sunlight Tower, No. 248 Queen's Road East, Wanchai, Hong Kong
Telephone	86-22-2840 5262
Facsimile	86-22-2840 5518
Email	bangongshi@bankoftianjin.com
Website	www.bankoftianjin.com
Website of Hong Kong Stock Exchange for Publishing H Share Interim Report	www.hkexnews.hk
Date of Initial Registration	November 6, 1996
Business License No. of Corporation	120000000007636
Uniform Social Credit Code	911200001030702984
Finance Permit Institution Number	B0108H212000001

## Company Profile

Listing Place of H Shares	The Stock Exchange of Hong Kong Limited
Stock Name	Bank of Tianjin
Stock Code	1578
H Share Registrar	Computershare Hong Kong Investor Services Limited Rooms 1712-1716, 17th Floor, Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Legal Advisor as to PRC Laws	GRANDALL LAW FIRM (TIANJIN)
Legal Advisor as to Hong Kong Laws	Paul Hastings 21-22/F, Bank of China Tower 1 Garden Road Hong Kong
Auditor	Domestic Auditor: Deloitte Touche Tohmatsu Certified Public Accountants LLP 30/F, Bund Center No.222 East Yanan Road Shanghai, PRC  International Auditor: Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong

## Summary of Accounting Data and Financial Indicators

	For the six months ended June 30,		Rate of
	2018	2017	change (%)
	(Amounts in thousands of RMB, unless otherwise stated)		
<b>OPERATING RESULTS</b>			
Interest income	12,703,261	13,280,294	(4.3)
Interest expense	(10,737,324)	(8,981,017)	19.6
<b>Net interest income</b>	<b>1,965,937</b>	<b>4,299,277</b>	<b>(54.3)</b>
Investment income	2,776,471	–	–
Fee and commission income	951,523	1,080,816	(12.0)
Fee and commission expense	(47,719)	(30,124)	58.4
<b>Net fee and commission income</b>	<b>903,804</b>	<b>1,050,692</b>	<b>(14.0)</b>
Net trading gains/(losses)	294,359	(74,190)	(496.8)
Net gains arising from derecognition of financial assets at amortised cost	36,202	14,136	156.1
Other income, gains or losses	(15,874)	1,158	(1,470.8)
<b>OPERATING INCOME</b>	<b>5,960,899</b>	<b>5,291,073</b>	<b>12.7</b>
Operating expenses	(1,572,750)	(1,398,532)	12.5
Impairment losses	(748,950)	(568,617)	31.7
Share of results of associated companies	(2,634)	(11,968)	(78.0)
<b>PROFIT BEFORE TAX</b>	<b>3,636,565</b>	<b>3,311,956</b>	<b>9.8</b>
Income tax expense	(771,572)	(690,402)	11.8
<b>PROFIT FOR THE PERIOD</b>	<b>2,864,993</b>	<b>2,621,554</b>	<b>9.3</b>
Profit for the period attributable to:			
<b>Equity holders of the Bank</b>	<b>2,840,472</b>	<b>2,615,997</b>	<b>8.6</b>
<b>Non-controlling interests</b>	<b>24,521</b>	<b>5,557</b>	<b>341.3</b>
	<b>2,864,993</b>	<b>2,621,554</b>	<b>9.3</b>
<b>Earnings per share attributable to equity holders of the Bank</b> (Expressed in RMB Yuan per share)			
– Basic	0.47	0.43	9.3



## Summary of Accounting Data and Financial Indicators

	As of June 30, 2018	As of December 31, 2017	Rate of change (%)
(Amounts in thousands of RMB, unless otherwise stated)			
<b>MAJOR INDICATORS OF ASSETS/LIABILITIES</b>			
Total assets	650,003,391	701,913,589	(7.4)
Of which: loans and advances to customers	234,115,433	241,637,249	(3.1)
Total liabilities	604,007,119	657,157,727	(8.1)
Of which: deposits from customers	336,328,832	357,857,635	(6.0)
Share capital	6,070,552	6,070,552	–
Equity attributable to equity holders of the Bank	45,299,342	44,083,453	2.8
Total equity	45,996,272	44,755,862	2.8
<b>For the six months ended June 30,</b>			
	<b>2018</b>	<b>2017</b>	<b>Change</b>
<b>PROFITABILITY INDICATORS (%)</b>			
Return on average total assets <sup>(1)</sup>	0.84	0.80	0.04
Return on average equity <sup>(2)</sup>	12.62	12.38	0.24
Net interest spread <sup>(3)</sup>	1.12	0.90	0.22
Net interest margin <sup>(4)</sup>	1.44	1.31	0.13
Net fee and commission income to operating income	15.16	19.86	(4.70)
Cost-to-income ratio <sup>(5)</sup>	25.37	25.50	(0.13)

## Summary of Accounting Data and Financial Indicators

	As of June 30, 2018	As of December 31, 2017	Change
<b>ASSET QUALITY INDICATORS (%)</b>			
Non-performing loan ratio <sup>(6)</sup>	1.62	1.50	0.12
Allowance coverage ratio <sup>(7)</sup>	239.58	193.81	45.77
Allowance to gross loan ratio <sup>(8)</sup>	3.87	2.91	0.96
<b>CAPITAL ADEQUACY RATIO INDICATORS (%)</b> <i>Calculated based on Capital Administrative Measures</i>			
Core tier-one capital adequacy ratio <sup>(9)</sup>	9.36	8.64	0.72
Tier-one capital adequacy ratio <sup>(10)</sup>	9.37	8.65	0.72
Capital adequacy ratio <sup>(11)</sup>	14.06	10.74	3.32
Total equity to total assets	7.08	6.38	0.70
<b>OTHER INDICATORS (%)</b>			
Loan-to-deposit ratio <sup>(12)</sup>	72.45	69.56	2.89
Liquidity ratio <sup>(13)</sup>	46.30	35.41	10.89
Percentage of loans to the single largest customer <sup>(14)</sup>	5.12	6.36	(1.24)
Percentage of loans to the top ten customers <sup>(15)</sup>	29.96	41.55	(11.59)

## Summary of Accounting Data and Financial Indicators

*Notes:*

- (1) Calculated by dividing net profit for the period by average balance of total assets at the beginning and the end of the period.
- (2) Calculated by dividing net profit for the period by average balance of total equity at the beginning and the end of the period.
- (3) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (4) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.
- (5) Calculated by dividing total operating expenses (excluding business tax and surcharges) by total operating income.
- (6) Calculated by dividing total non-performing loans by gross loans.
- (7) Calculated by dividing total allowance for impairment losses on loans to customers by total non-performing loans.
- (8) Calculated by dividing total allowance for impairment losses on loans to customers by gross loans to customers.
- (9) Calculated by dividing core tier-one capital, net of core tier-one capital deductions, by risk-weighted assets.
- (10) Calculated by dividing tier-one capital, net of tier-one capital deductions, by risk-weighted assets.
- (11) Calculated by dividing total capital, net of capital deductions, by risk-weighted assets.
- (12) Loan-to-deposit ratio as of December 31, 2017 and June 30, 2018 were calculated according to the Notice on Adjusting the Calculation of Loan-to-Deposit Ratio for Commercial Banks (《中國銀監會關於調整商業銀行存貸比計算口徑的通知》).
- (13) Liquidity ratio is calculated in accordance with the formula promulgated by the the China Banking Regulatory Commission.
- (14) Calculated by dividing total loans to the single largest customer by net capital.
- (15) Calculated by dividing total loans to the top ten customers by net capital.

## Management Discussion and Analysis

### ENVIRONMENT AND PROSPECTS

In the first half of 2018, the PRC economy kept growing amid stability on the whole. Major indexes subject to macro control stayed within the reasonable range, the economic structure kept improving and upgrading, initial results were achieved in preventing and mitigating financial risks, and new growth drivers continued to increase significantly. In this context, the economy maintained advancement amid stability on the whole, presenting a good shape of stable price, increasing income and improving supply pattern. The stability, coordination and sustainability of economic growth have been enhanced slightly.

In the second half of 2018, macro control policies will experience steady adjustments, pointing to an unchanged stance in strictly regulating the financial industry. Supporting fiscal policies will lend more support, and monetary policies will be fine-tuned on a relatively loose basis to continuously provide liquidity support for the financial system, so as to keep economic movement at a reasonable range. Meanwhile, the external environment facing the Bank tends to be diverse and uncertain due to insufficient growth drivers of overall economy in areas where the Bank's institutions are located, as well as the changed international trade pattern as a result of Sino-US trade war. In response to challenges and opportunities, we will adhere to the "dual track" strategy of transformation and innovation, create our core competitiveness and enhance our profitability by closely following central policies, promoting regional development, focusing on "serving real economy, preventing and controlling financial risks, deepening financial reform" and capitalizing on excellent opportunities arising from the advancement of synergistic development strategy of the Beijing-Tianjin-Hebei region and basically completed planning framework for Xiongan New Area in Hebei.

### CORPORATE STRATEGIES

Our strategic vision targets to position the Bank in "six dimensions": 1. to be a mainstream bank in Beijing-Tianjin-Hebei region. Aiming at the Beijing-Tianjin-Hebei region and supporting the development of the real economy, we are to make important contributions to the development of Beijing-Tianjin-Hebei region; 2. to be a dual-track bank. Promoting traditional business transformation centered on customers and creating a comprehensive digital layout shepherded by technology and data, we are to become a dual-track bank for transformation and innovation; 3. to be a value-driven bank. Transforming from the "pursuit of quantity" to the "pursuit of quality", we are dedicated to enhance efficiency and quality to bring values for the shareholders; 4. to be a bank proud of compliance and integrity, we are to perfectly comply with all regulatory requirements and serve the society with integrity; 5. to be a bank offering superior experience. Promoting digital transformation of end-to-end customer journeys, we are to become a digital bank with first-class customer experience; 6. to be a bank that cares for employees. Treasuring talents, strengthening employees' sense of belonging, and providing employees with the best development opportunities, we are committed to devoting more attention to employees.

## Management Discussion and Analysis

In the first half of 2018, as guided by the dual-track strategy of “transformation + innovation”, the Bank secured satisfactory business results by actively changing its development philosophy and adjusting its development mode. The Bank stepped up its support for key projects relating to synergistic development of the Beijing-Tianjin-Hebei region and national emerging industries in respect of wholesale business and allocated more resources to the real economy. The money market business returned to the origin. In response to stringent regulation, deleveraging and credit contraction, the Bank actively and timely made transformation and adjustment in interbank and asset management business, with an effort to make profits while ensuring compliant operation. The Bank expanded channels for retail business. It launched online batch personal loan business, built new modes for acquiring customers in batches and intellectualized traditional outlets to achieve supernormal development. Meanwhile, the Bank further consolidated the foundation of future development by continuously improving its operation and management organization structure, issuing RMB10 billion of tier-two capital bonds to replenish capital, enhancing financial technology cooperation and focusing on independent development.

The Bank will continue to achieve its strategic vision and development goals through the dual-track strategy of “transformation + innovation” in the second half of 2018. In respect of transformation, the Bank will promote traditional business transformation inside out based on customers. Regarding innovation, the Bank will fully implement digital layout as guided by technology and data. In addition, by capitalizing on the upgrading of “Ten Major Projects (Version 1.0)” to “Ten Major Projects (Version 2.0)”, the Bank will, based on “Three Major Managements”, “Three Major Constructions”, and “Four Major Drivers and Safeguard”, further build a “strong head office” to boost the Bank’s achieving its strategic visions and development goals.

## Management Discussion and Analysis

### ANALYSIS OF THE INCOME STATEMENT

	For the six months ended June 30,		Rate of change (%)
	2018	2017	
	(Amounts in thousands of RMB, unless otherwise stated)		
Interest income	12,703,261	13,280,294	(4.3)
Interest expense	(10,737,324)	(8,981,017)	19.6
<b>NET INTEREST INCOME</b>	<b>1,965,937</b>	<b>4,299,277</b>	<b>(54.3)</b>
Investment income	2,776,471	–	–
Fee and commission income	951,523	1,080,816	(12.0)
Fee and commission expense	(47,719)	(30,124)	58.4
<b>NET FEE AND COMMISSION INCOME</b>	<b>903,804</b>	<b>1,050,692</b>	<b>(14.0)</b>
Net trading gains/(losses)	294,359	(74,190)	(496.8)
Net gains arising from derecognition of financial assets at amortised cost	36,202	14,136	156.1
Other income, gains or losses	(15,874)	1,158	(1,470.8)
<b>OPERATING INCOME</b>	<b>5,960,899</b>	<b>5,291,073</b>	<b>12.7</b>
Operating expenses	(1,572,750)	(1,398,532)	12.5
Impairment losses	(748,950)	(568,617)	31.7
Share of results of associated companies	(2,634)	(11,968)	(78.0)
<b>PROFIT BEFORE TAX</b>	<b>3,636,565</b>	<b>3,311,956</b>	<b>9.8</b>
Income tax expense	(771,572)	(690,402)	11.8
<b>PROFIT FOR THE PERIOD</b>	<b>2,864,993</b>	<b>2,621,554</b>	<b>9.3</b>

For the six months ended June 30, 2018, the Bank's profit before tax increased by 9.8% to RMB3,636.6 million from RMB3,312.0 million for the six months ended June 30, 2017 and the profit for the same period increased by 9.3% to RMB2,865.0 million from RMB2,621.6 million for the six months ended June 30, 2017.

## Management Discussion and Analysis

### Net Interest Income<sup>(1)</sup>, Net Interest Spread and Net Interest Margin

For the six months ended June 30, 2018, the Bank's net interest income increased by 10.3% to RMB4,742.4 million from RMB4,299.3 million for the six months ended June 30, 2017. Our net interest spread increased from 0.90% for the six months ended June 30, 2017 to 1.12% for the six months ended June 30, 2018, primarily due to the fact that our average yield on interest-earning assets increased by 62 basis points and the average cost of interest-bearing liabilities increased by 40 basis points. Our net interest margin increased from 1.31% for the six months ended June 30, 2017 to 1.44% for the six months ended June 30, 2018, because our net interest income increased by 10.3% for the six months ended June 30, 2018, while the average balance of our interest-earning assets increased by 1.2% for the six months ended June 30, 2018.

(1) consists of investment income from financial assets at FVTPL.

The following tables set forth, for the six months ended June 30, 2017 and 2018, the average balance of our interest-earning assets and interest-bearing liabilities, interest income and expense from these assets and liabilities, and the average yield of these interest-earning assets and the average cost of these interest-bearing liabilities.

	For the six months ended June 30,					
	2018			2017		
	Average balance	Interest income/ expense	Average yield/cost (%)	Average balance	Interest income/ expense	Average yield/cost (%)
(Amounts in millions of RMB, except percentages)						
<b>Interest-earning Assets</b>						
Loans and advances to customers	246,965.6	6,240.4	5.05	216,892.5	5,314.1	4.90
Investment securities and other financial assets, including	328,651.8	8,239.0	5.01	329,042.2	6,544.3	3.98
– Trust beneficiary rights, wealth management products and asset management plans	195,205.5	6,017.4	6.17	190,587.1	4,653.1	4.88
– Debt securities and fund investment	133,446.3	2,221.6	3.33	138,455.1	1,891.2	2.73
Amounts due from banks and other financial institutions <sup>(1)</sup>	24,285.2	459.8	3.79	36,031.6	690.6	3.83
Deposits with banks and other financial institutions	7,030.0	127.2	3.62	16,581.1	312.1	3.76
Balances with central bank	54,745.2	413.3	1.51	55,380.8	419.2	1.51
<b>Total interest-earning assets</b>	<b>661,677.8</b>	<b>15,479.7</b>	<b>4.68</b>	<b>653,928.2</b>	<b>13,280.3</b>	<b>4.06</b>
Allowance for impairment losses	(10,879.9)			(8,062.1)		
Non-interest earning assets <sup>(2)</sup>	13,197.7			9,388.3		
<b>Total assets</b>	<b>663,995.6</b>	<b>15,479.7</b>	<b>4.66</b>	<b>655,254.4</b>	<b>13,280.3</b>	<b>4.05</b>

## Management Discussion and Analysis

	For the six months ended June 30,					
	2018			2017		
	Average balance	Interest income/ expense	Average yield/cost (%)	Average balance	Interest income/ expense	Average yield/cost (%)
(Amounts in millions of RMB, except percentages)						
<b>Interest-bearing Liabilities</b>						
Deposits from customers	332,010.7	4,935.2	2.97	333,716.7	4,382.9	2.63
Deposits from banks and other financial institutions	63,645.3	1,493.0	4.69	94,697.5	2,025.6	4.28
Amounts due to banks and other financial institutions <sup>(3)</sup>	54,540.3	826.2	3.03	74,628.4	1,205.0	3.23
Debt securities issued	141,956.1	3,317.5	4.67	64,678.6	1,361.1	4.21
Borrowings from central bank	10,337.5	165.4	3.20	400.0	6.4	3.20
<b>Total interest-bearing liabilities</b>	<b>602,489.9</b>	<b>10,737.3</b>	<b>3.56</b>	<b>568,121.2</b>	<b>8,981.0</b>	<b>3.16</b>
Non-interest-bearing liabilities <sup>(4)</sup>	31,038.3			44,446.5		
<b>Total liabilities</b>	<b>633,528.2</b>	<b>10,737.3</b>	<b>3.39</b>	<b>612,567.7</b>	<b>8,981.0</b>	<b>2.93</b>
<b>Net interest income</b>		<b>4,742.4</b>			<b>4,299.3</b>	
<b>Net interest spread<sup>(5)</sup></b>			<b>1.12</b>			<b>0.90</b>
<b>Net interest margin<sup>(6)</sup></b>			<b>1.44</b>			<b>1.31</b>

Notes:

- (1) Consists of financial assets held under resale agreements and placements with banks and other financial institutions.
- (2) Consists of cash, interest receivable, long-term equity investments, fixed assets, intangible assets, other receivables, repossessed assets and deferred income tax assets.
- (3) Consists of financial assets sold under repurchase agreements and placements from banks and other financial institutions.
- (4) Consists of interest payable, taxes payable, other payables, accrued liabilities, accrued staff salaries and dividends payable.
- (5) Calculated as the difference between the average yield on total interest-earning assets and the average cost of total interest-bearing liabilities.
- (6) Calculated by dividing net interest income by the daily average balance of total interest-earning assets.



## Management Discussion and Analysis

### Interest Income

For the six months ended June 30, 2018, our interest income increased by 16.6% to RMB15,479.7 million from RMB13,280.3 million for the six months ended June 30, 2017, which was primarily attributable to the increases in the average balance of our loans and advances to customers, resulting in a 1.2% increase in average balance of interest-earning assets from RMB653,928.2 million for the six months ended June 30, 2017 to RMB661,677.8 million for the six months ended June 30, 2018, and the average yield of our interest-earning assets increased by 62 basis points from 4.06% for the six months ended June 30, 2017 to 4.68% for the six months ended June 30, 2018.

#### *Interest income from loans and advances to customers*

For the six months ended June 30, 2018, interest income from loans and advances to customers increased by 17.4% from RMB5,314.1 million for the six months ended June 30, 2017 to RMB6,240.4 million for the six months ended June 30, 2018, primarily due to a 13.9% increase in average balance of loans and advances to customers from RMB216,892.5 million for the six months ended June 30, 2017 to RMB246,965.6 million for the six months ended June 30, 2018, reflecting our continued efforts to increase our extending of loans to support the development of real economies, and the average yield of our loans and advances to customers from 4.90% for the six months ended June 30, 2017 increased by 15 basis points to 5.05% for the six months ended June 30, 2018.

#### *Interest income from trust beneficiary rights, wealth management products and asset management plans*

For the six months ended June 30, 2018, interest income from trust beneficiary rights, wealth management products and asset management plans increased by 29.3% from RMB4,653.1 million for the six months ended June 30, 2017 to RMB6,017.4 million for the six months ended June 30, 2018, primarily due to the fact that the average yield of our trust beneficiary rights, wealth management products and asset management plans increased by 129 basis points from 4.88% for the six months ended June 30, 2017 to 6.17% for the six months ended June 30, 2018. The increase in average yield of trust beneficiary rights, wealth management products and asset management plans was primarily due to the Bank's active adjustment of the asset structure by reducing investment in low-efficiency assets and increasing investment in high-yield assets.

#### *Interest income from debt securities and fund investment*

Interest income from debt securities and fund investment increased by 17.5% from RMB1,891.2 million for the six months ended June 30, 2017 to RMB2,221.6 million for the six months ended June 30, 2018, principally due to the fact that the average yield of our debt securities and fund investment increased by 60 basis points from 2.73% for the six months ended June 30, 2017 to 3.33% for the six months ended June 30, 2018. The increase in the average yield of our debt securities and fund investment was primarily due to the adjustment of variety and structure of debt securities investment to obtain higher returns.

#### *Interest income from amounts due from banks and other financial institutions*

Interest income from amounts due from banks and other financial institutions decreased by 33.4% from RMB690.6 million for the six months ended June 30, 2017 to RMB459.8 million for the six months ended June 30, 2018, primarily due to the facts that we complied with the regulatory requirements and took the initiative to downsize our assets and the average balance of our amounts due from banks and other financial institutions decreased by 32.6% from RMB36,031.6 million for the six months ended June 30, 2017 to RMB24,285.2 million for the six months ended June 30, 2018.

## Management Discussion and Analysis

### *Interest income from deposits with banks and other financial institutions*

Interest income from deposits with banks and other financial institutions decreased by 59.2% from RMB312.1 million for the six months ended June 30, 2017 to RMB127.2 million for the six months ended June 30, 2018, primarily due to a 57.6% decrease in the average balance of deposits with banks and other financial institutions from RMB16,581.1 million for the six months ended June 30, 2017 to RMB7,030.0 million for the six months ended June 30, 2018. The decrease in the average balance of our deposits with banks and other financial institutions was due to our adjustment of overall assets portfolio to allocate our fund resources to the higher-yielding assets while meeting our liquidity needs.

### *Interest income from balances with central bank*

Interest income from balances with central bank decreased by 1.4% from RMB419.2 million for the six months ended June 30, 2017 to RMB413.3 million for the six months ended June 30, 2018, primarily due to a 1.1% decrease in the average balance of our balances with central bank from RMB55,380.8 million for the six months ended June 30, 2017 to RMB54,745.2 million for the six months ended June 30, 2018.

## Interest Expense

Our interest expense increased by 19.6% from RMB8,981.0 million for the six months ended June 30, 2017 to RMB10,737.3 million for the six months ended June 30, 2018, primarily due to an increase of 40 basis points in the average cost of our interest-bearing liabilities from 3.16% for the six months ended June 30, 2017 to 3.56% for the six months ended June 30, 2018, and an increase of 6.0% in the average balance of the interest-bearing liabilities from RMB568,121.2 million for the six months ended June 30, 2017 to RMB602,489.9 million for the six months ended June 30, 2018. The increase in the average cost of our interest-bearing liabilities primarily reflected an increase in the average cost of our deposits from customers, deposits from banks and other financial institutions, and debt securities issued. The increase in the average balance of our interest-bearing liabilities was primarily due to an increase in the average balances of our debt securities issued and borrowings from central bank.

### *Interest expense on deposits from customers*

Our interest expense on deposits from customers increased by 12.6% from RMB4,382.9 million for the six months ended June 30, 2017 to RMB4,935.2 million for the six months ended June 30, 2018, primarily due to an increase of 34 basis points in the average cost of deposits from customers from 2.63% for the six months ended June 30, 2017 to 2.97% for the six months ended June 30, 2018, partially offset by a 0.5% decrease in the total deposits from customers from RMB333,716.7 million for the six months ended June 30, 2017 to RMB332,010.7 million for the six months ended June 30, 2018. The average balance and average cost of the deposits from customers both remained relatively stable.

## Management Discussion and Analysis

### *Interest expense on deposits from banks and other financial institutions*

Our interest expense on deposits from banks and other financial institutions decreased by 26.3% from RMB2,025.6 million for the six months ended June 30, 2017 to RMB1,493.0 million for the six months ended June 30, 2018, primarily due to a 32.8% decrease in the average balance of the underlying liabilities from RMB94,697.5 million for the six months ended June 30, 2017 to RMB63,645.3 million for the six months ended June 30, 2018, partially offset by an increase of 41 basis points in the cost of the relevant liabilities from 4.28% for the six months ended June 30, 2017 to 4.69% for the six months ended June 30, 2018. The decrease in the average balance of our deposits from banks and other financial institutions primarily reflected the decrease in the total volume of such business. The increase in the average cost of our deposits from banks and other financial institutions primarily due to the increase in interest rate resulting from the tightened liquidity of the RMB market in the second half of 2017 and the first quarter of 2018 and the Bank's active adjustment of its liability structure by increasing absorption of medium- and long-term stable liabilities to improve the liquidity indicator.

### *Interest expense on amounts due to banks and other financial institutions*

Our interest expense on amounts due to banks and other financial institutions decreased by 31.4% from RMB1,205.0 million for the six months ended June 30, 2017 to RMB826.2 million for the six months ended June 30, 2018, primarily due to a 26.9% decrease of the average balance of our amounts due to banks and other financial institutions from RMB74,628.4 million for the six months ended June 30, 2017 to RMB54,540.3 million for the six months ended June 30, 2018, accompanied by 20 basis points decrease of the average cost of our amounts due to banks and other financial institutions from 3.23% for the six months ended June 30, 2017 to 3.03% for the six months ended June 30, 2018. The decrease in the average balance of our amounts due to banks and other financial institutions was primarily due to the fact that we obtained funds via other sources to meet our liquidity needs. The decrease in the average cost of our amounts due to banks and other financial institutions was primarily due to the fact that the financing costs of interbank borrowings and assets sold under repurchase agreements were effectively reduced by innovating and developing liability sources.

### *Interest expense on debt securities issued*

Our interest expense on debt securities issued increased by 143.7% from RMB1,361.1 million for the six months ended June 30, 2017 to RMB3,317.5 million for the six months ended June 30, 2018, primarily due to a 119.5% increase in the average balance of our debt securities issued from RMB64,678.6 million for the six months ended June 30, 2017 to RMB141,956.1 million for the six months ended June 30, 2018, and 46 basis points increase in the average cost of our debt securities issued from 4.21% for the six months ended June 30, 2017 to 4.67% for the six months ended June 30, 2018. The increase in the average balance of our debt securities issued was primarily due to the increase in the issuance of our interbank negotiable certificates of deposit and issuance of tier-two capital bonds and financial bonds. The increase in the average cost of our debt securities issued was primarily due to the increase in interest rate resulting from the tightened liquidity of the RMB market in the second half of 2017 and the first quarter of 2018 and the Bank's active adjustment of its liability structure by increasing absorption of medium- and long-term stable liabilities to improve the liquidity indicator.

## Management Discussion and Analysis

### *Interest expense on borrowings from central bank*

Our interest expense on borrowings from central bank increased by 2,484.4% from RMB6.4 million for the six months ended June 30, 2017 to RMB165.4 million for the six months ended June 30, 2018, primarily due to a 2,484.4% increase of the average balance of borrowings from central bank from RMB400.0 million for the six months ended June 30, 2017 to RMB10,337.5 million for the six months ended June 30, 2018.

### **Non-interest Income**

#### *Net fee and commission income*

The following table sets forth the principal components of our net fee and commission income for the six months ended June 30, 2017 and 2018.

	For the six months ended June 30,			Rate of Change (%)
	2018	2017	Change in amount	
(Amounts in millions of RMB, except percentages)				
<b>Fee and commission income</b>				
Settlement and clearing fees	91.1	84.0	7.1	8.5
Wealth management service fees	526.3	672.4	(146.1)	(21.7)
Acceptance and guarantee commitment fees	36.5	100.9	(64.4)	(63.8)
Agency commissions and fiduciary services fees	158.7	100.4	58.3	58.1
Bank card fees	18.3	12.0	6.3	52.5
Consultancy fees	118.0	108.2	9.8	9.1
Others	2.6	2.9	(0.3)	(10.3)
<b>Subtotal</b>	<b>951.5</b>	<b>1,080.8</b>	<b>(129.3)</b>	<b>(12.0)</b>
Fee and commission expenses	(47.7)	(30.1)	(17.6)	58.4
<b>Net fee and commission income</b>	<b>903.8</b>	<b>1,050.7</b>	<b>(146.9)</b>	<b>(14.0)</b>

## Management Discussion and Analysis

Our net fee and commission income decreased by 14.0% from RMB1,050.7 million for the six months ended June 30, 2017 to RMB903.8 million for the six months ended June 30, 2018. The decrease was primarily due to the decrease in our wealth management service fees and acceptance and guarantee commitment fees. For the six months ended June 30, 2018, wealth management service fees amounted to RMB526.3 million, compared to RMB672.4 million for the six months ended June 30, 2017.

### *Fee and commission expenses*

Fee and commission expenses consist primarily of fees paid to third parties in connection with our fee- and commission-based services that can be directly allocated to the provision of such services. Our fee and commission expenses increased by 58.4% from RMB30.1 million for the six months ended June 30, 2017 to RMB47.7 million for the six months ended June 30, 2018.

### Operating Expenses

The following table sets forth, for the six months ended June 30, 2017 and 2018, the principal components of our operating expenses.

	For the six months ended June 30,			Rate of change (%)
	2018	2017	Change in amount	
(Amounts in millions of RMB, except percentages)				
<b>Operating expenses</b>				
Staff costs	935.1	932.0	3.1	0.3
Tax and surcharges	60.3	49.2	11.1	22.6
Other general and administrative expenses	140.7	97.7	43.0	44.0
Office expenses	101.1	58.1	43.0	74.0
Rental and property management expenses	212.6	148.6	64.0	43.1
Depreciation and amortization	123.0	112.8	10.2	9.0
Others	–	0.1	(0.1)	(100)
<b>Total operating expenses</b>	<b>1,572.8</b>	<b>1,398.5</b>	<b>174.3</b>	<b>12.5</b>
<b>Cost-to-income ratio<sup>(1)</sup></b>	<b>25.4%</b>	<b>25.5%</b>	<b>–</b>	<b>(0.1)</b>

Notes:

(1) Calculated by dividing total operating expenses, excluding taxes and surcharges, by total operating income.

## Management Discussion and Analysis

Our operating expenses increased by 12.5% from RMB1,398.5 million for the six months ended June 30, 2017 to RMB1,572.8 million for the six months ended June 30, 2018. The increase was primarily due to the increase in our rental and property management expenses. Our cost-to-income ratio (excluding tax and surcharges) was 25.5% and 25.4% for the six months ended June 30, 2017 and 2018, respectively.

### Staff costs

Staff costs are the largest component of our operating expenses, which amounted to RMB935.1 million for the six months ended June 30, 2018, representing an increase of 0.3% from RMB932.0 million for the six months ended June 30, 2017. The following table sets forth the major components of staff costs for the periods indicated.

	For the six months ended June 30,			Rate of change (%)
	2018	2017	Change in amount	
(Amounts in millions of RMB, except percentages)				
Salaries, bonuses and allowances	661.6	701.6	(40.0)	(5.7)
Social insurance	129.5	98.5	31.0	31.5
Housing funds	56.9	44.5	12.4	27.9
Staff welfare	24.8	11.3	13.5	119.5
Labor union fees and staff education expenses	17.0	15.2	1.8	11.8
Contribution to annuity funds	45.3	60.9	(15.6)	(25.6)
<b>Total</b>	<b>935.1</b>	<b>932.0</b>	<b>3.1</b>	<b>0.3</b>

### Tax and surcharges

The tax and surcharges amounted to RMB60.3 million for the six months ended June 30, 2018, representing an increase of 22.6% from RMB49.2 million for the six months ended June 30, 2017. The increase in tax and surcharges was primarily due to the significant increase in the value-added tax as compared with last year, resulting in increase of surcharges.

### Office expenses and rental and property management expenses

The office expenses and rental and property management expenses amounted to RMB313.7 million for the six months ended June 30, 2018, representing an increase of 51.8% from RMB206.7 million for the six months ended June 30, 2017.

### Other general and administrative expenses

Our other general and administrative expenses amounted to RMB140.7 million for the six months ended June 30, 2018, representing an increase of 44.0% from RMB97.7 million for the six months ended June 30, 2017.

## Management Discussion and Analysis

### Depreciation and amortization

Depreciation and amortization amounted to RMB123.0 million for the six months ended June 30, 2018, representing an increase of 9.0% from RMB112.8 million for the six months ended June 30, 2017.

### Impairment Losses

The following table sets forth the principal components of our impairment losses for the periods indicated.

	For the six months ended June 30,			Rate of change (%)
	2018	2017	Change in amount	
	(Amounts in millions of RMB, except percentages)			
Loans and advances to customers	1,449.0	472.5	976.5	206.7
Off-balance sheet credit commitments	(125.1)	(80.8)	(44.3)	54.8
Investments classified as receivables	N/A	216.2	–	–
Debt instrument at amortized cost	(578.4)	N/A	–	–
Financial assets at fair value through other comprehensive income	7.0	–	7.0	–
Deposits with banks	(0.8)	–	(0.8)	–
Placements with banks	(2.2)	–	(2.2)	–
Financial assets held under resale agreements	(0.6)	(39.3)	38.7	(98.5)
<b>Total</b>	<b>748.9</b>	<b>568.6</b>	<b>180.3</b>	<b>31.7</b>

Our impairment losses for the six months ended June 30, 2018 were RMB748.9 million, representing an increase of 31.7% from RMB568.6 million for the six months ended June 30, 2017, primarily due to our impairment losses on loans and advances to customers increasing by 206.7% from RMB472.5 million for the six months ended June 30, 2017 to RMB1,449.0 million for the six months ended June 30, 2018, reflecting an increase in our non-performing loans.



## Management Discussion and Analysis

### Income Tax Expenses

The following table sets forth the principal components of our income tax expenses for the periods indicated.

	For the six months ended June 30,			Rate of change (%)
	2018	2017	Change in amount	
	(Amounts in millions of RMB, except percentages)			
Profit before tax	3,636.6	3,312.0	324.6	9.8
Tax calculated at applicable statutory tax rate of 25%	909.2	828.0	81.2	9.8
Underprovision of tax in prior years	12.0	3.7	8.3	224.3
Tax effect of expense not deductible for tax purpose	0.4	15.2	(14.8)	(97.4)
Tax effect of income not taxable for tax purpose <sup>(1)</sup>	(150.0)	(156.5)	6.5	(4.2)
Income tax expense	771.6	690.4	81.2	11.8

Note:

- (1) The income not taxable for tax purpose mainly represents interest income arising from government bonds, which is income tax free in accordance with the PRC tax regulations.

Our income tax for the six months ended June 30, 2018 amounted to RMB771.6 million, representing a 11.8% increase from RMB690.4 million for the six months ended June 30, 2017, which was generally consistent with the increase in our profit before tax.



## Management Discussion and Analysis

### ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

#### Assets

The following table sets forth, as of the dates indicated, the components of our total assets.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>ASSETS</b>				
Gross loans and advances to customers	243,540.3	37.5	248,880.7	35.4
Allowance for impairment losses	(9,424.9)	(1.4)	(7,243.5)	(1.0)
Loans and advances to customers, net	234,115.4	36.1	241,637.2	34.4
Investment securities and other financial assets, net	320,754.9	49.2	363,452.6	51.8
Financial assets held under resale agreements	3,900.0	0.6	9,356.8	1.3
Cash and deposits with central bank	57,891.9	8.9	57,372.5	8.2
Deposits with banks and other financial institutions	3,896.2	0.6	8,003.9	1.1
Placements with banks and other financial institutions	17,283.6	2.7	12,295.0	1.8
Derivative financial assets	109.2	0.0	0.0	0.0
Other assets <sup>(1)</sup>	12,052.2	1.9	9,795.6	1.4
<b>TOTAL ASSETS</b>	<b>650,003.4</b>	<b>100.0</b>	<b>701,913.6</b>	<b>100.0</b>

Note:

- (1) Consists primarily of interest receivable, property and equipment, deferred tax assets, long-term deferred expenses, intangible assets and other receivables.

## Management Discussion and Analysis

As of June 30, 2018, our total assets amounted to RMB650,003.4 million, representing a decrease of 7.4% compared to RMB701,913.6 million as of December 31, 2017. The decrease was mainly due to the decrease in our loans and advances to customers and investment securities and other financial assets.

### Loans and advances to customers

The following table sets forth, as of the dates indicated, a breakdown of our loans by business line.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Corporate loans	186,587.6	76.6	202,547.2	81.4
Personal loans	38,101.0	15.6	34,379.2	13.8
Discounted bills	8,908.3	3.7	3,242.5	1.3
Finance lease receivables	9,943.4	4.1	8,711.8	3.5
<b>Total</b>	<b>243,540.3</b>	<b>100.0</b>	<b>248,880.7</b>	<b>100.0</b>

### Corporate loans

Our corporate loans amounted to RMB186,587.6 million as of June 30, 2018, representing a decrease of 7.9% compared to RMB202,547.2 million as of December 31, 2017.

The following table sets forth a breakdown of our corporate loans by contract maturity as of the dates indicated.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Short-term loans (one year or less)	76,927.8	41.2	102,432.5	50.6
Medium- and long-term loans (over one year)	109,659.8	58.8	100,114.7	49.4
<b>Total corporate loans</b>	<b>186,587.6</b>	<b>100.0</b>	<b>202,547.2</b>	<b>100.0</b>

## Management Discussion and Analysis

Short-term loans as a percentage of our corporate loan portfolio decreased from 50.6% as of December 31, 2017 to 41.2% as of June 30, 2018 and our medium- and long-term loans as a percentage of our corporate loan portfolio increased from 49.4% as of December 31, 2017 to 58.8% as of June 30, 2018. The changes in the above percentages of our corporate loan portfolio were primarily caused by the fact that certain short-term loans came to maturity and our decision to optimize our loan maturity structure.

The following table sets forth, as of the dates indicated, the distribution of our corporate loans by product type.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Working capital loans	120,506.6	64.5	141,073.3	69.6
Fixed assets loans	54,049.0	29.0	50,175.1	24.8
Trade finance	5,583.5	3.0	5,300.4	2.6
Others <sup>(1)</sup>	6,448.5	3.5	5,998.4	3.0
<b>Total corporate loans</b>	<b>186,587.6</b>	<b>100.0</b>	<b>202,547.2</b>	<b>100.0</b>

Note:

(1) Consist primarily of advances under bank acceptance and letters of credit issued by the Bank and corporate overdraft.

Our working capital loans amounted to RMB120,506.6 million as of June 30, 2018, representing a decrease of 14.6% compared to RMB141,073.3 million as of December 31, 2017, mainly due to the maturity of certain working capital loans.

Our fixed assets loans amounted to RMB54,049.0 million as of June 30, 2018, representing an increase of 7.7% compared to RMB50,175.1 million as of December 31, 2017, which remained relatively stable.

Our trade finance amounted to RMB5,300.4 million and RMB5,583.5 million as of December 31, 2017 and June 30, 2018. Our other corporate loans amounted to RMB5,998.4 million and RMB6,448.5 million as of December 31, 2017 and June 30, 2018.

## Management Discussion and Analysis

### Personal loans

Our personal loans amounted to RMB38,101.0 million as of June 30, 2018, representing an increase of 10.8% compared to RMB34,379.2 million as of December 31, 2017. This increase was mainly attributable to the Bank actively adjusted its business strategy and carried out Internet-based personal consumption loan business in an all-round manner. By establishing the online loan system, the Bank cooperated with Internet fintech companies to develop a brand-new operating model for personal consumption loan business featuring online customer acquisition, online examination and approval and online loan extension, which improved the Bank's capability to acquire customers and control risks and promoted the development of the Bank's retail assets business while enhancing customer experience and satisfaction. As of June 30, 2018, the Bank has cooperated with five financial technology companies including jinrong.360.cn, Xinwang Bank, Gome Finance, Ant Financial and WeBank in personal consumption loan business, with RMB7,703 million of online loans extended and RMB4,438 million of balance remained.

The following table sets forth a breakdown of our personal loans by product type as of the dates indicated.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Personal consumption loans	11,300.9	29.6	8,793.0	25.6
Residential mortgage loans	22,656.7	59.5	21,286.2	61.9
Personal business loans	3,542.3	9.3	3,815.8	11.1
Credit card overdrafts	601.1	1.6	484.2	1.4
<b>Total personal loans</b>	<b>38,101.0</b>	<b>100.0</b>	<b>34,379.2</b>	<b>100.0</b>

Our personal consumption loans amounted to RMB11,300.9 million as of June 30, 2018, representing an increase of 28.5% compared to RMB8,793.0 million as of December 31, 2017.

Our residential mortgage loans amounted to RMB22,656.7 million as of June 30, 2018, representing an increase of 6.4% compared to RMB21,286.2 million as of December 31, 2017. The increase in our residential mortgage loans was primarily due to (i) our efforts to grow our residential mortgage loan business to meet the various needs of our retail customers, and (ii) our increased marketing efforts on residential mortgage loans as our response to the PRC government's sound policy on the residential mortgage loans.

## Management Discussion and Analysis

Our personal business loans amounted to RMB3,542.3 million as of June 30, 2018, representing a decrease of 7.2% compared to RMB3,815.8 million as of December 31, 2017. The decrease in our personal business loans was primarily due to (i) the maturity of certain of our personal business loans, and (ii) the decrease in our lending to individual businesses given their deteriorated repayment abilities during the slowdown in the PRC economy.

Our credit card overdrafts amounted to RMB484.2 million and RMB601.1 million as of December 31, 2017 and June 30, 2018.

### Discounted bills

Discounted bills represented an important component of our portfolio of loans and advances to customers. Our discounted bills increased by 174.7% to RMB8,908.3 million as of June 30, 2018 from RMB3,242.5 million as of December 31, 2017, primarily due to our decision to increase the business volume of discounted bills given the relatively higher market prices of discounted bills in the first half of 2018.

### Finance lease receivables

As of June 30, 2018, we recorded finance lease receivables increased by 14.1% to RMB9,943.4 million from RMB8,711.8 million as of December 31, 2017, primarily due to the fact that the Bank's subsidiary Bank of Tianjin Financial Leasing Co., Ltd. was still under development in the first half of 2018, with its business expanding somewhat over last year.

### ***Investment securities and other financial assets***

As of June 30, 2018, the balance of our investment securities and other financial assets amounted to RMB320,754.9 million, representing a decrease of 11.7% compared to RMB363,452.6 million as of December 31, 2017. This decrease was mainly due to a decrease of our holding of wealth management products issued by other financial institutions and trust beneficiary rights.

## Management Discussion and Analysis

The following table sets forth, as of December 31, 2017 and June 30, 2018, the components of our investment securities and other financial assets.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>Debt securities</b>				
Held-to-maturity debt securities	N/A	N/A	49,123.3	13.5
Available-for-sale debt securities	N/A	N/A	33,108.7	9.1
Debt securities held for trading	N/A	N/A	5,720.1	1.6
Debt securities classified as receivables	N/A	N/A	39,860.5	11.0
Debt securities measured at amortized cost	76,591.8	24.0	N/A	N/A
Debt securities at fair value through other comprehensive income	51,665.6	16.1	N/A	N/A
Debt securities at fair value through profit or loss	8,772.0	2.7	N/A	N/A
Allowance for impairment losses	(197.9)	(0.1)	(115.0)	(0.0)
<b>Subtotal</b>	<b>136,831.5</b>	<b>42.7</b>	<b>127,697.6</b>	<b>35.2</b>
<b>Funds</b>	<b>1,702.3</b>	<b>0.5</b>	<b>3,103.6</b>	<b>0.9</b>
<b>Wealth management products issued by other financial institutions</b>				
<b>Trust beneficiary rights and assets management plans, net</b>	<b>18,019.3</b>	<b>5.6</b>	<b>67,924.6</b>	<b>18.7</b>
Asset management plans	96,319.9	30.0	81,347.8	22.2
Trust beneficiary rights	68,871.3	21.5	84,937.5	23.4
Others	33.3	0.0	0.0	0.0
Allowance for impairment losses	(1,081.3)	(0.3)	(1,617.1)	(0.4)
<b>Subtotal</b>	<b>164,143.2</b>	<b>51.2</b>	<b>164,668.2</b>	<b>45.2</b>
<b>Equity investments</b>				
Equity investments at fair value through profit or loss	58.6	0.0	N/A	N/A
Available-for-sale equity investments	N/A	N/A	58.6	0.0
<b>Subtotal</b>	<b>58.6</b>	<b>0.0</b>	<b>58.6</b>	<b>0.0</b>
<b>Total investment securities and other financial assets, net</b>				
	<b>320,754.9</b>	<b>100.0</b>	<b>363,452.6</b>	<b>100.0</b>

## Management Discussion and Analysis

### Debt securities

The following table sets forth, as of December 31, 2017 and June 30, 2018, the components of our debt securities.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
PRC government bonds	36,827.8	26.9	39,417.5	30.9
Debt securities issued by PRC policy banks	39,595.1	28.9	39,149.4	30.6
Debt securities issued by PRC corporate issuers	28,704.7	20.9	22,065.5	17.3
Debt securities issued by PRC banks and other financial institutions	6,697.5	4.9	7,329.5	5.7
Asset-backed securities	25,204.3	18.4	19,850.7	15.5
<b>Total</b>	<b>137,029.4</b>	<b>100.0</b>	<b>127,812.6</b>	<b>100.0</b>

Our holding of debt securities issued by PRC governments decreased by 6.6% from RMB39,417.5 million as of December 31, 2017 to RMB36,827.8 million as of June 30, 2018, primarily due to our preference for other debt securities with relatively high returns.

Our holding of debt securities issued by PRC policy banks increased by 1.1% from RMB39,149.4 million as of December 31, 2017 to RMB39,595.1 million as of June 30, 2018, which was primarily because of our preference for their relatively high liquidity and relatively low risks.

Our holding of debt securities issued by PRC corporate issuers increased by 30.1% from RMB22,065.5 million as of December 31, 2017 to RMB28,704.7 million as of June 30, 2018, which was primarily because of our decision to achieve higher returns on investments whilst maintaining reasonable level of liquidity.

Our holding of debt securities issued by PRC banks and other financial institutions decreased by 8.6% from RMB7,329.5 million as of December 31, 2017 to RMB6,697.5 million as of June 30, 2018, which reflected our preference for other debt securities with relatively high liquidity.

Our holding of asset-backed securities increased by 27.0% from RMB19,850.7 million as of December 31, 2017 to RMB25,204.3 million as of June 30, 2018, which was primarily because of our intensified efforts for investment in high-rated standardized assets.

## Management Discussion and Analysis

Distribution of investment securities and other financial assets by investment intention

The following table sets forth, as of December 31, 2017 and June 30, 2018, the distribution of our investment securities and other financial assets by our investment intention.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Investments classified as receivables	N/A	N/A	272,338.3	74.9
Held-to-maturity investments	N/A	N/A	49,123.3	13.5
Available-for-sale financial assets	N/A	N/A	36,270.9	10.0
Financial assets held for trading	N/A	N/A	5,720.1	1.6
Debt instruments measured at amortized cost	176,628.4	55.1	N/A	N/A
Debt instruments at fair value through other comprehensive income	51,665.6	16.1	N/A	N/A
Financial assets at fair value through profit or loss	92,460.9	28.8	N/A	N/A
<b>Total</b>	<b>320,754.9</b>	<b>100.0</b>	<b>363,452.6</b>	<b>100.0</b>



## Management Discussion and Analysis

### Financial assets held under resale agreements

The table below sets forth, as of December 31, 2017 and June 30, 2018, the distribution of our financial assets held under resale agreements by collateral type.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>Analyzed by collateral type:</b>				
Bills	993.5	24.0	993.5	10.4
Debt securities	3,144.9	76.0	8,600.2	89.6
<b>Total amount</b>	<b>4,138.4</b>	<b>100.0</b>	<b>9,593.7</b>	<b>100.0</b>
Allowance for impairment losses	(238.4)		(236.9)	
<b>Net amount</b>	<b>3,900.0</b>		<b>9,356.8</b>	

Our financial assets held under resale agreements amounted to RMB3,900.0 million as of June 30, 2018, representing a decrease of 58.3% compared to RMB9,356.8 million as of December 31, 2017, primarily due to the fact that our bills held under resale agreements and certain of our other financial assets held under resale agreements came to maturity.

### Other components of our assets

Other components of our assets primarily consist of (i) cash and deposits with central bank, (ii) deposits with banks and other financial institutions, (iii) placements with banks and other financial institutions, and (iv) others.

Our cash and deposits with central bank amounted to RMB57,891.9 million as of June 30, 2018, representing an increase of 0.9% compared to RMB57,372.5 million as of December 31, 2017.

Deposits with banks and other financial institutions amounted to RMB3,896.2 million as of June 30, 2018, representing a decrease of 51.3% compared to RMB8,003.9 million as of December 31, 2017. This decrease was primarily due to our adjustment of overall assets portfolio to allocate our fund resources to the higher-yielding assets while meeting our liquidity needs.

Our placements with banks and other financial institutions amounted to RMB17,283.6 million as of June 30, 2018, representing an increase of 40.6% compared to RMB12,295.0 million as of December 31, 2017. This increase was primarily due to our adjustment of overall assets portfolio to allocate our fund resources to the higher-yielding assets while meeting our liquidity needs.

## Management Discussion and Analysis

Our other assets consist primarily of interest receivable, property and equipment, deferred tax assets, intangible assets and other receivables. Our other assets increased by 23.0% from RMB9,795.6 million as of December 31, 2017 to RMB12,052.2 million as of June 30, 2018, primarily due to the increase of our interest receivables from RMB4,373.4 million as of December 31, 2017 to RMB5,710.8 million as of June 30, 2018, primarily resulting from the increase in interest receivable of investment securities and other financial assets.

### Liabilities

The following table sets forth, as of the dates indicated, the components of our total liabilities.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Deposits from customers	336,328.8	55.7	357,857.6	54.5
Deposits from banks and other financial institutions	26,023.8	4.3	77,036.4	11.7
Debt securities issued	150,585.0	24.9	118,688.3	18.1
Financial assets sold under repurchase agreements	35,368.0	5.9	50,696.4	7.7
Placements from banks	21,972.7	3.6	22,719.4	3.4
Borrowings from central bank	12,020.0	2.0	7,505.0	1.1
Income tax payable	642.8	0.1	635.1	0.1
Other liabilities <sup>(1)</sup>	21,066.0	3.5	22,019.5	3.4
<b>TOTAL LIABILITIES</b>	<b>604,007.1</b>	<b>100.0</b>	<b>657,157.7</b>	<b>100.0</b>

Note:

(1) Consist primarily of interest payable, employee benefits payables, dividend payable, accrued liabilities and certain other liabilities.

As of June 30, 2018, our total liabilities were RMB604,007.1 million, representing a decrease of 8.1% compared to RMB657,157.7 million as of December 31, 2017.

## Management Discussion and Analysis

### Deposits from customers

As of June 30, 2018, our deposits from customers amounted to RMB336,328.8 million, representing a decrease of 6.0% compared to RMB357,857.6 million as of December 31, 2017. The decrease in our deposits from customers was primarily due to our decision to optimize our deposit structure, actively control cost and focus more on improving the quality of our deposit-taking business.

The following table sets forth, as of December 31, 2017 and June 30, 2018, our deposits from customers by product type and maturity profile of deposits.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>Corporate deposits</b>				
Demand	166,387.6	49.5	182,502.6	51.0
Time <sup>(1)</sup>	88,447.6	26.3	92,825.5	25.9
Subtotal	254,835.2	75.8	275,328.1	76.9
<b>Personal deposits</b>				
Demand	17,454.0	5.2	17,163.4	4.8
Time <sup>(1)</sup>	47,554.7	14.1	45,717.8	12.8
Subtotal	65,008.7	19.3	62,881.2	17.6
<b>Others<sup>(2)</sup></b>	16,484.9	4.9	19,648.3	5.5
<b>Total deposits from customers</b>	<b>336,328.8</b>	<b>100.0</b>	<b>357,857.6</b>	<b>100.0</b>

Notes:

- (1) Include principal-protected wealth management products, which we classify as deposits from customers pursuant to PBoC rules.
- (2) Consist primarily of margin deposits, funds deposited with us for remittance and temporary deposits

## Management Discussion and Analysis

Our corporate deposits decreased by 7.4% from RMB275,328.1 million as of December 31, 2017 to RMB254,835.2 million as of June 30, 2018. The decrease in our corporate deposits was primarily due to our decision to optimize our deposit structure, actively control cost and focus more on improving the quality of our deposit-taking business.

Our personal deposits increased by 3.4% from RMB62,881.2 million as of December 31, 2017 to RMB65,008.7 million as of June 30, 2018. The increase in our personal deposits was primarily due to our insistence on the business strategy of drawing on new market capital by selling fortune products and the rapid increase in our personal integrated financial assets this year, which drove the growth in the size of personal deposits.

### *Deposits from banks and other financial institutions*

As of June 30, 2018, our deposits from banks and other financial institutions amounted to RMB26,023.8 million, representing a decrease of 66.2% from RMB77,036.4 million as of December 31, 2017. The decrease in our deposits from banks and other financial institutions primarily reflected other capital sources of the Bank obtained in other ways other than the deposits from banks and other financial institutions.

### *Debt securities issued*

As of June 30, 2018, our debt securities issued amounted to RMB150,585.0 million, representing an increase of 26.9% from RMB118,688.3 million as of December 31, 2017. The increase in our debt securities issued was primarily due to the increase in the issuance of our interbank negotiable certificates of deposit and issuance of tier-two capital bonds and financial bonds in the first half of this year.

### *Financial assets sold under repurchase agreements*

As of June 30, 2018, our financial assets sold under repurchase agreements amounted to RMB35,368.0 million, representing a decrease of 30.2% from RMB50,696.4 million as of December 31, 2017. The decrease in our financial assets sold under repurchase agreements was primarily due to our innovation on development of liability sources in order to obtain funds from other channels.

## Management Discussion and Analysis

### Equity

The table below sets forth the components of the equity of the Bank as of the dates indicated.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>Equity</b>				
Share capital	6,070.6	13.2	6,070.6	13.5
Capital reserve	10,731.1	23.3	10,731.1	24.0
Investment revaluation reserve	(210.7)	(0.4)	(575.7)	(1.3)
Surplus reserve	3,352.3	7.3	3,352.3	7.5
General reserve	9,122.6	19.8	8,363.5	18.7
Retained earnings	16,233.4	35.3	16,141.7	36.1
Equity attributable to equity holders of the Bank	45,299.3	98.5	44,083.5	98.5
Non-controlling interests	697.0	1.5	672.4	1.5
<b>Total equity</b>	<b>45,996.3</b>	<b>100.0</b>	<b>44,755.9</b>	<b>100.0</b>

As of June 30, 2018, our shareholders' equity amounted to RMB45,996.3 million, representing an increase of 2.8% compared to RMB44,755.9 million as of December 31, 2017. Equity attributable to equity holders of the Bank was RMB45,299.3 million as of June 30, 2018, representing an increase of 2.8% compared to RMB44,083.5 million as of December 31, 2017. The increase in the shareholders' equity for the six months ended June 30, 2018 was mainly due to the increase of our net profits in the first half of 2018.

## Management Discussion and Analysis

### ANALYSIS OF OFF-BALANCE SHEET ITEMS

The following table sets forth, as of December 31, 2017 and June 30, 2018, the contractual amounts of our off-balance sheet commitments.

	As of June 30, 2018	As of December 31, 2017
	(Amounts in millions of RMB)	
Bank acceptance	27,807.7	29,021.4
Letters of credit	8,322.4	8,557.0
Letters of guarantee issued	3,598.9	6,272.4
Undrawn credit card limit	2,057.7	1,800.0
<b>Subtotal</b>	<b>41,786.7</b>	<b>45,650.8</b>
Operating lease commitments	1,338.4	1,372.6
Capital commitments	275.6	156.3
<b>Total</b>	<b>43,400.7</b>	<b>47,179.7</b>

## Management Discussion and Analysis

### ANALYSIS

#### Distribution of Loans by Five-category Loan Classification

The following table sets forth, as of December 31, 2017 and June 30, 2018, the distribution of our loans by the five-category loan classification.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Normal	228,796.0	94.0	234,495.9	94.2
Special mention	10,810.5	4.4	10,647.4	4.3
<b>Subtotal</b>	<b>239,606.5</b>	<b>98.4</b>	<b>245,143.3</b>	<b>98.5</b>
Substandard	2,712.1	1.1	2,726.7	1.1
Doubtful	736.3	0.3	632.6	0.3
Loss	485.4	0.2	378.1	0.1
<b>Subtotal</b>	<b>3,933.8</b>	<b>1.6</b>	<b>3,737.4</b>	<b>1.5</b>
<b>Total loans to customers</b>	<b>243,540.3</b>	<b>100.0</b>	<b>248,880.7</b>	<b>100.0</b>

As of June 30, 2018, according to the five-category classification, the normal loans amounted to RMB228,796.0 million, representing a decrease of RMB5,699.9 million as compared to that as of December 31, 2017. The normal loans accounted for 94.0% of all the loans of the Bank as of June 30, 2018. Loans classified as special mention were RMB10,810.5 million, representing an increase of RMB163.1 million as compared to that as of December 31, 2017. The loans classified as special mention accounted for 4.4% of all loans. The non-performing loans were RMB3,933.8 million, representing an increase of RMB196.4 million as compared to that as of December 31, 2017 with a non-performing loan ratio of 1.62%, representing a slight increase as compared to that as of December 31, 2017, primarily due to operational difficulties and deteriorated repayment abilities of certain of our corporate and retail customers as a result of the slowdown of the PRC economy growth.

## Management Discussion and Analysis

### Distribution of Corporate Loans by Industry

The following table sets forth the distribution of our corporate loans by industry as of the dates indicated.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Manufacturing	42,384.8	21.6	51,970.7	24.5
Wholesale and retail	34,104.7	17.4	39,572.7	18.7
Real estate	31,606.9	16.1	24,471.9	11.6
Leasing and business services	27,612.3	14.0	20,649.3	9.8
Construction	21,759.4	11.1	24,366.2	11.5
Water, environment and public facilities management	17,016.2	8.7	23,424.3	11.1
Transportation, storage and postal services	5,601.9	2.9	6,607.5	3.1
Finance	3,814.7	1.9	3,069.5	1.5
Electricity, heat, gas and water production and supply	3,590.9	1.8	3,941.1	1.9
Resident services, repair and other services	2,259.6	1.1	3,775.2	1.8
Accommodation and catering	1,018.2	0.5	1,231.6	0.6
Agriculture, forestry, animal husbandry and fishery	894.2	0.5	790.8	0.4
Scientific research and technical services	448.2	0.2	1,413.1	0.7
Public administration, social security and social organization	220.0	0.1	1,064.0	0.5
Others <sup>(1)</sup>	4,199.0	2.1	4,911.1	2.3
<b>Total corporate loans<sup>(2)</sup></b>	<b>196,531.0</b>	<b>100.0</b>	<b>211,259.0</b>	<b>100.0</b>

Notes:

- (1) Consist primarily of following industries: (i) information transmission, software and information technology services, (ii) mining, (iii) health and social services, (iv) education, and (v) cultural, sports and entertainment.
- (2) Consists of finance lease receivables.



## Management Discussion and Analysis

In the first half of 2018, the Bank actively supported the development of the real economy with its credit extension structure further optimized. As of June 30, 2018, loans provided to customers in the industries of (i) manufacturing, (ii) wholesale and retail, (iii) real estate, (iv) leasing and business services, and (v) construction represented the top five largest components of the Bank's corporate loans. As of June 30, 2018 and December 31, 2017, the balance of loans provided to the corporate customers in these top five industries were RMB157,468.1 million and RMB161,030.8 million, respectively, accounting for 80.1% and 76.1% of the total corporate loans and advances issued by the Bank, respectively.

### Distribution of Non-Performing Corporate Loans by Industry

The following table sets forth, as of the dates indicated, the distribution of our non-performing loans to corporate customers by industry.

	As of June 30, 2018			As of December 31, 2017		
	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)
(Amounts in millions of RMB, except percentages)						
Wholesale and retail	1,184.2	36.0	3.47	1,430.2	45.9	3.61
Manufacturing	1,713.7	52.1	4.04	1,332.7	42.8	2.56
Mining	130.5	4.0	14.78	100.5	3.2	6.74
Construction	79.4	2.4	0.36	85.6	2.7	0.35
Transportation, storage and postal services	58.1	1.8	1.04	61.9	2.0	0.94
Information transmission, software and information technology services	34.0	1.0	1.73	34.0	1.1	1.34
Real estate	46.8	1.4	0.15	46.8	1.5	0.19
Scientific research and technical services	14.8	0.5	3.30	14.8	0.5	1.05
Agriculture, forestry, animal husbandry and fishery	25.7	0.8	2.87	7.9	0.3	1.00
<b>Total non-performing corporate loans<sup>(2)</sup></b>	<b>3,287.2</b>	<b>100.0</b>	<b>1.67</b>	<b>3,114.4</b>	<b>100.0</b>	<b>1.47</b>

Notes:

- (1) Calculated by dividing non-performing loans to corporate customers in each industry by gross loans to corporate customers in that industry.
- (2) Consists of finance lease receivables.

## Management Discussion and Analysis

Our non-performing corporate loans consist primarily of non-performing loans to corporate borrowers in the manufacturing industry and wholesale and retail industry. The non-performing loan ratio for our corporate loans in the wholesale and retail industry were 3.61% and 3.47% as of December 31, 2017 and June 30, 2018, respectively. As of December 31, 2017 and June 30, 2018, non-performing corporate loans to borrowers in this industry accounted for 45.9% and 36.0% of our total non-performing corporate loans, respectively. The decrease in the non-performing loan ratio for our corporate loans to borrowers in the wholesale and retail industry was primarily reflected our continued efforts of active management and collection of non-performing loans.

The non-performing loan ratio for our corporate loans in the manufacturing industry were 2.56% and 4.04% as of December 31, 2017 and June 30, 2018, respectively. As of December 31, 2017 and June 30, 2018, non-performing corporate loans to borrowers in this industry accounted for 42.8% and 52.1% of our total non-performing corporate loans, respectively. The increase in the non-performing ratio for our corporate loans to borrowers in the manufacturing industry was primarily due to the deterioration of the financial condition of certain corporate borrowers due to the general economic slowdown of the PRC.

The non-performing loan ratio for our corporate loans in the mining industry was 6.74% and 14.78% as of December 31, 2017 and June 30, 2018, respectively. As of December 31, 2017 and June 30, 2018, non-performing corporate loans to borrowers in this industry accounted for 3.2% and 4.0% of our total non-performing corporate loans, respectively. The increase of our non-performing loan ratio for our corporate loans to borrowers in mining industry primarily reflected the deterioration of the financial condition of certain corporate borrowers due to the economic slowdown of the PRC.

The non-performing loan ratio for our corporate loans in the construction industry was 0.36% as of June 30, 2018 and our non-performing corporate loans to borrowers in this industry accounted for 2.4% of our total non-performing corporate loans as of the same date. The increase of our non-performing loan ratio for our corporate loans to borrowers in this industry primarily reflected the deterioration of the financial condition of certain corporate borrowers due to the general economic slowdown of the PRC.

The non-performing loan ratio for our corporate loans in the transportation, storage and postal services industry was 0.94% and 1.04% as of December 31, 2017 and June 30, 2018, respectively. As of December 31, 2017 and June 30, 2018, non-performing corporate loans to borrowers in this industry accounted for 2.0% and 1.8% of our total non-performing corporate loans, respectively. The increase in the non-performing loan ratio for our corporate loans to borrowers in transportation, storage and postal services industry primarily reflected the deterioration of the financial condition of certain corporate borrowers due to the general economic slowdown of the PRC.

## Management Discussion and Analysis

### Distribution of Non-Performing Loans by Product type

The following table sets forth, as of the dates indicated, the distribution of our non-performing loans by product type.

	As of June 30, 2018			As of December 31, 2017		
	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)
(Amounts in millions of RMB, except percentages)						
<b>Corporate loans<sup>(2)</sup></b>						
Working capital loans	2,879.9	73.2	2.39	2,622.2	70.2	1.86
Trade Finance	23.4	0.6	0.42	23.6	0.6	0.45
Others <sup>(3)</sup>	383.9	9.8	5.95	468.6	12.5	7.81
<b>Subtotal</b>	<b>3,287.2</b>	<b>83.6</b>	<b>1.67</b>	<b>3,114.4</b>	<b>83.3</b>	<b>1.47</b>
<b>Discounted bills</b>	<b>60.0</b>	<b>1.5</b>	<b>0.67</b>	<b>60.0</b>	<b>1.6</b>	<b>1.85</b>
<b>Subtotal</b>	<b>60.0</b>	<b>1.5</b>	<b>0.67</b>	<b>60.0</b>	<b>1.6</b>	<b>1.85</b>
<b>Personal loans</b>						
Residential mortgage loans	38.9	1.0	0.17	36.0	1.0	0.17
Personal consumption loans	105.1	2.7	0.93	76.2	2.0	0.87
Personal business loans	406.4	10.3	11.47	419.1	11.3	10.98
Credit card overdrafts	36.2	0.9	6.03	31.7	0.8	6.54
<b>Subtotal</b>	<b>586.6</b>	<b>14.9</b>	<b>1.54</b>	<b>563.0</b>	<b>15.1</b>	<b>1.64</b>
<b>Total non-performing loans</b>	<b>3,933.8</b>	<b>100.0</b>	<b>1.62</b>	<b>3,737.4</b>	<b>100.0</b>	<b>1.50</b>

Note:

- (1) Calculated by dividing non-performing loans in each product type by gross loans in that product type.
- (2) The total amount of corporate loans here consists of our corporate loans and finance lease receivables.
- (3) Consist primarily of advances under bank acceptances and letters of credit issued by us and corporate overdrafts.

The non-performing loan ratio for our corporate loans increased from 1.47% as of December 31, 2017 to 1.67% as of June 30, 2018, with a 5.55% increase in our non-performing corporate loans from RMB3,114.4 million to RMB3,287.2 million. The increase in our non-performing corporate loans was primarily due to operational difficulties and deteriorated repayment abilities of certain of our customers as a result of the slowdown of the PRC economy.

## Management Discussion and Analysis

The non-performing loan ratio for our personal loans decreased from 1.64% as of December 31, 2017 to 1.54% as of June 30, 2018, with a 4.23% increase in our non-performing personal loans from RMB563.0 million as of December 31, 2017 to RMB586.6 million as of June 30, 2018. The decreases in our non-performing loan ratio for our personal loans were primarily due to the increase in our personal business loans. The balance of our non-performing personal loans increased slightly as compared with that as at December 31, 2017, was primarily attributable to the operational difficulties and deteriorated repayment abilities of certain individual business during the economic slowdown of the PRC.

The non-performing loan ratio for our discounted bills was 1.85% as of December 31, 2017 and our non-performing loans for discounted bills amounted to RMB60.0 million as of the same date. The non-performing loan ratio for our discounted bills was 0.67% as of June 30, 2018 and our non-performing loans for discounted bills amounted to RMB60.0 million as of the same date. We recorded a total of RMB3,933.8 million non-performing loans as of June 30, 2018, which was primarily due to operational difficulties and deteriorated repayment abilities of certain of our customers as a result of the slowdown in the PRC economy.

### Distribution of Non-Performing Loans by Geographical Region

The following table sets forth, as of December 31, 2017 and June 30, 2018, the distribution of our non-performing loans by geographical region.

	As of June 30, 2018			As of December 31, 2017		
	Amount	% of the total (%)	NPL ratio (%)	Amount	% of the total (%)	NPL ratio (%)
(Amounts in millions of RMB, except percentages)						
Tianjin	1,004.2	25.6	0.83	1,014.1	27.1	0.81
Beijing	192.2	4.9	1.15	207.8	5.6	1.11
Shandong Province	811.8	20.6	2.44	484.4	13.0	1.39
Shanghai	492.1	12.5	1.81	543.9	14.5	2.17
Hebei Province	1,386.1	35.2	4.98	1,430.5	38.3	4.92
Sichuan Province	47.4	1.2	0.28	56.7	1.5	0.38
<b>Total non-performing loans</b>	<b>3,933.8</b>	<b>100.0</b>	<b>1.62</b>	<b>3,737.4</b>	<b>100.0</b>	<b>1.50</b>

## Management Discussion and Analysis

### Distribution of Loans by Collateral

The following table sets forth, as of December 31, 2017 and June 30, 2018, the distribution of our loans and advances to customers by type of collateral.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
Unsecured loan	33,338.0	13.7	33,185.2	13.3
Guaranteed loan	109,319.4	44.9	114,429.9	46.0
Collateralized loans <sup>(1)</sup>	67,524.9	27.7	61,601.8	24.8
Pledged loans <sup>(1)</sup>	33,358.0	13.7	39,663.8	15.9
<b>Total loans and advances to customers</b>	<b>243,540.3</b>	<b>100.0</b>	<b>248,880.7</b>	<b>100.0</b>

Note:

- (1) Represents the total amount of loans fully or partially secured by collateral in each category. If a loan is secured by more than one form of security interest, the allocation is based on the primary form of security interest.

### Borrowers concentration

In the first half of 2018, the Bank's total loans to its largest single borrower accounted for 5.12% of its regulatory capital while total loans to its top ten customers accounted for 29.96% of its regulatory capital, which were in compliance with regulatory requirements.

#### a. Indicators of concentration

Major regulatory indicators	Regulatory standard	As of June 30, 2018	As of December 31, 2017
Loan concentration ratio for the largest single customer (%)	<=10	5.12	6.36
Loan concentration ratio for the top ten customers (%)	<=50	29.96	41.55

Note: The data above are calculated in accordance with the formula promulgated by the China Banking Regulatory Commission.

## Management Discussion and Analysis

### b. Loans to top ten single borrowers

The following table sets forth, as of the date indicated, our loan exposure to our ten largest single borrowers, all of which were classified as normal at that date.

	Industry	As of June 30, 2018			Classification
		Amount	% of total loans (%)	% of regulatory capital <sup>(1)</sup> (%)	
(Amounts in millions of RMB, except percentages)					
Borrower A	Manufacturing	3,482.4	1.43	5.1	Normal
Borrower B	Manufacturing	2,613.7	1.07	3.8	Normal
Borrower C	Wholesale and retail	2,600.0	1.07	3.8	Normal
Borrower D	Real estate	2,151.0	0.88	3.2	Normal
Borrower E	Leasing and business services	1,985.0	0.82	2.9	Normal
Borrower F	Leasing and business services	1,982.7	0.81	2.9	Normal
Borrower G	Manufacturing	1,960.1	0.80	2.9	Normal
Borrower H	Real estate	1,268.0	0.52	1.9	Normal
Borrower I	Real estate	1,200.0	0.49	1.8	Normal
Borrower J	Water, environment and public facilities management	1,132.5	0.47	1.7	Normal
<b>Total</b>		<b>20,375.4</b>	<b>8.36</b>	<b>30.0</b>	

Note:

- (1) Represents loan balances as a percentage of our regulatory capital, calculated in accordance with the requirements of the Capital Administrative Measures and based on our financial statements prepared in accordance with PRC GAAP.

As of June 30, 2018, the loan balance of the largest single borrower of the Bank was RMB3,482.4 million, accounting for 1.43% of the total amount of loans of the Bank; and the total amount of loans of the top ten single borrowers was RMB20,375.4 million, representing 8.36% of the total amount of loans of the Bank.

## Management Discussion and Analysis

### Loan Aging Schedule

The following table sets forth, as of the dates indicated, our loan aging schedule.

	As of June 30, 2018		As of December 31, 2017	
	Amount	% of the total (%)	Amount	% of the total (%)
(Amounts in millions of RMB, except percentages)				
<b>Current loans</b>	235,039.2	96.50	242,020.0	97.24
<b>Loans past due but not impaired<sup>(1)</sup></b>				
Up to 30 days	1,904.1	0.78	1,148.7	0.46
31 to 60 days	1,538.8	0.63	317.5	0.13
61 to 90 days	818.8	0.34	664.5	0.27
More than 90 days	305.6	0.13	992.6	0.40
<b>Subtotal</b>	4,567.3	1.88	3,123.3	1.26
<b>Impaired loans</b>	3,933.8	1.62	3,737.4	1.50
<b>Subtotal</b>	243,540.3	100.00	248,880.7	100.00
Allowances for impairment losses	(9,424.9)		(7,243.5)	
<b>Total</b>	234,115.4		241,637.2	

Note:

(1) Represents the principal amount of the loans on which principal or interest is overdue but not impaired.

## Management Discussion and Analysis

### Changes to Allowance for Impairment Losses

The allowance for impairment losses of loans increased by 18.3% to RMB9,424.9 million as of June 30, 2018 from RMB7,966.5 million as of January 1, 2018 (after restatement). This increase was mainly due to an increase in our non-performing loans.

	As of June 30, 2018		As of December 31, 2017	
	Amount	NPL ratio (%)	Amount	NPL ratio (%)
(Amounts in millions of RMB, except percentages)				
<b>Beginning of period (after restatement)</b>	7,966.5	1.50	6,146.2	1.48
Net provisions for the period <sup>(1)</sup>	1,449.0		1,338.6	
Unwinding of discount	(49.9)		(78.7)	
Write-offs	–		(298.7)	
Recoveries	59.3		136.1	
<b>End of period</b>	<b>9,424.9</b>	<b>1.62</b>	<b>7,243.5</b>	<b>1.50</b>

Note:

(1) Represents the net amount of allowance for impairment losses recognized in the profit or loss statement.

### CHARGES ON THE BANK'S ASSETS AND CONTINGENT LIABILITIES

Details of the charges on the Bank's assets and contingent liabilities as of June 30, 2018 are set out in the Note 40 of the interim financial statement in this interim report.



## Management Discussion and Analysis

### SEGMENT REPORT

#### Geographical Segment Report

In presenting information on the basis of geographical regions, operating income is gathered according to the locations of the branches or subsidiaries that generated the income. For the purpose of presentation, we categorize such information by geographical regions. The following table sets forth the total operating income of each of the geographical regions for the periods indicated.

	For the six months ended June 30,			
	2018	% of the total	2017	% of the total
	Amount	(%)	Amount	(%)
(Amounts in millions of RMB, except percentages)				
Tianjin	3,433.3	57.6	2,836.6	53.8
Shandong Province	574.6	9.6	642.6	12.1
Shanghai	425.1	7.1	377.6	7.1
Sichuan Province	440.0	7.4	605.7	11.4
Beijing	647.6	10.9	340.2	6.4
Hebei Province	398.6	6.7	454.6	8.6
Ningxia	41.7	0.7	33.8	0.6
<b>Total</b>	<b>5,960.9</b>	<b>100.0</b>	<b>5,291.1</b>	<b>100.0</b>

#### Business Segment Report

The following table sets forth, for the periods indicated, the operating income of each of our principal segment.

	For the six months ended June 30,			
	2018	% of the total	2017	% of the total
	Amount	(%)	Amount	(%)
(Amounts in millions of RMB, except percentages)				
Corporate banking	3,830.2	64.3	3,817.4	72.1
Retail banking	825.0	13.8	929.4	17.6
Treasury business	1,312.9	22.0	540.5	10.2
Others <sup>(1)</sup>	(7.2)	(0.1)	3.8	0.1
<b>Total</b>	<b>5,960.9</b>	<b>100.0</b>	<b>5,291.1</b>	<b>100.0</b>

Note:

(1) Consists primarily of income that are not directly attributable to any specific segment.

## Management Discussion and Analysis

### ANALYSIS ON CAPITAL ADEQUACY RATIO

As of June 30, 2018, capital adequacy ratio was 14.06%, 3.32 percentage points higher than that at the end of 2017; tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 9.37% and 9.36%, respectively, 0.72 percentage point higher than those at the end of 2017.

The following table sets forth the relevant information of our Bank's capital adequacy ratio as of the dates indicated:

	As of June 30, 2018	As of December 31, 2017
(Amounts in millions of RMB, except percentages)		
<b>Core capital</b>		
– Share capital	6,070.6	6,070.6
– Capital reserve and investment revaluation reserve	10,520.4	10,155.4
– Surplus reserve and general reserve	12,474.9	11,715.8
– Retained earnings	16,233.4	16,141.7
– Portion of non-controlling interests that may be included	299.8	260.9
<b>Total core capital</b>	45,599.1	44,344.4
<b>Core tier-one capital</b>	45,599.1	44,344.4
<b>Core tier-one capital deductible items</b>	(304.7)	(308.5)
<b>Net core tier-one capital</b>	45,294.4	44,035.9
<b>Net tier-one capital</b>	45,334.4	44,070.7
<b>Tier-two capital</b>		
– Net tier-two capital instruments and related premiums	17,100.0	7,100.0
– Surplus allowance for impairment losses on loans	5,491.0	3,506.1
– Portion of minority shareholders that may be included	79.9	69.6
<b>Total tier-two capital</b>	22,670.9	10,675.7
<b>Net capital base</b>	68,005.3	54,746.4
<b>Total risk-weighted assets</b>	483,838.5	509,646.4
<b>Core tier-one capital adequacy ratio (Expressed in percentage)</b>	9.36	8.64
<b>Tier-one capital adequacy ratio (Expressed in percentage)</b>	9.37	8.65
<b>Capital adequacy ratio (Expressed in percentage)</b>	14.06	10.74

## Management Discussion and Analysis

As of June 30, 2018, the Bank's leverage ratio was 6.64%.

*(Expressed in percentage)*

	As of June 30, 2018	As of December 31, 2017
Leverage ratio	6.64%	5.97%

Pursuant to the Leverage Ratio Management of Commercial Bank (Amended) issued by the China Banking Regulatory Commission (the "CBRC"), effective from April 2015, a minimum leverage ratio of 4% is required. The above leverage ratios are calculated according to the formula promulgated by the CBRC.

### RISK MANAGEMENT

Our Bank is exposed to the following primary risks: credit risk, operational risk, market risk, liquidity risk and information technology risk. In 2018, we continuously enhanced our comprehensive risk management system and improved our risk control, continued to facilitate the establishment of an integrated and comprehensive risk management system through which we have managed to successfully meet relevant regulatory requirements, mitigate risks associated with general unstable economic conditions, and secure the sustainable development of our business. In particular, our Bank strives to maintain a risk management system to strike the balance between risk and return, so as to strictly control our risk exposure while maintaining the flexibility to allow business innovations and maintain asset quality.

#### Credit Risk

Credit risk refers to risk resulting from the failure by an obligor or counterparty to fulfill its obligations under the contract or changes in its credit ratings. Our Bank is exposed to credit risks primarily associated with our corporate loan business, personal loan business and treasury business.

Our Bank has established a relatively sound authorization and credit review and extension management system. The Bank has established a credit risk management system based on the principle of vertical management for credit risk, ensured the independence of credit review and extension based on the principle of separation for loan approval and extension and approval at various levels, and established a scientific and rigorous authorization and credit review and extension management system. The Bank implements a centralized credit extension system, under which exposures to credit risk of all our banking books and that of our trading books, including credit business and non-credit business, all ways and types of credit extension are under centralized credit extension management and reviewed by review authorities or reviewer with corresponding authorization for credit review and extension.

## Management Discussion and Analysis

The Bank has established credit risk management mechanism, system and procedures in line with its business nature, scale and complexity, to manage, execute and implement unified risk preferences, effectively identify, measure, control, monitor and report credit risk, so as to control credit risk within the range we can tolerate.

The Bank strives to improve our overall credit risk management capabilities through a variety of measures, such as establishing a digital credit extension management system, establishing a twelve-level loan categorization system and adopting specific programs to manage relevant risks, improving our capacity to process credit risk management by utilizing information technology, conducting post-credit extension risk management, and further enhancing credit review and monitoring. The Bank intends to develop an internal rating system on credit risk for retail and non-retail business to effectively manage the review, monitoring and risk alerts in the course of our credit extension, so as to further enhance our credit risk control capability.

### Operational Risk

Operational risk refers to risk caused by inadequate or problematic internal procedures, personnel and information technology systems, as well as external events. Our Bank's operational risks primarily arise from internal and external frauds, worksite safety failures, business interruptions and failures in the information technology system.

Our Bank has formulated various operational risk management policies and procedures, aiming to effectively identify, assess, monitor, control and mitigate our Bank's operational risk, and minimize any losses associated with the operational risk. Our Bank established "three lines of defenses" to manage operational risks on an end-to-end basis, where our business departments, functional departments, internal control & compliance departments and internal audit departments work closely to achieve effective risk control. As the first line of defense against operational risk management, our business departments and functional departments at all levels are directly responsible for managing operational risks and are the first person responsible for operational risk management. Our internal control and compliance departments at all levels are the second line of defense against operational risk management, responsible for the building of operational risk management system and the overall management of operational risks. Our audit department is the third line of defense against risk control, responsible for evaluating the effectiveness of our operational risk management policies and carrying out internal control assessment in due course.

## Management Discussion and Analysis

### Market Risk

Market risk is the risk of loss in on- and off-balance sheet positions arising from movements in market prices caused by interest rates, exchange rates and other market factors, which primarily includes interest rate risk and exchange rate risk. Our Board of Directors undertakes the ultimate responsibility for the monitoring on market risk management to ensure that the Bank effectively identifies, measures, monitors and controls the various market risks assumed by various businesses. Our senior management is responsible for formulating, regularly reviewing and supervising the implementation of policies, procedures and specific operation procedures for market risk management, keeping abreast of the level of market risk and its management and ensuring that the Bank has sufficient human resources, materials, and appropriate organization structure, management information system and technical level to effectively identify, measure, monitor and control the various market risks assumed by various businesses. The Bank, through the improvement of market risk governance structure, management tool, system construction, effective measurement of market risk, controls negative effects of adverse movements in market price on the financial instrument position and relevant businesses within the reasonable range the Bank can tolerate, so as to ensure that various market risk indicators meet the regulatory requirements and operation needs.

### Liquidity Risk Management

Liquidity risk refers to the risk of failure for commercial banks to acquire sufficient funds in a timely manner and at a reasonable cost to pay off debts due or meet the liquidity demand in line with expansion of our business operations. We are exposed to liquidity risk primarily in the funding of our lending, trading and investment activities, as well as in the management of our liquidity positions.

Our Bank adopts the centralized management model for our liquidity risk management. Guided by the Board's liquidity risk management policies and led by the senior management, the head office and branches work in conjunction with all relevant departments to implement the centralized management model that accords with our business scale and overall development plans, under which the head office will uniformly manage our general liquidity risks.

In light of the changes in the macro environment, monetary policy and regulatory policy, our Bank always adheres to the strategy of prudent liquidity risk management and strives to enhance the level of liquidity risk management. By managing the liquidity risks through monitoring the maturity of assets and liabilities, the Bank also monitors several key liquidity indicators. Our Bank also formulated asset management strategies to mitigate liquidity risks by constantly optimizing our own asset structure and improving our liquidity management capability. Our Bank conducts stress tests for liquidity risks on a quarterly basis. In such regard, it can ensure that our Bank has sufficient liquidity.

### Information Technology Risk Management

We are subject to information technology risk which may cause operational, legal and reputational risks. We strive to improve our information technology risk management and enhance the application of information technology, to ensure the security of our systems, websites and data. We also strengthened our management and increased our investment in the information technology to effectively mitigate potential risks. Management Policy on Business Continuity of Bank of Tianjin (《天津銀行業務連續性管理政策》) and Measures on Management of Business Continuity of Bank of Tianjin (《天津銀行業務連續性管理辦法》), the formulation of which was led by the Legal and Compliance Department of our head office, had been considered and approved, and were promulgated across the Bank in May 2017.

## Management Discussion and Analysis

### BUSINESS REVIEW

#### Corporate Banking

In response to the changes of the economic and policy environment of China, we continued to improve our marketing capabilities and customer services through business innovation, and promoted the development of our corporate banking. For the six months ended June 30, 2018, our operating income from corporate banking amounted to RMB3,830.2 million, accounting for 64.3% of the total operating income over the same period, representing an increase of 0.3% as compared to the same period last year.

As of June 30, 2018, the balance of our corporate loans (excluding discounted bills and finance lease receivables) amounted to RMB186,587.6 million, representing a decrease of 7.9% as compared to that of December 31, 2017. As of the same date, RMB142,803.2 million of these loans were loans to SMEs, accounting for 76.5% of our total corporate loans and representing a decrease of 6.0% as compared to that of December 31, 2017. As of June 30, 2018, our total corporate deposits amounted to RMB254,835.2 million, representing a decrease of 7.4% as compared to that of December 31, 2017. For the six months ended June 30, 2018, our Bank focused on the development of fee- and commission-based corporate banking and services, continued to refine our business structure and diversify our product portfolio. Our branches have also strengthened promotion of fee- and commission-based corporate banking products.

The balance of our loans to technological SMEs was RMB16,465.1 million as of June 30, 2018, representing a decrease of 7.0% as compared to that of December 31, 2017. Our non-performing loan ratio of loans to SMEs was 1.58% as of June 30, 2018.

Furthermore, the Bank developed the financial leasing business through establishing Bank of Tianjin Financial Leasing Co., Ltd., which commenced its business operation in October 2016. As of June 30, 2018, total assets and net profit of Bank of Tianjin Financial Leasing Co., Ltd. amounted to RMB10,720.1 million and RMB35.0 million, respectively.

#### Retail Banking

For the six months ended June 30, 2018, our Bank strengthened marketing efforts towards retail banking customers and continuously developed our retail banking by diversifying the products of our retail banking and enhancing the structure of our retail banking customers. For the six months ended June 30, 2018, the operating income from our retail banking amounted to RMB825.0 million, accounting for 13.8% of our total operating income over the same period and representing a decrease of 11.2% as compared to the same period last year. As of June 30, 2018, the balance of our personal loans reached RMB38,101.0 million, accounting for 15.6% of our total loans to customers. As of June 30, 2018, our residential mortgage loans, personal consumption loans, personal business loans and credit card overdrafts amounted to RMB22,656.7 million, RMB11,300.9 million, RMB3,542.3 million and RMB601.1 million, respectively, and accounted for 59.5%, 29.6%, 9.3%, and 1.6% of our total personal loans, respectively. As of the same date, our total personal deposits amounted to RMB65,008.7 million, representing an increase of 3.4% as compared to that of December 31, 2017.

For the six months ended June 30, 2018, our Bank continued to diversify our products and product functions of credit cards. As of June 30, 2018, our Bank had issued 195,264 credit cards.

## Management Discussion and Analysis

### *Rural Financial Services*

Our Bank earnestly implemented the state's policies and requirements for supporting "agriculture, rural areas and farmers", actively performed our responsibilities for inclusive finance and continuously improved rural financial services and layout of branches in rural areas. As of June 30, 2018, our Bank established a total of 8 county banks in nationally designated poor counties with small economic aggregate and weak basis for financial services in Xinjiang and Ningxia and Jizhou District, Tianjin.

### **Treasury Business**

For the six months ended June 30, 2018, our Bank continued to focus on researching macroeconomic policies and market analysis in order to reduce the adverse impacts of market volatility and minimize the impact of a slowdown in the PRC economic development. For the six months ended June 30, 2018, the operating income from our treasury business amounted to RMB1,312.9 million, accounting for 22.0% of our total operating income and representing an increase of 142.9% as compared to the same period last year.

### *Money Market Transactions*

For the six months ended June 30, 2018, our Bank closely monitored the development and changes in the cost of capital in the money market, took the initiative to downsize low-yield money market business and allocated funds to other high-yield assets while guaranting liquidity. As of June 30, 2018, the balance of our deposits and placements with banks and other financial institutions and financial assets held under resale agreements reached RMB25,079.8 million, representing a decrease of 15.4% as compared to that of December 31, 2017 and accounting for 3.9% of our total assets as of June 30, 2018. As of the same date, the balance of our deposits and placements from banks and other financial institutions and financial assets sold under repurchase agreements reached RMB83,364.4 million, representing a decrease of 44.6% as compared to that as of December 31, 2017 and accounting for 13.8% of our total liabilities as of June 30, 2018.

### *Investments in Securities and Other Financial Assets*

For the six months ended June 30, 2018, our Bank adjusted our investment strategies and increased investment in credit bonds with high credit rating and asset-backed securities by further strengthening research and analysis on financial market and changes of policy environment. As of June 30, 2018, the balance of our investments in debt securities was RMB136,831.5 million, representing an increase of 7.2% as compared to that of December 31, 2017. As of June 30, 2018, the balance of our investments in debt securities issued by PRC banks and financial institutions was RMB46,292.6 million, representing a decrease of 0.4% as compared to that as of December 31, 2017.

As of June 30, 2018, the balance of investments in credit bonds and asset-backed securities was RMB60,606.5 million, representing an increase of 23.1% as compared to that as of December 31, 2017.

### *Treasury Business Conducted on Behalf of Customers*

For the six months ended June 30, 2018, the wealth management business of our Bank grew steadily because (i) we made continuous efforts to provide various wealth management products to meet our customers' diversified needs, resulting in comparatively stronger market competitiveness; and (ii) we strengthened marketing efforts towards our corporate banking customers, retail banking customers and interbank customers.

As of June 30, 2018, the total outstanding amount of wealth management products issued by us was RMB120,543.5 million. For the six months ended June 30, 2018, the net fee and commission income from the wealth management products issued by us amounted to RMB526.3 million.



## Management Discussion and Analysis

### *International Business*

For the six months ended June 30, 2018, our Bank's international settlement volume amounted to US\$3,097.8 million.

### *Significant Investments and Performance and Prospects of Such Investments During the Accounting Period*

Centering on the synergistic development of the Beijing-Tianjin-Hebei region and construction of Binhai New Area and free trade zone in Tianjin, Bank of Tianjin Financial Leasing Co., Ltd., established by the Bank as a sponsor, is committed to building itself into a top-class financial leasing company backed by "scientific governance structure, flexible system, substantial financial return and quality assets" under the guidelines of the "Finance + Industry" strategy focusing on core business sectors. As of June 30, 2018, Bank of Tianjin Financial Leasing Co., Ltd. recorded total assets and net profits of RMB10,720.1 million and RMB35.0 million, respectively.

Adhering to the market positioning of "serving communities and supporting agriculture-related and small businesses in counties", Ningxia Tongxin Jinhui County Bank Co., Ltd, established by the Bank as a sponsor, strives to fulfil the needs for regional economic development by providing individualized, localized and convenient financial products and services for local small and micro businesses and economic sectors related to "rural areas, agricultural activities and farmers". As of June 30, 2018, Ningxia Tongxin Jinhui County Bank Co., Ltd recorded total assets and net profits of RMB814.35 million and RMB14.18 million, respectively.

Adhering to the market positioning of "serving communities and supporting agriculture-related and small businesses in counties", Ningxia Yuanzhou Jinhui County Bank Co., Ltd, established by the Bank as a sponsor, strives to fulfil the needs for regional economic development by providing individualized, localized and convenient financial products and services for local small and micro businesses and economic sectors related to "rural areas, agricultural activities and farmers". As of June 30, 2018, Ningxia Yuanzhou Jinhui County Bank Co., Ltd recorded total assets and net profits of RMB857.99 million and RMB11.47 million, respectively.



## Changes in Share Capital and Information on Shareholders

### I. CHANGES IN SHARE CAPITAL

#### Share Capital

As of June 30, 2018, the total share capital of the Bank was 6,070,551,822 shares, and the registered capital amounted to RMB6,070,551,822, without any changes in the Reporting Period.

#### Statement of Changes in Shares

	January 1, 2018		Changes during the Reporting Period	June 30, 2018	
	Number of Shares	Percentage of total share capital		Number of Shares	Percentage of total share capital
Domestic legal persons	3,979,001,638	65.54%	0	3,979,001,638	65.54%
Domestic natural persons	326,951,121	5.39%	0	326,951,121	5.39%
H shares	1,764,599,063	29.07%	0	1,764,599,063	29.07%
Other foreign shares	-	-	-	-	-
<b>Total</b>	<b>6,070,551,822</b>	<b>100.00%</b>	<b>0</b>	<b>6,070,551,822</b>	<b>100.00%</b>

## Changes in Share Capital and Information on Shareholders

### Particulars of Shareholdings of the Top Ten Shareholders of Domestic Shares of Our Bank

No.	Name of Shareholder	Total number of shares held at beginning of the Reporting Period	Total number of shares held at end of the Reporting Period	Shareholding percentage held at end of the Reporting Period (%)
1	Tianjin Port Free Trade Zone Investment Co., Ltd. (天津保稅區投資有限公司)	966,425,534	966,425,534	15.92
2	Tianjin Pharmaceutical Holdings Ltd. (天津市醫藥集團有限公司)	487,078,366	487,078,366	8.02
3	Tianjin Bohai Chemical Industry Group Co., Ltd. (天津渤海化工集團有限責任公司)	487,078,366	487,078,366	8.02
4	Tianjin Hi-tech Holding Group Co., Ltd. (天津海泰控股集團有限公司)	149,056,239	149,056,239	2.46
5	Tianjin Hengchangyuan Industrial Co., Ltd. (天津恒昌圓實業有限公司) <sup>(1)</sup>	121,832,962	121,832,962	2.01
6	Tianjin Ningfa Group Co., Ltd. (天津市寧發集團有限公司)	115,561,504	115,561,504	1.90
7	Tianjin Jinrong Investment Service Group Co., Ltd. (天津津融投資服務集團有限公司) <sup>(2)</sup>	105,011,966	105,011,966	1.73
8	Tianjin Wenhua Tianhai Industrial Co., Ltd. (天津文華天海實業有限公司) <sup>(3)</sup>	101,386,808	101,386,808	1.67
9	Bohai Industrial Investment Fund Management Co., Ltd. (渤海產業投資基金管理有限公司)	100,000,000	100,000,000	1.65
10	Tianjin Economic and Technology Development Zone Finance Bureau (天津經濟技術開發區財政局)	99,370,826	99,370,826	1.64
	Total	2,732,802,571	2,732,802,571	45.02

Notes:

- (1) Tianjin Hengchangyuan Industrial Co., Ltd. (天津恒昌圓實業有限公司) pledged its 119,491,091 Shares to New Times Trust Co., Ltd. (新時代信託股份有限公司).
- (2) Tianjin Jinrong Investment Service Group Co., Ltd. (天津津融投資服務集團有限公司) pledged its 63,636,198 Shares to Tianjin Branch of China Everbright Bank Co., Ltd. (中國光大銀行股份有限公司天津分行).
- (3) Tianjin Wenhua Tianhai Industrial Co., Ltd. (天津文華天海實業有限公司) pledged its 97,525,481 Shares to New Times Trust Co., Ltd. (新時代信託股份有限公司).

## Changes in Share Capital and Information on Shareholders

### II. INFORMATION ON SHAREHOLDERS

#### Interests and Short Positions in Hong Kong in accordance with the SFO

As of June 30, 2018, pursuant to the register entered by the Bank under Section 336 of SFO, and to the best knowledge of the Bank, the following persons (other than the Bank's Directors, Supervisors and chief executive) had or were deemed or taken to have interests and/or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, were interested in 5% or more of the nominal value of any class of our share capital carrying rights to vote in any circumstances at the general meetings of any other member of our Bank:

Name of Shareholder	Nature of interests	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in the Bank	Approximate % of the relevant class of Shares of the Bank
Tianjin Port Free Trade Zone Investment Co., Ltd. (天津保稅區投資有限公司) <sup>(1)</sup>	Beneficial owner	Domestic Shares	966,425,534	15.92	22.44
Tianjin Port Free Trade Zone Investment Holdings Co., Ltd. (天津保稅區投資控股集團有限公司) <sup>(1)</sup>	Interest of a controlled corporation	Domestic Shares	966,425,534	15.92	22.44
Australia and New Zealand Banking Group Limited (澳大利亞和新西蘭銀行集團有限公司) <sup>(2)</sup>	Beneficial owner	H Shares	725,644,563	11.95	41.12
Tianjin Pharmaceutical Holdings Ltd. (天津市醫藥集團有限公司) <sup>(3)</sup>	Beneficial owner	Domestic Shares	489,107,183	8.06	11.36
Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海國有資產經營管理有限公司) <sup>(3)</sup>	Interest of a controlled corporation	Domestic Shares	489,107,183	8.06	11.36
Tianjin Jinlian Investment Holdings Limited (天津津聯投資控股有限公司) <sup>(3)</sup>	Interest of a controlled corporation	Domestic Shares	489,107,183	8.06	11.36
Tianjin Bohai Chemical Industry Group Co., Ltd. (天津渤海化工集團有限責任公司) <sup>(4)</sup>	Beneficial owner	Domestic Shares	488,375,675	8.04	11.34
Fortune Eris Holding Company Limited <sup>(5)</sup>	Interest of a controlled corporation	H Shares	303,193,000	4.99	17.18
CSSC (Hong Kong) Shipping Company Limited (中國船舶(香港)航運租賃有限公司) <sup>(5)</sup>	Beneficial owner	H Shares	303,193,000	4.99	17.18
China State Shipbuilding Corporation (中國船舶工業集團公司) <sup>(5)</sup>	Interest of a controlled corporation	H Shares	303,193,000	4.99	17.18
Hong Kong Bohai Leasing Asset Management Corp., Limited (香港渤海租賃資產管理有限公司) <sup>(6)</sup>	Beneficial owner	H Shares	106,993,500	1.76	6.06
Bohai Financial Investment Holding Co., Ltd. (渤海金控投資股份有限公司) <sup>(6)</sup>	Interest of a controlled corporation	H Shares	106,993,500	1.76	6.06

## Changes in Share Capital and Information on Shareholders

*Notes:*

- (1) Tianjin Port Free Trade Zone Investment Co., Ltd. (天津保稅區投資有限公司) is wholly-owned by Tianjin Port Free Trade Zone Investment Holdings Co., Ltd. (天津保稅區投資控股集團有限公司), which is in turn wholly-owned by Tianjin Port Free Trade Zone State-owned Assets Administration Bureau (天津港保稅區國有資產管理局). By virtue of the SFO, Tianjin Port Free Trade Zone Investment Holdings Co., Ltd. is deemed to be interested in the Shares held by Tianjin Port Free Trade Zone Investment Co., Ltd.
- (2) Australia and New Zealand Banking Group Limited (澳大利亞和新西蘭銀行集團有限公司), a Shareholder of our Bank, was incorporated in the State of Victoria, Australia on July 14, 1977, and is listed on the Australian Securities Exchange (Stock Code: ANZ) and New Zealand Exchange (Stock Code: ANZ: AU).
- (3) Tianjin Pharmaceutical Holdings Ltd. (天津市醫藥集團有限公司) (i) directly holds 487,078,366 Shares; and (ii) through a number of controlled corporations, holds an aggregate of 2,028,817 Shares. As such, Tianjin Pharmaceutical Holdings Ltd. is interested in a total of 489,107,183 Shares by virtue of the SFO. Tianjin Pharmaceutical Holdings Ltd. is wholly-owned by Tianjin Bohai State-owned Assets Management Co., Ltd. (天津渤海國有資產經營管理有限公司), which is wholly-owned by Tianjin Jinlian Investment Holdings Limited (天津津聯投資控股有限公司), an entity wholly-owned by State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government (天津市人民政府國有資產監督管理委員會). By virtue of the SFO, Tianjin Jinlian Investment Holdings Limited and Tianjin Bohai State-owned Assets Management Co., Ltd. are deemed to be interested in the Shares held by Tianjin Pharmaceutical Holdings Ltd.
- (4) Tianjin Bohai Chemical Industry Group Co., Ltd. (天津渤海化工集團有限責任公司) (i) directly holds 487,078,366 Shares; and (ii) through a number of controlled corporations, holds an aggregate of 1,297,309 Shares. As such, Tianjin Bohai Chemical Industry Group Co., Ltd. is interested in a total of 488,375,675 Shares by virtue of the SFO. Tianjin Bohai Chemical Industry Group Co., Ltd. is wholly-owned by State-owned Assets Supervision and Administration Commission of Tianjin Municipal People's Government (天津市人民政府國有資產監督管理委員會).
- (5) China State Shipbuilding Corporation (中國船舶工業集團公司) is wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council. CSSC (Hong Kong) Shipping Company Limited is wholly-owned by China State Shipbuilding Corporation. Fortune Eris Holding Company Limited is wholly-owned by CSSC (Hong Kong) Shipping Company Limited. As such, China State Shipbuilding Corporation and CSSC (Hong Kong) Shipping Company Limited are deemed to be interested in the 303,193,000 Shares held by Fortune Eris Holding Company Limited.
- (6) Hong Kong Bohai Leasing Asset Management Corp., Limited (香港渤海租賃資產管理有限公司), is wholly-owned by Bohai Financial Investment Holding Co., Ltd. As such, Bohai Financial Investment Holding Co., Ltd. is deemed to be interested in the 106,993,500 Shares held by Hong Kong Bohai Leasing Asset Management Corp., Limited.

### III. SHAREHOLDERS WITH SHAREHOLDING OF 5% OR MORE OF THE BANK

Please see the above II. Information on Shareholders for the particulars of Shareholders with shareholding of 5% or more of the Bank.

### IV. PURCHASE, SALE AND REDEMPTION OF THE LISTED SECURITIES OF THE BANK

During the Reporting Period, the Bank or any of its subsidiaries had not purchased, sold or redeemed any listed securities of the Bank.

## Directors, Supervisors, Senior Management and Employees

### I. INCUMBENT DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

#### 1. Directors

Name	Age	Position	Date of Appointment
Mr. LI Zongtang (李宗唐)	58	Executive Director, Chairman*	May 11, 2018
Mr. SUN Liguó (孫利國)	54	Executive Director, President*	May 11, 2018
Ms. ZHANG Furong (張富榮)	56	Executive Director, Vice President*, Secretary of the Board of Directors*, Trade Union President <sup>Δ</sup>	May 11, 2018
Mr. LIANG Jianfa (梁建法)	53	Executive Director, Vice President*, Chief Financial Officer*	June 8, 2018
Ms. SUN Jingyu (孫靜宇)	50	Non-executive Director	June 8, 2018
Mr. WU Tao (武韜)	56	Non-executive Director	June 8, 2018
Mr. Alistair Marshall Bulloch (布樂達)	60	Non-executive Director	May 11, 2018
Mr. ZHAO Wei (趙煒)	48	Non-executive Director	May 11, 2018
Mr. XIAO Jingxi (肖京喜)	55	Non-executive Director	June 8, 2018
Ms. LI Jun (李峻)	45	Non-executive Director	June 8, 2018
Mr. FENG Heping (封和平)	58	Independent Non-executive Director	May 11, 2018
Mr. LAW Yee Kwan, Quinn (羅義坤)	65	Independent Non-executive Director	May 11, 2018
Mr. JIN Qingjun (靳慶軍)	60	Independent Non-executive Director	May 11, 2018
Mr. HUA Yaogang (華耀綱)	61	Independent Non-executive Director	June 8, 2018
Mr. HE Jia (何佳)	63	Independent Non-executive Director	June 8, 2018

Note:

The term of office of the above Directors is from their respective appointment dates to the expiry date of the term of office of the sixth session of the Board.

According to the Articles of Association, a Director may be re-elected and re-appointed upon expiry of his/her term of office. Where re-election is not carried out promptly after a Director's term of office expires, the Director shall continue to perform the duties owed by a Director before a new Director is elected to take up the office, according to the laws, administrative regulations, departmental rules and the Articles of Association.

\* The above term of office commenced on June 15, 2018.

Δ The above term of office commenced since November 2009.

## Directors, Supervisors, Senior Management and Employees

### 2. Supervisors

Name	Age	Position	Date of Appointment
Ms. FENG Xia (馮俠)	46	Employee Representative Supervisor, Chairwoman of Board of Supervisors	March 15, 2018 June 15, 2018
Mr. YAO Tao (姚濤)	55	Employee Representative Supervisor	March 15, 2018
Mr. YU Yang (于暘)	39	Shareholder Representative Supervisor	June 8, 2018
Mr. ZHANG Lianming (張連明)	54	External Supervisor	May 11, 2018
Mr. LIU Baorui (劉寶瑞)	61	External Supervisor	June 8, 2018

Note:

The term of office of the above Supervisors is from their respective appointment dates to the expiry date of the term of office of the sixth session of the Board of Supervisors.

According to the Articles of Association, a Supervisor may be re-elected and re-appointed upon expiry of his/her term of office. Where re-election is not carried out promptly after a Supervisor's term of office expires, the Supervisor shall continue to perform the duties owed by a Supervisor before a new Supervisor is elected to take up the office, according to the laws, administrative regulations, departmental rules and the Articles of Association.

### 3. Senior Management

Name	Age	Position	Date of First Appointment as Senior Management
Mr. SUN Liguó (孫利國)	54	President	December 2016
Ms. ZHANG Furong (張富榮)	56	Vice President, Secretary of the Board of Directors, Trade Union President	November 2009
Ms. ZHANG Ying (張穎)	42	Secretary of the Disciplinary Committee	September 2014
Mr. LIANG Jianfa (梁建法)	53	Vice President, Chief Financial Officer	December 2014
Mr. XIA Zhenwu (夏振武)	49	Assistant to President	January 2008
Mr. WANG Feng (王峰)	45	Assistant to President	April 2017

## Directors, Supervisors, Senior Management and Employees

### II. CHANGES IN DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD

On January 12, 2018, Mr. YUE Desheng resigned as an executive director of the Bank, and a member of the related party transactions control committee, risk management committee and consumer rights protection committee under the Board and vice president of the Bank. According to the Company Law of the People's Republic of China, other relevant laws and regulations and the Articles of Association of the Bank, Mr. YUE's resignation has become effective since January 12, 2018. For details, please refer to the announcement entitled "RESIGNATION OF EXECUTIVE DIRECTOR AND VICE PRESIDENT" issued by the Bank on January 12, 2018.

On January 19, 2018, Ms. FENG Xia resigned as a shareholder representative supervisor of the Bank and a member of the supervision committee of the Board of Supervisors. Ms. FENG's resignation has become effective since January 19, 2018. The Bank held an employee representative meeting on January 19, 2018, in which Ms. FENG was elected as an employee representative supervisor of the Bank, effective from January 19, 2018. On the same day, the Board of Supervisors held a meeting, in which Ms. FENG was elected as the chairwoman of the Board of Supervisors, a member of the supervision committee and a member of nomination committee of the Board of Supervisors, effective from January 19, 2018. For details, please refer to the announcement entitled "CHANGE OF SUPERVISORS AND APPOINTMENT OF CHAIRMAN OF BOARD OF SUPERVISORS" issued by the Bank on January 19, 2018.

Reference is made to the announcement of the Bank dated May 4, 2017, regarding the resignation of Mr. ZHANG Xiang as an employee representative supervisor of the Bank with effect from January 19, 2018.

Mr. LIANG Jianfa, Ms. SUN Jingyu, Mr. WU Tao, Mr. XIAO Jingxi, Ms. LI Jun, Mr. HUA Yaogang and Mr. HE Jia (collectively the "New Directors") were appointed as directors by the shareholders of the Bank at the 2017 annual general meeting held on May 11, 2018. The qualifications of the New Directors as directors of the Bank have been approved by Tianjin Regulatory Bureau of China Banking Regulatory Commission (the "CBRC Tianjin Office") and the term of office of the New Directors commenced from June 8, 2018. Announcements regarding the appointment of the New Directors were published on March 23, 2018, March 27, 2018, May 11, 2018 and June 15, 2018.

At the first meeting of the sixth session of the Board held on June 15, 2018, Mr. LI Zongtang was reelected as the chairman of the Board of the Bank, and Mr. SUN Liguang was reappointed as the president of the Bank. The terms of office of Mr. LI as chairman and Mr. SUN as president commenced from June 15, 2018. For details, please refer to the announcement of the Bank dated June 15, 2018.

At the first meeting of the sixth session of the Board, Ms. ZHANG Furong was appointed as vice president and Board secretary of the Bank, Mr. LIANG Jianfa was appointed as vice president and chief financial officer of the Bank, Mr. XIA Zhenwu was appointed as assistant to president of the Bank and Mr. WANG Feng was appointed as assistant to president of the Bank. The terms of office of Ms. ZHANG Furong and Mr. LIANG Jianfa as vice president and Mr. XIA Zhenwu and Mr. WANG Feng as assistant to president of the Bank all commenced from June 15, 2018.

Save as disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Hong Kong Listing Rules.



## Directors, Supervisors, Senior Management and Employees

### III. COMPANY SECRETARIES

Ms. ZHANG Furong has been appointed as our secretary to the Board of Directors since June 2015. Ms. ZHANG Furong and Dr. NGAI Wai Fung have been acting as our joint company secretaries since September 2015. Dr. NGAI Wai Fung is a director and chief executive officer of SWCS Corporate Services Group (Hong Kong) Limited. Ms. Zhang is the primary contact person for Dr. NGAI at the Bank.

### IV. SECURITIES TRANSACTIONS BY DIRECTORS, SUPERVISORS AND RELEVANT EMPLOYEES

The Bank adopted the "Model Code for Securities Transactions by Directors of Listed Issuers" (the "Model Code") as set out in Appendix 10 to the Hong Kong Listing Rules as its codes of conduct regulating securities transactions by the Directors and Supervisors.

Having made specific enquiries to all Directors and Supervisors, each of the Directors and Supervisors has confirmed that they complied with the Model Code during the Reporting Period.

### V. DIRECTORS', CHIEF EXECUTIVE'S AND SUPERVISORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE BANK

As of June 30, 2018, the interests and short positions of the Directors, Supervisors and the chief executive of the Bank and their associates in the Shares, underlying Shares and debentures of the Bank or its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers in Appendix 10 to the Hong Kong Listing Rules are set out as follows:

#### Directors

Name of Director	Capacity	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in our Bank
ZHANG Furong (張富榮)	Beneficial interest	Domestic Shares	359,045	0.0059%



## Directors, Supervisors, Senior Management and Employees

### Supervisors

Name of Supervisor	Capacity	Class of Shares	Number of Shares directly or indirectly held (long position)	Approximate % of interest in our Bank
YAO Tao (姚濤)	Beneficial interest	Domestic Shares	102,487	0.0017%
LIU Baorui (劉寶瑞)	Beneficial interest	Domestic Shares	15,959	0.0003%

Save as disclosed above, none of the Directors, the chief executive or the Supervisors of the Bank or their associates held any interests or short positions in the Shares, underlying Shares and debentures of the Bank or its associated corporations as of June 30, 2018.

## VI. EMPLOYEES' REMUNERATION POLICIES AND TRAINING PLANS FOR EMPLOYEES

As of June 30, 2018, we had 6,764 regular employees in total, of which 1,017 employees at our head office and 5,625 employees at our branches and sub-branches, 79 employees at our consolidated county banks and 43 employees at Bank of Tianjin Financial Leasing Co., Ltd. (天銀金融租賃股份有限公司). As of June 30, 2018, we had 5,769 or 85.28% employees who had bachelor's degrees or above, with the average age of 37.

The Bank has established a performance-based compensation system for its employees whereby an employee's compensation is determined based on position and performance reviews. The Bank contributes to our employees' social insurance and other employee benefits, such as pension insurance, medical insurance, work injury insurance, unemployment insurance, maternity insurance and housing fund in accordance with the applicable PRC laws, rules and regulations.

The Bank formulates key points and plans for staff education and training on a yearly basis and conducts hierarchically key talents cultivation programs including new employees, youth backbones, business professionals and management echelon. The head office organizes exemplary training to key business personnel from branches and sub-branches on front-line business operations, promotion of new products and services, customer marketing management, case prevention of internal control and compliance by professions and levels, guiding branches and sub-branches to carry out secondary training in accordance with the actual situation. Since 2014, the Bank has launched the system of job-related post certificates for the staff throughout the bank. The Bank has also regularly organized various types of professional qualifications and selection competitive examinations, promoted employee vocational qualification management and encouraged employees to attend external professional qualification courses. As of the date of this interim report, more than 11,422 people passed the tests and obtained various kinds of vocational qualification certificates.

## Important Events

### I. CORPORATE GOVERNANCE CODE

During the Reporting Period, our Bank continued to improve the transparency of its corporate governance to protect the interests of Shareholders and enhance corporate value.

Our Bank has established a relatively comprehensive corporate governance structure in accordance with the requirements of the Hong Kong Listing Rules. The composition of the Board and the special committees of the Board is in compliance with the requirements of the Hong Kong Listing Rules. The Bank clearly divides the responsibilities of the Shareholders' general meeting, the Board of Directors, the Board of Supervisors and senior management. The Shareholders' general meeting is the highest authority of the Bank. The Board of Directors is accountable to the Shareholders' general meeting. The Board of Directors has established six special committees which operate under the leadership of the Board and provide opinions for the Board's decisions. The Board of Supervisors supervises the stable and sound operations of the Bank and the performance of duties of the Board and senior management. Senior management under the leadership of the Board is responsible for implementing resolutions of the Board and taking charge of the daily business and management of the Bank and reporting regularly to the Board of Directors and the Board of Supervisors. The President is appointed by the Board and is responsible for the overall business and management of the Bank.

Our Bank has adopted the Corporate Governance Code (the "Code") in Appendix 14 of the Hong Kong Listing Rules, and has met the requirements of the PRC commercial bank administrative measures and corporate governance and has established a sound corporate governance system. The Board believes that, our Bank has complied with the requirements of the code provisions in Appendix 14 of the Hong Kong Listing Rules during the Reporting Period.

Our Bank is committed to maintaining high standards in corporate governance. Our Bank will continue to enhance its corporate governance to ensure compliance with the Code and meet expectations from the Shareholders and potential investors.

#### **Shareholders' general meeting**

During the Reporting Period, the Bank held one Shareholders' general meeting, namely the 2017 annual general meeting convened at Geneva Hotel (No.32 Youyi Road, Hexi District, Tianjin, PRC) at 9:30 a.m. on May 11, 2018. The notices and convening and voting procedures of the 2017 annual general meeting were all in compliance with the relevant requirements of the Company Law of the People's Republic of China, the Articles of Association and the Hong Kong Listing Rules. Please refer to the poll results announcement published on the websites of the Bank and the Hong Kong Stock Exchange on the date of convening the meeting for details.

## Important Events

### **Board of Directors and special committees meetings**

During the Reporting Period, the Board of Directors held 3 meetings, at which 56 resolutions were considered and approved. Special committees under the Board of Directors held 11 meetings, including 2 meetings of the strategic development committee, 2 meetings of the audit committee, 2 meetings of the related party transactions control committee, 2 meetings of the risk management committee, 1 meeting of the nomination and remuneration committee and 2 meetings of the consumer rights protection committee, at which 37 resolutions were considered and approved.

### **Board of Supervisors and special committees meetings**

During the Reporting Period, the Board of Supervisors held 4 meetings, at which 50 resolutions were considered and approved. Special committees under the Board of Supervisors held 5 meetings, including 2 meetings of the supervision committee and 3 meetings of the nomination committee, at which 37 resolutions were considered and approved.

## **II. THE USE OF PROCEEDS**

The proceeds from issuance of H shares of the Bank had been used in accordance with the intended usage as disclosed in the prospectus of the Bank. The net proceeds raised from the global offering of the Bank (after deduction of the underwriting fees and commissions and estimated expenses payable by the Bank in connection with the global offering) amounted to approximately RMB5,650 million, all of which had been used to strengthen the capital of the Bank to support the ongoing growth of its business.

Approved by Tianjin Office of China Banking Regulatory Commission and PBoC, the Bank issued tier-two capital bonds in the national inter-bank bond market on January 18, 2018, and the fund raising was completed on January 22. This tranche of bonds totaled RMB10 billion, with a maturity of 10 years at a fixed interest rate and a nominal interest rate of 4.8%, subject to the issuer's right to redeem under certain conditions at the end of the fifth year. All of the funds raised from this tranche of bonds will be used to replenish the Bank's tier-two capital in compliance with applicable laws and approvals from relevant regulatory authorities.

On April 24, 2018, the Bank issued the first tranche of financial bonds for 2018 in the national inter-bank bond market and the payment was completed on April 26. This tranche of bonds issued were three-year fixed rate bonds, with a total amount of RMB10 billion and a coupon rate of 4.7%. The proceeds from issuance of this tranche of bonds have been used to meet the Bank's needs for asset-liability matching, replenish the capital sources, improve the debt maturity structure and promote steady business development according to applicable laws, approvals of regulatory departments and the purposes disclosed in the prospectus. The proceeds from issuance of this tranche of financial bonds will be used for investment in quality asset projects featuring controllable risks and corresponding terms in strict accordance with national policies and rules on industries in which investment is encouraged and forbidden.

## Important Events

On June 15, 2018, the Bank issued the second tranche of financial bonds for 2018 in the national inter-bank bond market and the payment was completed on June 20. This tranche of bonds issued were three-year fixed rate bonds, with a total amount of RMB6 billion and a coupon rate of 4.9%. The proceeds from issuance of this tranche of bonds have been used to meet the Bank's needs for asset-liability matching, replenish the capital sources, improve the debt maturity structure and promote steady business development according to applicable laws, approvals of regulatory departments and the purposes disclosed in the prospectus. The proceeds from issuance of this tranche of financial bonds will be used for investment in quality asset projects featuring controllable risks and corresponding terms in strict accordance with national policies and rules on industries in which investment is encouraged and forbidden.

### III. PROFITS AND DIVIDENDS

The Bank's revenue for the six months ended June 30, 2018 and the Bank's financial position as of the same date are set out in the interim financial statements of this interim report.

The profit distribution plan for 2017 of the Bank was considered and approved by the Shareholders at the 2017 annual general meeting of the Bank held on May 11, 2018. A final dividend of RMB1.8 (tax inclusive) per ten Shares for the year of 2017, amounting to a total dividend of RMB1,092.7 million (tax inclusive) was distributed to holders of H Shares and Domestic Shares on July 6, 2018.

The Bank will not distribute any interim dividend for the first six months of 2018 or convert any capital reserve into share capital.

### IV. CONNECTED TRANSACTIONS

During the Reporting Period, the Bank provided commercial banking services and products in its ordinary and usual course of business to members of the public in China, which include substantial Shareholders, certain Directors and Supervisors, the President and/or each of their respective associates. Each of the above people is a connected person of the Bank under Hong Kong Listing Rules. As these transactions are entered into on normal commercial terms in the ordinary and usual course of the business of the Bank, such transactions are exempt from the reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

### V. RELATED PARTY TRANSACTIONS

The details of the related party transactions conducted by the Bank in the ordinary and usual course of business during the Reporting Period are set out in the notes to the financial statements. The definition of connected persons under Chapter 14A of the Hong Kong Listing Rules is different from the definition of related parties under International Accounting Standard 24, "Related Party Disclosures", and its interpretations by the International Accounting Standards Board. Certain related party transactions set out in the notes to the financial statements also constitute connected transactions or continuing connected transactions as defined under the Hong Kong Listing Rules, but none constitutes a discloseable connected transaction as required under the Hong Kong Listing Rules.

## Important Events

### VI. MATERIAL LITIGATIONS AND ARBITRATIONS

As of the date of this interim report, our Bank does not expect any of our current and pending legal or arbitration proceedings to have, individually or in the aggregate, a material adverse effect on our business, financial position and result of operations.

#### **Litigation against our Tianbao Sub-branch in relation to customers' deposits**

Since 2014, 14 companies or individuals (collectively, the "Plaintiffs"), including Tianjin Zhongxin Huitong Investment Guarantee Co., Ltd. ("Zhongxin Huitong") and Tianjin Fubang Pawn Co., Ltd. ("Fubang Pawn"), have filed separate civil lawsuits against us, alleging that their deposits in their savings accounts opened with our Tianbao Sub-branch were transferred to an account of a third party without their authorizations, as well as demanding our Tianbao Sub-branch to pay back their savings of approximately RMB380 million in total along with the relevant interests accrued or economic losses.

As of the date of this interim report, the Secondary Intermediate People's Court of Tianjin made the initial ruling regarding the litigation initiated by seven customers including Zhongxin Huitong, under which, our Bank will pay seven companies and individuals, including Zhongxin Huitong, a total of RMB207 million along with litigation fees and other related expenses, but other requests by the Plaintiffs were dismissed. Our Tianbao Sub-branch has filed a civil appeal against the initial ruling over the civil litigation initiated by the seven customers with the High Court of Tianjin. The People's Court of Tianjin Hexi District made the ruling to suspend the litigations relating three customers including Fubang Pawn. As of the date of this interim report, the civil litigation relating to the remaining four customers is in progress.

#### **Litigation against our Jinan Branch raised by Hezhong Asset Management Co., Ltd. in relation to customers' deposits**

In April 2015, Hezhong Asset Management Co., Ltd. ("Hezhong Asset Management") (合眾資產管理股份有限公司) filed a lawsuit at the High Court of Shandong against our Jinan Branch, alleging that we were in breach of the security guarantee obligations with respect to the deposits placed by Hezhong Asset Management, and as a result, the amount of RMB300 million managed by Hezhong Asset Management on behalf of a third party failed to be deposited to a fixed account and instead was transferred out illegally, as well as demanding our Jinan Branch to revert the principal and the interests accrued along with the litigation fees. As at December 28, 2016, the High Court of Shandong made the initial ruling that our Jinan Bank will revert to Hezhong Asset Management the deposit of RMB300 million and the corresponding interests accrued on demand along with the litigation fees.

Our Jinan Branch has filed a civil appeal against the initial ruling with the Supreme People's Court. As of the date of this interim report, the civil litigation is still in progress.

## Important Events

### **Litigation against Zhejiang Chouzhou Commercial Bank raised by our Shanghai Branch in relation to a bill-related dispute**

In April 2016, Our Shanghai Branch filed a lawsuit against Zhejiang Chouzhou Commercial Bank with the High Court of Shanghai. The litigation involves the bills held under a resale agreement entered into between our Bank and Zhejiang Chouzhou Commercial Bank. As agreed by both parties to the bills held under the resale agreement, our Bank is the reseller of the purchased bills and Zhejiang Chouzhou Commercial Bank is the repurchaser of the sold bills, in which case, our Bank purchased 65 copies of bank acceptance from Zhejiang Chouzhou Commercial Bank, to which our Bank has actually paid RMB986 million for the purchased bills, and repurchase will be made by Zhejiang Chouzhou Commercial Bank upon maturity. Upon maturity on April 6, 2016, our Bank failed to receive the payment of RMB786 million. On the same day, our Shanghai Branch filed a report to the Economic Crimes Investigation Brigade under the Shanghai Public Security Bureau, and subsequently filed a lawsuit against Zhejiang Chouzhou Commercial Bank, demanding Zhejiang Chouzhou Commercial Bank to make the payments and interests accrued therefrom under repurchase along with litigation fees, attorney fees, and other expenses. As at May 10, 2018, the High Court of Shanghai made the civil ruling to suspend the litigation.

### **VII. PUNISHMENT ON THE BANK AND ITS DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**

During the Reporting Period, none of the Bank, the Directors, the Supervisors or the senior management of the Bank was subject to any investigation, administrative penalty or public criticism by China Securities Regulatory Commission or any public censure by any securities exchange, or any punishment by any other regulatory authorities which would have a material impact on the Bank's operations.

### **VIII. PERFORMANCE OF UNDERTAKINGS BY THE BANK AND SHAREHOLDERS HOLDING 5% OR MORE OF THE SHARES**

During the Reporting Period, neither the Bank nor its Shareholders holding 5% or more of the total shares in issue of the Bank gave any undertakings.

### **IX. ACQUISITION AND DISPOSAL OF ASSETS AND BUSINESS MERGER**

During the Reporting Period, the Bank was not engaged in any material acquisition or disposal of assets or business merger. During the Reporting Period, the Bank was not engaged in any material acquisition or disposal in relation to its subsidiaries, associated companies and joint ventures.

### **X. IMPLEMENTATION OF SHARE INCENTIVE SCHEME DURING THE REPORTING PERIOD**

During the Reporting Period, the Bank had not implemented any share incentive scheme.

## Important Events

### **XI. APPOINTMENT AND DISMISSAL OF AUDITORS**

The re-appointment and the remuneration of Deloitte Touche Tohmatsu and Deloitte Touche Tohmatsu Certified Public Accountants LLP (Special General Partnership) as the Bank's international and domestic auditors for the year 2018 to hold office until the conclusion of the next annual general meeting of the Bank was considered and approved by the Shareholders at the 2017 annual general meeting of the Bank held on May 11, 2018.

### **XII. SUBSEQUENT EVENTS**

On August 24, 2018, the Bank noted that the Tianjin High People's Court accepted the application in relation to the bankruptcy reorganization of our corporate loan client, Bohai Steel Group Company Limited. Based on the information available, the Bank has made a reasonable estimation of the potential credit risk.

Save as the disclosed above, no significant events occurred to the Bank and its subsidiaries after the Reporting Period.

### **XIII. REVIEW OF THE INTERIM REPORT**

The interim financial statements disclosed in this interim report have not been audited. The interim financial statements for the six months ended June 30, 2018 prepared by the Bank in accordance with the International Financial Reporting Standards promulgated by the International Accounting Standards Board have been reviewed by Deloitte Touche Tohmatsu in accordance with the International Standard on Review Engagements.

The Board and the audit committee of the Board have reviewed and approved the interim report of the Bank.

### **XIV. PUBLICATION OF INTERIM REPORT**

This interim report is prepared in both English and Chinese versions. In the event of any discrepancies in interpretation between the English version and Chinese version, the Chinese version shall prevail.



## Report on Review of the Condensed Consolidated Financial Statements

**Deloitte.**  
**德勤**

TO THE BOARD OF DIRECTORS OF BANK OF TIANJIN CO., LTD.

天津銀行股份有限公司

(Incorporated in the People's Republic of China with limited liability)

### INTRODUCTION

We have reviewed the condensed consolidated financial statements of Bank of Tianjin Co., Ltd (the "Bank") and its subsidiaries (collectively referred to as the "Group") set out on pages 71 to 141, which comprise the condensed consolidated statement of financial position as of 30 June 2018 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board. The directors of the Bank are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the International Auditing and Assurance Standards Board. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

**Deloitte Touche Tohmatsu**

*Certified Public Accountants*

Hong Kong

24 August 2018



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

FOR THE SIX MONTHS ENDED 30 JUNE 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2018 (Unaudited)	2017 (Unaudited)
Interest income	5	12,703,261	13,280,294
Interest expense	5	(10,737,324)	(8,981,017)
Net interest income		1,965,937	4,299,277
Investment income	6	2,776,471	–
Fee and commission income	7	951,523	1,080,816
Fee and commission expense		(47,719)	(30,124)
Net fee and commission income		903,804	1,050,692
Net trading gains/(losses)		294,359	(74,190)
Net gains arising from derecognition of financial assets measured at amortised cost		36,202	14,136
Other income, gains or losses	8	(15,874)	1,158
Operating income		5,960,899	5,291,073
Operating expenses	9	(1,572,750)	(1,398,532)
Impairment losses, net of reversals	10	(748,950)	(568,617)
Share of results of associates		(2,634)	(11,968)
Profit before tax		3,636,565	3,311,956
Income tax expense	11	(771,572)	(690,402)
Profit for the period		2,864,993	2,621,554

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

FOR THE SIX MONTHS ENDED 30 JUNE 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2018 (Unaudited)	2017 (Unaudited)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on:			
– Available-for-sale financial assets		–	(200,868)
– Debt instruments measured at fair value through other comprehensive income		474,814	–
Income tax relating to items that may be reclassified to profit or loss		(116,953)	50,217
Other comprehensive income/(expense) for the period, net of tax		357,861	(150,651)
Total comprehensive income for the period		3,222,854	2,470,903
Profit for the period attributable to:			
Equity holders of the Bank		2,840,472	2,615,997
Non-controlling interests		24,521	5,557
		2,864,993	2,621,554
Total comprehensive income for the period attributable to:			
Equity holders of the Bank		3,198,333	2,465,346
Non-controlling interests		24,521	5,557
		3,222,854	2,470,903
Earnings per share (Expressed in RMB Yuan per share)			
– Basic	12	0.47	0.43

## Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2018 (Unaudited)	As at 31 December 2017 (Audited)
<b>ASSETS</b>			
Cash and balances with central bank	14	57,891,896	57,372,466
Deposits with banks and other financial institutions	15	3,896,208	8,003,859
Placements with banks and other financial institutions	16	17,283,571	12,295,007
Derivative financial instruments		109,197	–
Financial assets held for trading	17	–	5,720,098
Financial assets held under resale agreements	18	3,900,042	9,356,836
Financial assets at fair value through profit or loss	19	92,460,860	–
Available-for-sale financial assets	20	–	36,270,946
Debt instruments at fair value through other comprehensive income	21	51,665,650	–
Loans and advances to customers	22	234,115,433	241,637,249
Debt instruments at amortised cost	23	176,628,432	–
Held-to-maturity investments	24	–	49,123,275
Investments classified as receivables	25	–	272,338,316
Interests in associates	26	201,229	203,863
Property and equipment	27	1,634,358	1,653,828
Deferred tax assets	28	2,497,113	2,237,505
Other assets	29	7,719,402	5,700,341
<b>Total assets</b>		<b>650,003,391</b>	<b>701,913,589</b>
<b>LIABILITIES</b>			
Borrowings from central bank	30	12,020,000	7,505,000
Deposits from banks and other financial institutions	31	26,023,763	77,036,368
Placements from banks	32	21,972,708	22,719,415
Financial assets sold under repurchase agreements	33	35,367,960	50,696,397
Due to customers	34	336,328,832	357,857,635
Income tax payable		642,804	635,060
Debt securities issued	35	150,584,961	118,688,315
Other liabilities	36	21,066,091	22,019,537
<b>Total liabilities</b>		<b>604,007,119</b>	<b>657,157,727</b>

## Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2018


(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2018 (Unaudited)	As at 31 December 2017 (Audited)
<b>EQUITY</b>			
Share capital		6,070,552	6,070,552
Capital reserve		10,731,130	10,731,130
Investment revaluation reserve		(210,675)	(575,715)
Surplus reserve		3,352,331	3,352,331
General reserve		9,122,584	8,363,493
Retained earnings		16,233,420	16,141,662
Equity attributable to equity holders of the Bank		45,299,342	44,083,453
Non-controlling interests		696,930	672,409
<b>Total equity</b>		<b>45,996,272</b>	<b>44,755,862</b>
<b>Total equity and liabilities</b>		<b>650,003,391</b>	<b>701,913,589</b>

The condensed consolidated financial statements on pages 71 to 141 were approved and authorised for issue by the Board of Directors on 24 August 2018 and are signed on its behalf by:



EXECUTIVE DIRECTOR



EXECUTIVE DIRECTOR

## Condensed Consolidated Statement of Changes in Equity

FOR THE SIX MONTHS ENDED 30 JUNE 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Attributable to equity holders of the Bank							Non-controlling interests	Total
		Share capital	Capital reserve	Investment revaluation reserve	Surplus reserve	General reserve	Retained earnings	Subtotal		
As at 31 December 2017 (Audited)		6,070,552	10,731,130	(575,715)	3,352,331	8,363,493	16,141,662	44,083,453	672,409	44,755,862
Adjustments of application of accounting policy changes	3	-	-	7,179	-	-	(896,924)	(889,745)	-	(889,745)
As at 1 January 2018		6,070,552	10,731,130	(568,536)	3,352,331	8,363,493	15,244,738	43,193,708	672,409	43,866,117
Profit for the period		-	-	-	-	-	2,840,472	2,840,472	24,521	2,864,993
Other comprehensive income for the period		-	-	357,861	-	-	-	357,861	-	357,861
Total comprehensive income for the period		-	-	357,861	-	-	2,840,472	3,198,333	24,521	3,222,854
Appropriation to general reserve		-	-	-	-	759,091	(759,091)	-	-	-
Dividend distribution	13	-	-	-	-	-	(1,092,699)	(1,092,699)	-	(1,092,699)
As at 30 June 2018 (Unaudited)		6,070,552	10,731,130	(210,675)	3,352,331	9,122,584	16,233,420	45,299,342	696,930	45,996,272
As at 1 January 2017 (Audited)		6,070,552	10,699,811	(215,644)	3,014,661	7,136,619	15,003,930	41,709,929	44,851	41,754,780
Profit for the period		-	-	-	-	-	2,615,997	2,615,997	5,557	2,621,554
Other comprehensive expense for the period		-	-	(150,651)	-	-	-	(150,651)	-	(150,651)
Total comprehensive (expense)/ income for the period		-	-	(150,651)	-	-	2,615,997	2,465,346	5,557	2,470,903
Appropriation to general reserve		-	-	-	-	1,212,780	(1,212,780)	-	-	-
Dividend distribution	13	-	-	-	-	-	(1,214,110)	(1,214,110)	-	(1,214,110)
As at 30 June 2017 (Unaudited)		6,070,552	10,699,811	(366,295)	3,014,661	8,349,399	15,193,037	42,961,165	50,408	43,011,573

## Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2018 (Unaudited)	2017 (Unaudited)
<b>OPERATING ACTIVITIES</b>			
Profit before tax		3,636,565	3,311,956
Adjustments for:			
Depreciation and amortisation		123,025	112,787
Impairment losses, net of reversals		748,950	568,617
Share of results of associates		2,634	11,968
Interest income arising from debt instruments		(8,239,029)	(6,486,507)
Interest income arising from impaired financial assets		(49,893)	(40,308)
Interest expense arising from debt securities issued		3,317,498	1,361,102
Unrealised trading (gains)/losses from debt securities and derivative instruments		(313,776)	60,751
Net losses/(gains) arising from investment securities		41,910	(14,136)
Dividend income from investment securities		–	(5,000)
Operating cash flows before movements in working capital		(732,116)	(1,118,770)
Decrease in balances with central bank and deposits with banks and other financial institutions		7,708,654	3,712,787
Increase in placements with banks and other financial institutions		(7,842,874)	(5,708,753)
Decrease in financial assets held for trading		5,720,098	821,686
Increase in financial assets at fair value through profit or loss and derivatives		(3,274,250)	–
Decrease in financial assets held under resale agreements		3,096,098	8,651,065
Decrease/(increase) in loans and advances to customers		5,490,389	(8,110,859)
Increase in borrowings from central bank		4,515,000	1,500,000
Decrease in deposits from banks and other financial institutions		(51,012,605)	(35,769,966)
Decrease in placements from banks		(746,708)	(6,315,462)
(Decrease)/increase in financial assets sold under repurchase agreements		(15,328,437)	1,145,110
Decrease in due to customers		(21,528,803)	(10,899,603)
Increase in other operating assets		(641,142)	(957,352)
(Decrease)/increase in other operating liabilities		(2,092,963)	3,981,830
Cash used in operating activities		(76,669,659)	(49,068,287)
Income tax paid		(843,807)	(776,428)
Net cash used in operating activities		(77,513,466)	(49,844,715)

## Condensed Consolidated Statement of Cash Flows

FOR THE SIX MONTHS ENDED 30 JUNE 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2018 (Unaudited)	2017 (Unaudited)
<b>INVESTING ACTIVITIES</b>			
Cash received from disposal and redemption of			
– investment securities		288,333,396	539,674,390
Cash received from disposal of property and equipment and other assets		417	1,827
Cash paid for purchases of			
– investment securities		(247,158,011)	(559,887,799)
Cash paid for purchase of property and equipment and other assets		(88,591)	(34,109)
Interest income received from investment securities		6,860,436	6,178,169
Dividend income received from investment securities		–	5,000
Net cash generated by/(used in) investing activities		47,947,647	(14,062,522)
<b>FINANCING ACTIVITIES</b>			
Cash received from debt securities issued		181,971,709	108,829,651
Repayment of debt securities issued		(150,290,294)	(62,591,366)
Interest expenses paid for debt securities issued		(2,950,927)	(961,384)
Dividends paid		(319,754)	(366,620)
Net cash generated by financing activities		28,410,734	44,910,281
Net decrease in cash and cash equivalents		(1,155,085)	(18,996,956)
Cash and cash equivalents at beginning of the period		22,816,725	52,231,121
Effect of foreign exchange rate changes		74,173	(82,883)
Cash and cash equivalents at end of the period	37	21,735,813	33,151,282
Net cash generated by operating activities include:			
Interest received		8,598,804	7,631,030
Interest paid		(8,488,989)	(7,343,225)
Net interest received from operating activities		109,815	287,805

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

### 1. GENERAL INFORMATION

Bank of Tianjin Co., Ltd. (the "Bank") is formerly known as Tianjin City Cooperative Bank Co., Ltd., a limited liability commercial bank established in Tianjin Municipality of the People's Republic of China (the "PRC") in November 1996 with the approval of the People's Bank of China ("PBoC"). The Bank changed its name to Tianjin City Commercial Bank Co., Ltd. in August 1998 and then to Bank of Tianjin Co., Ltd. in February 2007.

The Bank is licensed as a financial institution by the China Banking and Insurance Regulatory Commission (the "CBIRC") Tianjin Bureau (No. B0108H212000001) and is registered as a business enterprise with the approval of Tianjin Market and Quality Supervision Administration (Unified Credit Record No. 911200001030702984).

The Bank was listed on The Stock Exchange of Hong Kong Limited on 30 March 2016.

As at 30 June 2018, the Bank had a total of 14 tier-one branches, 9 of them are located in Tianjin Municipality and 5 of them are located outside the Tianjin Municipality.

The approved business scope consists of deposit taking, granting of short-term, medium-term and long-term loans; handling domestic and overseas settlements; handling bill acceptance and discounting; bank cards business, issuing financial bonds, acting as an agent to issue, settle and underwrite government bonds, trading of government bonds, engaging in inter-bank placement, providing guarantee; acting as agent on inward and outward payments, acting as insurance agent, providing safe-box service, entrusted loan business on credit turnover funds of local public finance. foreign currency deposit taking, granting of loans; foreign currency remittance, currency exchange; international settlement; foreign currency sale and settlement; inter-bank foreign currency placement; foreign currency guarantee; foreign currency borrowing; foreign currency bill acceptance and discount; credit investigation, consulting, and assurance; proprietary and broker trading of foreign currency marketable securities other than stocks; proprietary and broker trading of foreign exchange; financial leasing; transfer of assets under finance lease, securities investment with fixed income, lease guarantee from lessees, time deposit taking from non-bank shareholders with over 3 months (inclusive) maturity; inter-bank placements, borrowings from financial institutions, overseas borrowings, sales and disposal of leased properties, economic consulting (certain projects are subject to approval by relevant authorities), and other business activities approved by the CBIRC (businesses among the above scope shall be handled in accordance with specific regulations, if any).

The Bank and its subsidiaries are collectively referred to as the Group. The condensed consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Bank and its subsidiaries.



## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 ("IAS 34") Interim Financial Reporting issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

### 3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to International Financial Reporting Standards ("IFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2017.

#### Application of new and amendments to IFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are mandatory effective for the annual period beginning on or after 1 January 2018 for the preparation of the Group's condensed consolidated financial statements:

IFRS 9	Financial Instruments
IFRS 15	Revenue from Contracts with Customers and the related Amendments
IFRIC 22	Foreign Currency Transactions and Advance Consideration
Amendments to IFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to IFRS 4	Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
Amendments to IAS 40	Transfers of Investment Property
Amendments to IAS 28	As part of the annual Improvements to IFRSs 2014-2016 Cycle

The new and amendments to IFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.1 Impacts and changes in accounting policies of application on *IFRS 15 Revenue from Contracts with Customers*

The Group has applied IFRS 15 for the first time in the current interim period. IFRS 15 superseded IAS 18 Revenue and the related interpretations.

##### 3.1.1 Key changes in accounting policies resulting from application of IFRS 15

IFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs;
- the Group’s performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.1 Impacts and changes in accounting policies of application on *IFRS 15 Revenue from Contracts with Customers* *(Continued)*

##### 3.1.2 Summary of effects arising from initial application of *IFRS 15*

The application of IFRS 15 has had no material impact on the timing and amounts of revenue recognised in the reporting periods.

#### 3.2 Impacts and changes in accounting policies of application on *IFRS 9 Financial Instruments*

In the current period, the Group has applied IFRS 9 Financial Instruments. IFRS 9 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) expected credit losses ("ECL") for financial assets and other items (for example, lease receivables and financial guarantee contracts).

The Group has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 January 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The difference between carrying amounts as at 31 December 2017 and the carrying amounts as at 1 January 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under IAS 39 *Financial Instruments: Recognition and Measurement*.

##### 3.2.1 Key changes in accounting policies resulting from application of *IFRS 9*

###### *Classification and measurement of financial assets*

Trade receivables arising from contracts with customers are initially measured in accordance with IFRS 15.

All recognised financial assets that are within the scope of IFRS 9 are subsequently measured at amortised cost or fair value, including unquoted equity investments measured at cost less impairment under IAS 39.

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding ("SPPI").

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments *(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of IFRS 9 *(Continued)*

*Classification and measurement of financial assets (Continued)*

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss ("FVTPL"), except that at the date of initial application/initial recognition of a financial asset the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income ("OCI") if that equity investment is neither held for trading nor contingent consideration recognised by an acquirer in a business combination to which IFRS 3 Business Combinations applies.

In addition, the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Debt instruments classified as at FVTOCI

Subsequent changes in the carrying amounts for debt instruments classified as at FVTOCI as a result of interest income calculated using the effective interest method, and foreign exchange gains and losses are recognised in profit or loss. All other changes in the carrying amount of these debt instruments are recognised in OCI and accumulated under the heading of investment revaluation reserve. Impairment allowance are recognised in profit or loss with corresponding adjustment to OCI without reducing the carrying amounts of these debt instruments. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these debt instruments had been measured at amortised cost. When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on *IFRS 9 Financial Instruments*

*(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of *IFRS 9* *(Continued)*

*Classification and measurement of financial assets (Continued)*

Equity instruments designated as at FVTOCI

At the date of initial application/initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in OCI and accumulated in the investment revaluation reserve; and are not subject to impairment assessment. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, and will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income, gains or losses" line item in profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI or designated as FVTOCI are measured at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial asset and is included in the "Net trading gains or losses" line item.

The directors of the Company reviewed and assessed the Group's financial assets as at 1 January 2018 based on the facts and circumstances that existed at that date. Changes in classification and measurement on the Group's financial assets and the impacts thereof are detailed in Note 3.2.2.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

*(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of IFRS 9 *(Continued)*

###### *Impairment under ECL model*

The Group recognises a loss allowance for ECL on financial assets which are subject to impairment under IFRS 9 including deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, debt instruments at FVTOCI, loans and advances to customers, debt instruments at amortised costs, loan commitments and financial guarantee contracts. No impairment loss is recognised on equity investments. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

###### *Significant increase in credit risk*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on *IFRS 9 Financial Instruments* *(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of *IFRS 9* *(Continued)*

*Impairment under ECL model (Continued)*

Significant increase in credit risk *(Continued)*

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external(if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A debt instrument is determined to have low credit risk if i) it has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions.



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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on *IFRS 9 Financial Instruments*

*(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of *IFRS 9* *(Continued)*

*Impairment under ECL model (Continued)*

Significant increase in credit risk *(Continued)*

For loan commitments and financial guarantee contracts, the date that the Group becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Group considers changes in the risk of a default occurring on the loan to which a loan commitment relates; for financial guarantee contracts, the Group considers the changes in the risk that the specified debtor will default on the contract.

The Group considers that default has occurred when the instrument is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IAS 17 Leases.

For a financial guarantee contract, the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the expected losses is the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Group if the holder of the loan commitments draws down the loan, and the cash flows that the Group expects to receive if the loan is drawn down.



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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

*(Continued)*

##### 3.2.1 Key changes in accounting policies resulting from application of IFRS 9 *(Continued)*

*Impairment under ECL model (Continued)*

*Measurement and recognition of ECL (Continued)*

For ECL on financial guarantee contracts or on loan commitments for which the effective interest rate cannot be determined, the Group will apply a discount rate that reflects the current market assessment of the time value of money and the risks that are specific to the cash flows but only if, and to the extent that, the risks are taken into account by adjusting the discount rate instead of adjusting the cash shortfalls being discounted.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

Except for investments in debt instruments that are measured at FVTOCI, financial guarantee contracts and loan commitments, the Group recognises an impairment loss in profit or loss for all financial instruments loss allowance accounts. For investments in debt instruments that are measured at FVTOCI, the loss allowance is recognised in OCI and accumulated in the investment revaluation reserve without reducing the carrying amounts of these debt instruments.

For financial guarantee contracts and loan commitments, the loss allowances are recognised at the higher of the amount of the loss allowance determined in accordance with IFRS 9; and the amount initially recognised less, where appropriate, cumulative amount of income recognised over the guarantee period.

As at 1 January 2018, the directors of the Company reviewed and assessed the Group's existing financial assets, lease receivables, loan commitments and financial guarantee contracts for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of IFRS 9. The results of the assessment and the impact thereof are detailed in Note 3.2.2.

##### 3.2.2 Summary of effects arising from initial application of IFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under IFRS 9 and IAS 39 at the date of initial application, 1 January 2018.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

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### 3. PRINCIPAL ACCOUNTING POLICIES (Continued)

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments (Continued)

##### 3.2.2 Summary of effects arising from initial application of IFRS 9 (Continued)

	Financial assets at FVTPL required by IAS39/ IFRS 9	Available-for-sale Financial assets ("AFS")	Held-to-maturity	Debt instruments at FVTOCI	Amortised cost (previously classified as loans and receivables)	Financial guarantee contracts/ other liabilities	Deferred tax assets/ liabilities	Investment revaluation reserve	Retained earnings	Non-controlling interests
Notes	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Closing balance at 31 December	5,720,098	36,270,946	49,123,275	-	543,631,267	379,323	2,237,505	(575,715)	16,141,662	672,409
2017 – IAS 39										
Effect arising from initial application of IFRS 9:										
<b>Reclassification</b>										
From available-for-sale	(a)	3,361,638	(36,270,946)	-	-	-	-	6,303	(6,303)	-
From designated at FVTPL	(b)	-	-	-	-	-	-	-	-	-
From held-to-maturity	(c)	-	-	(49,123,275)	49,123,275	-	-	-	-	-
From investments classified as receivables	(d)	138,530,042	-	-	(143,218,024)	-	-	-	-	-
<b>Remeasurement</b>										
Impairment under ECL model	(e)	-	-	-	(861,515)	264,361	281,470	20,781	(865,187)	-
From amortised cost to fair value	(d)	(33,911)	-	-	(26,540)	-	15,112	(19,905)	(25,434)	-
<b>Opening balance at 1 January 2018</b>										
		147,577,867	-	-	37,570,750	448,675,003	643,684	(568,536)	15,244,738	672,409

## Notes to Condensed Consolidated Financial Statements

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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on *IFRS 9 Financial Instruments*

*(Continued)*

##### 3.2.2 Summary of effects arising from initial application of *IFRS 9* *(Continued)*

(a) *Available-for-sale investments*

From AFS investments to FVTPL

At the date of initial application of IFRS 9, the Group's equity investments of RMB59 million, which were measured at cost less impairment, were reclassified from AFS investments to financial assets at FVTPL. The carrying amount of these investments was approximate to their fair values and therefore no fair value gains or losses was recognised as at 1 January 2018.

Bonds and funds with fair values of RMB199 million and RMB3,104 million were reclassified from AFS investments to financial assets at FVTPL. This is because even though the Group's business model is to hold financial assets in order to collect contractual cash flows, the cash flows of these investments do not meet the IFRS 9 criteria as solely payments of principal and interest on the principal amount outstanding. Related fair value losses of RMB6 million were transferred from the AFS reserve to retained earnings as at 1 January 2018.

From AFS Debt instruments to FVTOCI

Bonds with fair values of RMB32,909 million were reclassified from available-for-sale investments to debt instruments at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. Related fair value losses of RMB34 million continued to accumulate in the investment revaluation reserve as at 1 January 2018.

(b) *Financial assets at FVTPL*

At the date of initial application, financial assets held for trading were reclassified to financial assets at FVTPL. There was no impact on the amounts recognised in relation to these assets from the application of IFRS 9.

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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

*(Continued)*

##### 3.2.2 Summary of effects arising from initial application of IFRS 9 *(Continued)*

(c) *Held-to-maturity investments*

Bonds previously classified as held-to-maturity investments are reclassified and measured at amortised cost upon application of IFRS 9. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding. There was no difference between the previous carrying amount and the revised carrying amount at 1 January 2018.

(d) *Investments classified as receivables*

Financial assets previously classified as investments classified as receivables of RMB138,530 million are reclassified to financial assets at FVTPL upon the application of IFRS 9 because its cash flows do not represent solely payments of principal and interest on the principal amount outstanding. The related fair value losses of RMB25 million was adjusted to financial assets at FVTPL and retained earnings as at 1 January 2018.

Debt instruments previously classified as investments classified as receivables of RMB4,688 million are reclassified to financial assets at FVTOCI, as these investments are held within a business model whose objective is achieved by both collecting contractual cash flows and selling of these assets and the contractual cash flows of these investments are solely payments of principal and interest on the principal amount outstanding. The related fair value losses of RMB20 million was adjusted to financial assets at FVTOCI and investment revaluation reserve as at 1 January 2018.

(e) *Impairment under ECL model*

The Group measures ECL on an individual basis, or on a collective basis for portfolios of loans that share similar economic risk characteristics. The measurement of the loss allowance is based on the present value of the asset's expected cash flows using the asset's original effective interest rate ("EIR"), regardless of whether it is measured on an individual basis or a collective basis.

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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.2 Impacts and changes in accounting policies of application on IFRS 9 Financial Instruments

*(Continued)*

##### 3.2.2 Summary of effects arising from initial application of IFRS 9 *(Continued)*

(e) *Impairment under ECL model (Continued)*

Loss allowances for other financial assets at amortised cost mainly comprise of including deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers and debt instruments at amortised costs.

As at 1 January 2018, the additional credit loss allowance of RMB865 million, net of deferred tax, has been recognised against retained earnings. The additional loss allowance is charged against the respective asset or provision for financial guarantee contracts.

All loss allowances for financial assets including financial guarantee contracts, including deposits with banks and other financial institutions, placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers, debt instruments at FVTOCI and debt instruments at amortised costs as at 31 December 2017 reconcile to the opening loss allowance as at 1 January 2018 is as follows:

	Debt instruments at FVTOCI RMB'000	Financial assets at amortised cost RMB'000	Financial guarantee contracts RMB'000
At 31 December 2017 – IAS 39	–	9,266,744	379,323
Reclassification	–	(404,390)	–
Amounts remeasured through opening retained earnings/ investment revaluation reserve	20,781	1,265,905	264,361
At 1 January 2018	<b>20,781</b>	<b>10,128,259</b>	<b>643,684</b>

## Notes to Condensed Consolidated Financial Statements

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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.3 Accounting estimates and judgements

Except for below accounting estimates and judgements, the Group's other accounting estimates and judgements applied in preparing these unaudited interim financial report are consistent with those accounting estimates and judgements applied in preparing the consolidated financial statements for the year ended 31 December 2017.

##### ***Classification of financial assets***

- Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Group determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Group monitors financial assets measured at amortised cost or FVTOCI that are derecognised prior to their maturity to understand the reason for their disposal and whether the reasons are consistent with the objective of the business for which the asset was held. Monitoring is part of the Group's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

##### ***Impairment under ECL model***

- Significant increase of credit risk: ECL are measured as an allowance equal to 12m ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition; and it comes to stage 3 when it is credit impaired (but it is not purchased original credit impaired). In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward looking information.
- Establishing groups of assets with similar credit risk characteristics: When ECLs are measured on a collective basis, the financial instruments are grouped on the basis of shared risk characteristics. The Group monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that group of assets.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 3. PRINCIPAL ACCOUNTING POLICIES *(Continued)*

#### 3.3 Accounting estimates and judgements *(Continued)*

##### **Impairment under ECL model** *(Continued)*

- Models and assumptions used: The Group uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgement is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.
- Forward-looking information: When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.
- Probability of default ("PD"): PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.
- Loss Given Default ("LGD"): LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

### 4. SEGMENT ANALYSIS

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board of Directors and relevant management committees (chief operating decision maker) for the purposes of allocating resources to segments and assessing their performance. The Group's chief operating decision maker reviews consolidated financial statements mainly based on operating segments for the purpose of allocating resources and performance assessment.

Measurement of segment assets and liabilities and segment income and result is based on the Group's accounting policies. Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements.

Internal charges and transfer pricing are determined with reference to market rates and have been reflected in the performance of each segment. Interest income and expense arising from internal charges and transfer pricing adjustments are referred to as 'inter-segment interest income/expense'. Interest income and expense earned from/incurred with third parties are referred to as 'external interest income/expense'.



## Notes to Condensed Consolidated Financial Statements

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### 4. SEGMENT ANALYSIS *(Continued)*

The Group has no major customer which contributes to 10 percent or more of the Group's income. No geographical information is presented as most of the Group's operations are conducted and most of its non-current assets are located and therefore revenue is derived from activities in Tianjin Municipality of the PRC.

Segment revenues, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

#### **Operating Segments**

The Group provides a diversified range of banking and related financial services. The products and services offered to customers are organized into the following operating segments:

##### ***Corporate banking***

The corporate banking segment provides financial products and services to corporations, government agencies and financial institutions. The products and services include corporate loans, trade financing, deposit takings and other types of corporate intermediary services.

##### ***Personal banking***

The personal banking segment provides financial products and services to individual customers. The products and services include personal loans, deposit products, card business, personal wealth management services and other types of personal intermediary services.

##### ***Treasury operations***

The Group's treasury operations conduct money market or repurchase transactions, and debt instruments investment for its own accounts or on behalf of customers.

##### ***Others***

Others include head office operations as well as items that are not attributed to the above segments.



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### 4. SEGMENT ANALYSIS *(Continued)*

#### Operating Segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Total
Six months ended 30 June 2018					
External interest income	5,321,975	900,864	6,480,422	–	12,703,261
External interest expense	(3,915,941)	(1,019,261)	(5,802,122)	–	(10,737,324)
Inter-segment interest income/(expense)	1,839,311	778,248	(2,617,559)	–	–
Net interest income	3,245,345	659,851	(1,939,259)	–	1,965,937
Investment income	–	–	2,776,471	–	2,776,471
Fee and commission income	627,827	169,951	153,745	–	951,523
Fee and commission expense	(42,942)	(4,775)	(2)	–	(47,719)
Net fee and commission income	584,885	165,176	153,743	–	903,804
Net trading gains	–	–	294,359	–	294,359
Net gains arising from the derecognition of financial assets measured at amortised cost	–	–	36,202	–	36,202
Other income, gains or losses	–	–	(8,579)	(7,295)	(15,874)
Operating income	3,830,230	825,027	1,312,937	(7,295)	5,960,899
Operating expenses	(904,680)	(394,160)	(273,910)	–	(1,572,750)
Impairment losses, net of reversals	(956,515)	(23,342)	230,907	–	(748,950)
Share of losses of associates	–	–	–	(2,634)	(2,634)
Profit before tax	1,969,035	407,525	1,269,934	(9,929)	3,636,565
Income tax expense					(771,572)
Profit for the period					2,864,993
Depreciation and amortisation	(78,925)	(17,100)	(27,000)	–	(123,025)
Capital expenditure	(36,770)	(26,696)	(2,825)	(22,300)	(88,591)
As at 30 June 2018					
Segment assets	201,560,499	38,041,609	409,275,911	1,125,372	650,003,391
Segment liabilities	(280,318,686)	(73,876,807)	(248,366,271)	(1,445,355)	(604,007,119)
Supplementary information					
Credit commitments	65,896,777	2,057,663	–	–	67,954,440

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 4. SEGMENT ANALYSIS *(Continued)*

#### Operating Segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Total
Six months ended 30 June 2017					
External interest income	4,400,039	889,237	7,991,018	–	13,280,294
External interest expense	(3,510,634)	(872,243)	(4,598,140)	–	(8,981,017)
Inter-segment interest income/(expense)	2,142,474	739,088	(2,881,562)	–	–
Net interest income	3,031,879	756,082	511,316	–	4,299,277
Fee and commission income	810,476	178,456	91,884	–	1,080,816
Fee and commission expense	(24,942)	(5,180)	(2)	–	(30,124)
Net fee and commission income	785,534	173,276	91,882	–	1,050,692
Net trading losses	–	–	(74,190)	–	(74,190)
Net gains arising from investment securities	–	–	14,136	–	14,136
Other income, gains or losses	–	–	(2,659)	3,817	1,158
Operating income	3,817,413	929,358	540,485	3,817	5,291,073
Operating expenses	(831,383)	(416,730)	(150,419)	–	(1,398,532)
Impairment losses, net of reversals	(234,973)	(156,674)	(176,970)	–	(568,617)
Share of losses of associates	–	–	–	(11,968)	(11,968)
Profit before tax	2,751,057	355,954	213,096	(8,151)	3,311,956
Income tax expense					(690,402)
Profit for the period					2,621,554
Depreciation and amortisation	(81,508)	(19,724)	(11,555)	–	(112,787)
Capital expenditure	(20,603)	(11,060)	(2,446)	–	(34,109)
As at 30 June 2017					
Segment assets	186,959,151	32,234,129	440,490,146	200,519	659,883,945
Segment liabilities	(300,045,022)	(69,551,391)	(245,798,168)	(1,477,791)	(616,872,372)
Supplementary information					
Credit commitments	53,180,590	1,703,259	–	–	54,883,849

## Notes to Condensed Consolidated Financial Statements

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### 5. NET INTEREST INCOME

	Six months ended 30 June	
	2018	2017
Interest income:		
Loans and advances to customers, including:		
Corporate loans and advances	4,962,236	4,335,826
Personal loans and advances	900,864	889,237
Discounted bills	90,757	44,745
Finance lease	286,554	44,279
Balances with central bank	413,284	419,228
Deposits with banks and other financial institutions	127,224	312,132
Placements with banks and other financial institutions	325,013	326,187
Financial assets held under resale agreements	134,771	364,385
Investments, including:		
Bond investments	–	1,891,231
Other investments classified as receivables*	–	4,653,044
Debt instruments at FVTOCI	978,138	–
Debt instruments at amortised costs	4,484,420	–
Subtotal	12,703,261	13,280,294
Interest expense:		
Borrowings from central bank	(165,415)	(6,444)
Deposits from banks and other financial institutions	(1,492,967)	(2,025,574)
Placements from banks	(319,838)	(204,035)
Financial assets sold under repurchase agreements	(506,403)	(1,000,985)
Due to customers	(4,935,203)	(4,382,877)
Debt securities issued	(3,317,498)	(1,361,102)
Subtotal	(10,737,324)	(8,981,017)
Net interest income	1,965,937	4,299,277
Including: Interest income on impaired financial assets	49,893	40,308

\* Other investments classified as receivables include trust beneficiary rights, wealth management products and asset management plans.

## Notes to Condensed Consolidated Financial Statements

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### 6. INVESTMENT INCOME

	Six months ended 30 June	
	2018	2017
Investment income from financial assets at fair value through profit or loss	2,776,471	–

Investment income includes income from trust beneficiary rights, wealth management products and asset management plans measured at FVTPL.

### 7. FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2018	2017
Fee and commission income		
Wealth management service fees	526,346	672,417
Consultancy fees	118,008	108,224
Acceptance and guarantee commitment fees	36,487	100,884
Agency commissions and fiduciary service fees	158,743	100,448
Settlement and clearing fees	91,081	83,995
Bank card fees	18,275	11,991
Others	2,583	2,857
Total	951,523	1,080,816

### 8. OTHER INCOME, GAINS OR LOSSES

	Six months ended 30 June	
	2018	2017
Dividend income	–	5,000
Government subsidies	1,927	533
Exchange differences	(8,579)	(2,659)
Rental income	2,760	1,428
Others	(11,982)	(3,144)
Total	(15,874)	1,158

## Notes to Condensed Consolidated Financial Statements

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### 9. OPERATING EXPENSES

	Note	Six months ended 30 June	
		2018	2017
Staff costs	(1)	935,063	932,025
Office expenses		101,133	58,100
Rental and property management expenses		212,642	148,645
Other general and administrative expenses		140,637	97,651
Sundry taxes		60,250	49,215
Depreciation		72,916	71,271
Amortisation		50,109	41,516
Others		-	109
<b>Total</b>		<b>1,572,750</b>	<b>1,398,532</b>

Note:

(1) Staff costs

	Six months ended 30 June	
	2018	2017
Salaries, bonuses and allowances	661,621	701,609
Social insurance	129,491	98,507
Housing funds	56,871	44,513
Staff welfare	24,767	11,324
Labor union fees and staff education expenses	17,002	15,208
Contribution to annuity schemes	45,311	60,864
<b>Total</b>	<b>935,063</b>	<b>932,025</b>

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 10. IMPAIRMENT LOSSES, NET OF REVERSALS

	Six months ended 30 June	
	2018	2017
Loans and advances to customers (Note 22)	1,448,978	472,488
Deposits with banks and other financial institutions (Note 15)	(773)	–
Placements with banks and other financial institutions (Note 16)	(2,152)	–
Financial assets held under resale agreements (Note 18)	(592)	(39,250)
Investments classified as receivables	–	216,221
Debt instruments at amortised costs (Note 23)	(578,390)	–
Financial assets at fair value through other comprehensive income	7,000	–
Off-balance sheet credit commitments	(125,121)	(80,842)
Total	748,950	568,617

### 11. INCOME TAX EXPENSE

	Six months ended 30 June	
	2018	2017
Income tax expense comprises:		
Current income tax	851,551	799,677
Deferred tax (note 28)	(79,979)	(109,275)
Total	771,572	690,402

Current PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit during the period.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 11. INCOME TAX EXPENSE *(Continued)*

The tax charge for the period can be reconciled to profit before tax per the consolidated statement of profit or loss as follows:

	Six months ended 30 June	
	2018	2017
Profit before tax	3,636,565	3,311,956
Tax calculated at applicable statutory tax rate of 25%	909,141	827,989
Underprovision of tax in prior years	11,963	3,687
Tax effect of expenses not deductible for tax purpose	437	15,189
Tax effect of income not taxable for tax purpose (1)	(149,969)	(156,463)
Income tax expense	771,572	690,402

Note:

- (1) The income not taxable for tax purpose mainly represents interest income arising from government bonds, which is income tax free in accordance with the PRC tax regulations.

### 12. EARNINGS PER SHARE

The calculation of basic and diluted earnings per share attributable to owners of the Bank is as follows:

	Six months ended 30 June	
	2018	2017
Earnings:		
Profit for the period attributable to equity holders of the Bank for the purpose of basic and diluted earnings per share	2,840,472	2,615,997
Numbers of shares:		
Weighted average number of shares in issue for the purpose of basic and diluted earnings per share (in thousand)	6,070,552	6,070,552
Basic earnings per share (RMB Yuan)	0.47	0.43

No diluted earnings per share has been presented for the six month ended 30 June 2018 and 2017 as the Group had no potential ordinary shares in issue during the periods.

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### 13. DIVIDENDS

	Notes	Six months ended 30 June	
		2018	2017
2016 Final Dividend	(1)	–	1,214,110
2017 Final Dividend	(2)	1,092,699	–

Notes:

- (1) A final dividend of RMB20 cents per share (tax inclusive) in respect of the year ended 31 December 2016 amounting in a total of RMB1,214 million was proposed by the Board of Directors and approved by the 2016 annual general meeting on 12 May 2017.
- (2) A final dividend of RMB18 cents per share (tax inclusive) in respect of the year ended 31 December 2017 amounting in a total of RMB1,093 million was proposed by the Board of Directors and approved by the 2017 annual general meeting on 11 May 2018.

### 14. CASH AND BALANCES WITH CENTRAL BANK

	Notes	As at	As at
		30 June	31 December
		2018	2017
Cash		679,108	638,816
Mandatory reserve deposits	(1)	45,671,464	48,068,146
Surplus reserve deposits	(2)	11,516,811	8,659,021
Other deposits	(3)	24,513	6,483
<b>Total</b>		<b>57,891,896</b>	<b>57,372,466</b>

Notes:

- (1) The Group places mandatory reserve deposits with the People's Bank of China ("PBoC"). This includes RMB reserve deposits and foreign currency reserve deposits. These mandatory reserve funds are not available for the Group's daily operations.
- (2) The surplus reserve deposits are maintained with the PBoC mainly for the purpose of clearing.
- (3) Other deposits mainly represent the required fiscal deposits placed with the PBoC, which are non-interest bearing.



## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 15. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2018	As at 31 December 2017
Deposits with:		
Banks and other financial institutions in Mainland China	3,324,482	6,795,951
Banks outside Mainland China	573,445	1,207,908
Allowance for impairment losses	(1,719)	–
<b>Total</b>	<b>3,896,208</b>	<b>8,003,859</b>

Movements of allowance on deposits with banks and other financial institutions are as follows:

	As at 30 June 2018
At 31 December 2017	–
Charge to retained earnings on adoption of IFRS 9	2,492
Reversals for the period (Note 10)	(773)
<b>At 30 June 2018</b>	<b>1,719</b>

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

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### 16. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2018	As at 31 December 2017
Placements with:		
Banks in Mainland China	4,377,914	10,768,362
Other financial institutions in Mainland China	12,911,924	1,526,645
Allowance for impairment losses	(6,267)	–
<b>Total</b>	<b>17,283,571</b>	<b>12,295,007</b>

Movements of allowance on placements with banks and other financial institutions are as follows:

	As at 30 June 2018
At 31 December 2017	–
Charge to retained earnings on adoption of IFRS 9	8,419
Reversals for the period (Note 10)	(2,152)
<b>At 30 June 2018</b>	<b>6,267</b>

### 17. FINANCIAL ASSETS HELD FOR TRADING

	As at 30 June 2018	As at 31 December 2017
Listed debt securities issued by:		
Government	–	1,785,329
Financial institutions – Policy banks	–	1,830,279
Corporations	–	2,104,490
<b>Total</b>	<b>–</b>	<b>5,720,098</b>

## Notes to Condensed Consolidated Financial Statements

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### 18. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

Analysed by counterparties:

	As at 30 June 2018	As at 31 December 2017
Banks in Mainland China	3,336,600	9,452,740
Other financial institutions in Mainland China	801,800	140,960
Subtotal	4,138,400	9,593,700
Less: Allowance for impairment losses	(238,358)	(236,864)
Total	3,900,042	9,356,836

(1) Movements of allowance on financial assets held under resale agreements are as follows:

	As at 30 June 2018
At 31 December 2017	236,864
Charge to retained earnings on adoption of IFRS9	2,086
Reversals for the period (Note 10)	(592)
At 30 June 2018	238,358

(2) Analysed by collateral type:

	As at 30 June 2018	As at 31 December 2017
Bills	993,500	993,500
Bonds	3,144,900	8,600,200
Subtotal	4,138,400	9,593,700
Less: Allowance for impairment losses	(238,358)	(236,864)
Total	3,900,042	9,356,836

## Notes to Condensed Consolidated Financial Statements

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### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Note	As at 30 June 2018	As at 31 December 2017
Investment securities:			
Government bonds		565,917	–
Financial institution bonds			
– Policy banks bonds		2,026,144	–
– Commercial banks and other financial institutions		995,965	–
Asset-backed securities		4,925,354	–
Corporate bonds		258,655	–
Wealth management products	(1)	16,973,563	–
Asset management plans	(2)	37,573,888	–
Trust beneficiary rights	(3)	27,347,167	–
Funds		1,794,207	–
<b>Total</b>		<b>92,460,860</b>	<b>–</b>

Notes:

- (1) Wealth management products were issued by other commercial banks.
- (2) Asset management plans refer to designated asset management plans managed by securities companies for the Bank and mainly invested in corporate loans.
- (3) Trust beneficiary rights refer to beneficial right of trust plans that mainly invested in corporate loans.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
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### 20. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	As at 30 June 2018	As at 31 December 2017
Listed debt securities issued by:		
Government	–	9,954,663
Financial institutions		
– Policy banks	–	14,443,340
– Commercial banks and other financial institutions	–	6,494,718
Corporations	–	2,215,986
Subtotal	–	33,108,707
Listed funds	–	3,103,639
Unlisted equity instruments (1)	–	58,600
Total	–	36,270,946

Note:

- (1) The unlisted equity instruments are measured at cost less impairment because their fair values cannot be reliably measured.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

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### 21. DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2018	As at 31 December 2017
Debt securities issued by:		
Government	11,708,757	–
Financial institutions		
– Policy banks	18,583,203	–
– Commercial banks and other financial institutions	5,286,663	–
Corporations	16,087,027	–
Total	51,665,650	–

Movements of allowance on debt instruments at FVTOCI are as follows:

	As at 30 June 2018
Loss allowance as at 31 December 2017	–
Charge to retained earnings on adoption of IFRS9	20,781
Charge for the period	4,164
Loss allowance as at 30 June 2018	24,945

### 22. LOANS AND ADVANCES TO CUSTOMERS

	Note	As at 30 June 2018	As at 31 December 2017
Loans and advances to customers at amortised cost	(i)	238,230,157	248,880,704
Allowance for impairment losses	(ii)	(9,424,877)	(7,243,455)
Subtotal		228,805,280	241,637,249
Loans and advances to customers at FVTOCI		5,310,153	–
Total loans and advances to customers		234,115,433	241,637,249

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For the six months ended June 30, 2018  
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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

Note:

(i) Loans and advances to customers at amortised cost

	As at 30 June 2018	As at 31 December 2017
Corporate loans and advances		
– Loans	186,587,621	202,547,230
– Discounted bills	3,598,132	3,242,417
– Finance lease receivable	9,943,442	8,711,837
Subtotal	200,129,195	214,501,484
Retail loans and advances		
– Residential mortgage loans	22,656,653	21,286,213
– Personal loans for consumption	11,300,984	8,792,989
– Personal loans for business purposes	3,542,250	3,815,821
– Credit card	601,075	484,197
Subtotal	38,100,962	34,379,220
Gross loans and advances to customers	238,230,157	248,880,704
Allowance for impairment losses	(9,424,877)	(7,243,455)
Including: Individually assessed	–	(1,587,798)
Collectively assessed	–	(5,655,657)
12m ECL	(3,457,076)	–
Lifetime ECL	(5,967,801)	–
Loans and advances to customers, net	228,805,280	241,637,249

## Notes to Condensed Consolidated Financial Statements

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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

(ii) Movements of allowance on loans and advances to customers amortised cost are as follows:

	Total		
Loss allowance as at 31 December 2017			7,243,455
Charge to retained earnings on adoption of IFRS9			723,018
Loss allowance as at 1 January 2018			7,966,473
Charge for the period (Note 10)			2,854,682
Reversal for the period (Note 10)			(1,405,704)
Recovery after write-off			59,319
Unwinding of discount on allowance			(49,893)
Loss allowance as at 30 June 2018			<b>9,424,877</b>
	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2017	1,499,610	4,646,572	6,146,182
Charge for the period	548,849	2,538,459	3,087,308
Reversal for the period	(298,136)	(1,450,577)	(1,748,713)
Write-off	(205,714)	(92,936)	(298,650)
Recovery after write-off	121,919	14,139	136,058
Unwinding of discount on allowance	(78,730)	-	(78,730)
As at 31 December 2017	1,587,798	5,655,657	7,243,455



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### 22. LOANS AND ADVANCES TO CUSTOMERS (Continued)

**(1) The composition of the contractual amount of loans and advances to customers by industry is analysed as follows:**

	As at 30 June, 2018			As at 31 December, 2017		
	Amount	% of total	Secured by collateral	Amount	% of total	Secured by collateral
Corporate loans and advances						
A- Farming, forestry, animal husbandry and fishery	894,200	0.4	310,300	790,780	0.3	389,480
B- Mining	883,141	0.4	48,350	1,491,602	0.6	347,230
C- Manufacturing	42,384,866	17.3	6,541,538	51,970,716	21.0	10,219,667
D- Production and supply of electricity, gas and water	3,590,897	1.5	1,445,580	3,941,133	1.6	1,619,380
E- Construction	21,759,366	8.9	5,861,801	24,366,195	9.8	9,602,308
F- Retail and wholesale	34,104,711	14.0	11,549,939	39,572,818	15.9	13,414,846
G- Transportation, logistics and postal services	5,601,900	2.3	1,004,283	6,607,507	2.7	1,244,567
H- Accommodation and food services	1,018,205	0.4	911,905	1,231,573	0.5	849,905
I - Information transmission, computer services and software	1,962,758	0.8	550,657	2,542,759	1.0	810,942
J- Financial services	3,814,741	1.6	318,500	3,069,500	1.2	934,500
K- Real estate	31,606,888	13.0	21,118,980	24,471,933	9.8	14,629,187
L- Leasing and commercial services	27,612,347	11.3	6,507,198	20,649,274	8.3	4,552,279
M- Scientific research, technical services	448,172	0.2	191,628	1,413,129	0.6	581,478
N- Water, environment and public utilities management	17,016,190	7.0	6,349,755	23,424,268	9.4	5,907,101
O- Resident services and other services	2,259,569	0.9	1,352,569	3,775,170	1.5	3,257,970
P- Education	146,880	0.1	50,000	88,000	-	-
Q- Health, social security and welfare	421,227	0.2	12,391	257,827	0.1	13,029
R- Culture, sports and entertainment	785,005	0.3	405,005	530,883	0.2	150,883
S- Public administration and social organizations	220,000	0.1	160,000	1,064,000	0.4	1,004,000
Discounted bills	8,908,285	3.7	8,908,285	3,242,417	1.3	3,242,417
Subtotal	205,439,348	84.4	73,598,664	214,501,484	86.2	72,771,169
Personal loans and advances	38,100,962	15.6	27,284,263	34,379,220	13.8	27,260,255
Gross amount of loans and advances to customers	243,540,310	100.0	100,882,927	248,880,704	100.0	100,031,424

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For the six months ended June 30, 2018

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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

**(2) The composition of the contractual amount of loans and advances to customers by region is analysed as follows:**

	As at 30 June, 2018		As at 31 December, 2017	
	Gross amount of loans and advances to customers	%	Gross amount of loans and advances to customers	%
Tianjin	120,511,511	49.48	125,408,476	50.38
Beijing	16,645,693	6.83	18,782,305	7.55
Shandong	33,330,447	13.69	34,908,482	14.03
Shanghai	27,239,459	11.18	25,045,542	10.06
Hebei	27,849,170	11.44	29,063,669	11.68
Sichuan	16,989,642	6.98	14,778,527	5.94
Ningxia	974,388	0.40	893,703	0.36
Total	243,540,310	100.00	248,880,704	100.00

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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

**(3) The composition of the contractual amount of loans and advances to customers by contractual maturity and collateral type is analysed as follows:**

	As at 30 June, 2018			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Unsecured loans	17,899,301	13,641,093	1,797,573	33,337,967
Guaranteed loans	66,015,720	37,652,330	5,651,366	109,319,416
Collateralized loans	17,355,894	22,305,068	27,863,981	67,524,943
Pledged loans	26,009,571	6,952,527	395,886	33,357,984
<b>Total</b>	<b>127,280,486</b>	<b>80,551,018</b>	<b>35,708,806</b>	<b>243,540,310</b>

	As at 30 June, 2018			Total
	Less than 1 year	1 to 5 years	More than 5 years	
Unsecured loans	19,579,178	11,871,209	1,734,801	33,185,188
Guaranteed loans	71,453,578	36,699,250	6,277,087	114,429,915
Collateralized loans	20,009,661	14,823,205	26,768,959	61,601,825
Pledged loans	23,813,631	15,453,614	396,531	39,663,776
<b>Total</b>	<b>134,856,048</b>	<b>78,847,278</b>	<b>35,177,378</b>	<b>248,880,704</b>

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

#### (4) Past due loans at contractual amount

	As at 30 June, 2018				Total
	Up to 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	
Unsecured loans	13,297	59,835	55,541	20,000	148,673
Guaranteed loans	3,614,908	599,734	1,730,121	288,094	6,232,857
Collateralized loans	665,429	308,797	823,491	78,102	1,875,819
Pledged loans	92,373	–	87,850	6,647	186,870
<b>Total</b>	<b>4,386,007</b>	<b>968,366</b>	<b>2,697,003</b>	<b>392,843</b>	<b>8,444,219</b>
Percentage of total gross loans and advances to customers	1.80%	0.40%	1.11%	0.16%	3.47%

	As at December 31, 2017				Total
	Up to 90 days	90 days to 1 year	1 year to 3 years	Over 3 years	
Unsecured loans	15,784	33,716	50,945	20,000	120,445
Guaranteed loans	1,598,289	1,511,408	1,250,011	147,328	4,507,036
Collateralized loans	478,850	639,302	694,890	59,090	1,872,132
Pledged loans	99,500	23,000	176,618	1,879	300,997
<b>Total</b>	<b>2,192,423</b>	<b>2,207,426</b>	<b>2,172,464</b>	<b>228,297</b>	<b>6,800,610</b>
Percentage of total gross loans and advances to customers	0.88%	0.89%	0.87%	0.09%	2.73%

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### 22. LOANS AND ADVANCES TO CUSTOMERS *(Continued)*

#### (5) Rescheduled loans and advances

Rescheduled loans and advances arise from rescheduling or deferring the repayment terms. Rescheduled loans and advances are under continuous monitoring by the Group.

Contractual amount of rescheduled loans and advances for the Group as at 30 June 2018 amounted to RMB639 million (31 December 2017: RMB701 million), among which loans and advances overdue for more than 90 days (before rescheduling) amounted to RMB99 million (31 December 2017: RMB94 million).

### 23. DEBT INSTRUMENTS AT AMORTISED COST

	As at 30 June 2018	As at 31 December 2017
Government bonds	24,120,699	–
Certificate government bonds	432,425	–
Financial institution bonds		
– Policy banks bonds	18,985,745	–
– Commercial banks and other financial institutions	415,000	–
Asset-backed securities	20,278,928	–
Corporate bonds	12,359,052	–
Wealth management products	1,045,758	–
Asset management plans	58,745,983	–
Trust beneficiary rights	41,524,089	–
Subtotal	177,907,679	–
Allowance for impairment losses	(1,279,247)	–
Including: 12m ECL	(682,767)	–
Lifetime ECL	(596,480)	–
Total	176,628,432	–

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### 23. DEBT INSTRUMENTS AT AMORTISED COST *(Continued)*

Movements of allowance on debt instruments at amortised cost are as follows:

	As at 30 June 2018
Loss allowance as at 31 December 2017	–
Reclassification from investments classified as receivables	1,732,137
Charge to retained earnings on adoption of IFRS9	125,500
Loss allowance as at 1 January 2018	1,857,637
Charge for the period (note 10)	78,425
Reversal for the period (note 10)	(656,815)
Loss allowance as at 30 June 2018	1,279,247

### 24. HELD-TO-MATURITY INVESTMENTS

	As at 30 June 2018	As at 31 December 2017
Listed debt securities issued by:		
Government	–	25,547,504
Financial institutions		
– Policy banks	–	22,875,771
– Commercial banks and other financial institutions	–	700,000
Total	–	49,123,275

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### 25. INVESTMENTS CLASSIFIED AS RECEIVABLES

	As at 30 June 2018	As at 31 December 2017
Government bonds	–	1,838,000
Certificate government bonds	–	291,960
Financial institution bonds		
– Commercial banks and other financial institutions	–	134,891
Asset-backed securities	–	19,850,680
Corporate bonds	–	17,745,016
Wealth management products	–	67,924,624
Asset management plans	–	81,347,831
Trust beneficiary rights	–	84,937,452
Subtotal	–	274,070,454
Allowance for impairment losses	–	(1,732,138)
Including: Individually assessed	–	(778,736)
Collectively assessed	–	(953,402)
Total, unlisted	–	272,338,316

Movements of allowance on investments classified as receivable are as follows:

	Individually assessed allowance	Collectively assessed allowance	Total
As at 1 January 2017	62,084	634,512	696,596
Charge for the year	716,652	318,890	1,035,542
As at 31 December 2017	778,736	953,402	1,732,138

## Notes to Condensed Consolidated Financial Statements

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### 26. INTERESTS IN ASSOCIATES

The balance of interests in associates is as follows:

	As at 30 June 2018	As at 31 December 2017
Unlisted shares, at cost	223,000	223,000
Share of post-acquisition profits and other comprehensive income	(21,771)	(19,137)
Total	201,229	203,863

### 27. PROPERTY AND EQUIPMENT

During the six months ended 30 June 2018, the Group acquired construction in progress of RMB25 million (six months ended 30 June 2017: RMB18 million) and equipment of RMB83 million (six months ended 30 June 2017 RMB12 million). Moreover, construction of progress of RMB27 million (six months ended 30 June 2017: Nil) was transferred to buildings upon completion of the construction during the six months ended 30 June 2018.



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### 28. DEFERRED TAXATION

The followings are the major deferred tax assets and liabilities recognised and movements thereon:

	Allowance for impairment losses	Accrued salaries, bonuses and allowances	Liabilities related to off-balance sheet credit commitments	Fair value changes of FVTOCI	Fair value changes of FVTPL	Others	Total
As at 1 January 2017	1,232,358	205,952	183,064	71,881	2,159	2,634	1,698,048
Credit/(charge) to profit or loss	432,391	(28,458)	(36,833)	-	36,846	15,487	419,433
Credit to other comprehensive income	-	-	-	120,024	-	-	120,024
As at 31 December 2017	1,664,749	177,494	146,231	191,905	39,005	18,121	2,237,505
Charge to retained earnings on adoption of IFRS 9	215,380	-	66,090	4,534	10,578	-	296,582
As at 1 January 2018	1,880,129	177,494	212,321	196,439	49,583	18,121	2,534,087
Credit/(charge) to profit or loss (Note 11)	215,160	(24,739)	(31,280)	-	(78,444)	(718)	79,979
Charge to other comprehensive income	-	-	-	(116,953)	-	-	(116,953)
As at 30 June 2018	2,095,289	152,755	181,041	79,486	(28,861)	17,403	2,497,113

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### 29. OTHER ASSETS

	As at 30 June 2018	As at 31 December 2017
Interest receivables	5,710,836	4,373,366
Other receivables	822,175	290,137
Repossessed assets	788,419	670,761
Prepaid expenses	244,220	210,153
Intangible assets	103,504	104,580
Land use rights	50,248	51,344
<b>Total</b>	<b>7,719,402</b>	<b>5,700,341</b>

### 30. BORROWINGS FROM CENTRAL BANK

	As at 30 June 2018	As at 31 December 2017
Agricultural re-lending	20,000	5,000
Medium-term lending facility	12,000,000	7,500,000
<b>Total</b>	<b>12,020,000</b>	<b>7,505,000</b>

### 31. DEPOSITS FROM BANKS AND OTHER FINANCIAL INSTITUTIONS

	As at 30 June 2018	As at 31 December 2017
Banks in Mainland China	16,938,179	47,344,541
Other financial institutions in Mainland China	9,085,584	29,691,827
<b>Total</b>	<b>26,023,763</b>	<b>77,036,368</b>

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### 32. PLACEMENTS FROM BANKS

	As at 30 June 2018	As at 31 December 2017
Banks in Mainland China	20,641,251	22,719,415
Other financial institutions in Mainland China	500,000	–
Banks outside Mainland China	831,457	–
Total	21,972,708	22,719,415

### 33. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

Analysed by counterparties:

	As at 30 June 2018	As at 31 December 2017
Banks in Mainland China	28,670,880	29,962,447
Other financial institutions in Mainland China	6,697,080	20,733,950
Total	35,367,960	50,696,397

The repurchase agreements were collateralized by bonds as at 30 June 2018 and 31 December 2017.

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### 34. DUE TO CUSTOMERS

	As at 30 June 2018	As at 31 December 2017
Demand deposits		
Corporate customers	166,387,652	182,502,602
Individual customers	17,453,962	17,163,401
Time deposits		
Corporate customers	88,447,611	92,825,491
Individual customers	47,554,749	45,717,796
Pledged deposits (1)	16,303,336	19,486,797
Others	181,522	161,548
<b>Total</b>	<b>336,328,832</b>	<b>357,857,635</b>

(1) Pledged deposits analysed by products for which deposits are required:

	As at 30 June 2018	As at 31 December 2017
Acceptances	8,114,978	8,941,058
Guarantees	5,418,192	5,160,517
Letters of guarantee	227,936	2,234,769
Letters of credit	2,272,231	2,953,962
Others	269,999	196,491
<b>Total</b>	<b>16,303,336</b>	<b>19,486,797</b>

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### 35. DEBT SECURITIES ISSUED

	Note	As at 30 June 2018	As at 31 December 2017
12 Tianjin Bank bonds 01	(1)	1,500,000	1,500,000
12 Tianjin Bank bonds 02	(2)	1,199,076	1,198,986
15 Tianjin Bank bonds 01	(3)	–	2,499,365
15 Tianjin Bank bonds 02	(4)	–	2,499,305
15 Tianjin Bank bonds	(5)	4,994,894	4,993,797
18 Tianjin Bank bonds	(6)	9,987,807	–
18 Tianjin Bank bonds 01	(7)	10,000,000	–
18 Tianjin Bank bonds 02	(8)	6,000,000	–
Tianjin Bank negotiable certificates of deposit	(9)	116,903,184	105,996,862
<b>Total</b>		<b>150,584,961</b>	<b>118,688,315</b>

- (1) The 10 year fixed-rate subordinated bonds were issued on 27 December 2012 by the Bank at a face value of RMB1.5 billion with a fixed coupon rate of 5.90% per annum, payable annually. The Bank has an option to redeem all of the bonds at face value on the last day of the fifth year. The Bank did not exercise this option and the interest rate remained at 5.90% per annum.
- (2) The 15 year fixed-rate subordinated bonds were issued on 27 December 2012 by the Bank at a face value of RMB1.2 billion with a fixed coupon rate of 5.99% per annum, payable annually. The Bank has an option to redeem all of the bonds at face value on the last day of the tenth year. If no early redemption is exercised, the interested rate will remain at 5.99% per annum.
- (3) The 3 year fixed-rate financial bonds were issued on 11 May 2015 by the Bank at a face value of RMB2.5 billion with a fixed coupon rate of 4.64% per annum, payable annually. This financial bond matured and paid in the first half of the year.
- (4) The 3 year fixed-rate financial bonds were issued on 22 May 2015 by the Bank at a face value of RMB2.5 billion with a fixed coupon rate of 4.27% per annum, payable annually. This financial bond matured and paid in the first half of the year.
- (5) The 10 year fixed-rate tier-two capital bonds were issued on 21 August 2015 by the Bank at a face value of RMB5.0 billion with a fixed coupon rate of 5% per annum, payable annually. The Bank has an option to redeem part or all of the bonds at face value on the last day of the fifth year if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. If no early redemption is exercised, the interest rate will remain at 5% per annum. The tier-two capital bonds have write-down feature of a tier-two capital instrument, which allows the Bank to write down the entire principal of the bonds when regulatory triggering events as stipulated in the offering documents occur and any accumulated unpaid interest would become not payable. These tier-two capital bonds are qualified as tier-two capital instruments in accordance with the CBIRC requirements.

## Notes to Condensed Consolidated Financial Statements

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### 35. DEBT SECURITIES ISSUED (Continued)

- (6) The 10 year fixed-rate tier-two capital bonds were issued on 22 January 2018 by the Bank at a face value of RMB10.0 billion with a fixed coupon rate of 4.80% per annum, payable annually. The Bank has an option to redeem part or all of the bonds at face value on the last day of the fifth year if specified redemption conditions as stipulated in the offering documents were met, subject to regulatory approval. If no early redemption is exercised, the interest rate will remain at 4.80% per annum. The tier-two capital bonds have the write-down feature of a tier-two capital instrument, which allows the Bank to write down the entire principal of the bonds when regulatory triggering events as stipulated in the offering documents occur and any accumulated unpaid interest would become not payable. These tier-two capital bonds are qualified as tier-two capital instruments in accordance with the CBIRC requirements.
- (7) The 3 year fixed-rate financial bonds were issued on 26 April 2018 by the Bank at a face value of RMB10.0 billion with a fixed coupon rate of 4.70% per annum, payable annually.
- (8) The 3 year fixed-rate financial bonds were issued on 20 June 2018 by the Bank at a face value of RMB6.0 billion with a fixed coupon rate of 4.90% per annum, payable annually.
- (9) The Bank issued a series of 1-month to 1-year negotiable certificates of deposit (CD) at a discount during the period, and the reference interest rates ranging from 3.85%-5.17% (2017:4.10%-5.20%) per annum, payable at maturity.

### 36. OTHER LIABILITIES

	Note	As at 30 June 2018	As at 31 December 2017
Interest payables		8,246,345	8,948,936
Other payables	(1)	4,927,535	9,796,382
Settlement payable		5,462,475	1,648,634
Salaries payable	(2)	696,307	797,848
Provision	(3)	724,164	584,923
Dividends payable		819,886	46,941
Sundry taxes payable		189,379	195,873
<b>Total</b>		<b>21,066,091</b>	<b>22,019,537</b>

- (1) Other payables included funds received for the non-principal-guaranteed wealth management products sponsored by the Bank that commenced after period end date, amounting to RMB4,078 million (31 December 2017: RMB9,321 million), as at 30 June 2018.
- (2) Salaries payables included the Group's obligations in respect of the early retirement benefits, amounting to RMB41 million (31 December 2017: RMB47 million) as at 30 June 2018, estimated based on the projected unit credit actuarial cost method.

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### 36. OTHER LIABILITIES *(Continued)*

- (3) Provision refers to the allowance made on exposure relating to off balance sheet credit commitments and litigation. Provision in relation to litigations is RMB206 million (31 December 2017: RMB206 million) as at 30 June 2018, the rest is in relation to off-balance credit commitments. Movements of provision are as follows:

	As at 30 June 2018	As at 31 December 2017
At beginning of the period	584,923	732,257
Charge to retained earnings on adoption of IFRS 9	264,361	–
Charge for the period/year	419,168	328,591
Reversal for the period/year	(544,288)	(475,925)
At end of the period	724,164	584,923

### 37. CASH AND CASH EQUIVALENTS

- (1) **Cash and cash equivalents include the following balances with an original maturity of less than or equal to three months:**

	As at 30 June 2018	As at 31 December 2017
Cash	679,108	688,243
Balances with central bank	11,516,811	8,134,595
Deposits with banks and other financial institutions	3,727,929	3,356,208
Placements with banks and other financial institutions	1,911,923	2,718,446
Financial assets held under resale agreements	3,900,042	18,253,790
Total	21,735,813	33,151,282

## Notes to Condensed Consolidated Financial Statements

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### 38. STRUCTURED ENTITIES

#### 38.1 Consolidated structured entities

The consolidated structured entities of the Group mainly include principal-guaranteed wealth management products sponsored by the Bank. As at 30 June 2018, the amount of assets held by the consolidated principal-guaranteed wealth management products sponsored by the Bank amounted to RMB31,294 million (31 December 2017: RMB23,949 million).

#### 38.2 Unconsolidated structured entities

##### (1) Structured entities sponsored by third party institutions in which the Bank holds interests

The Bank holds interests in these structured entities sponsored by third party institutions through investments in the rights or plans issued relating to these structured entities. The Bank does not consolidate these structured entities. Such structured entities include wealth management products issued by financial institutions, asset management plans, trust beneficiary rights and asset-backed securities.

The following table set out an analysis of the gross carrying amounts of interests held by the Group as at 30 June 2018 in the structured entities sponsored by third party institutions.

	As at 30 June 2018	As at 31 December 2017
Asset-backed securities	25,204,282	19,850,680
Wealth management products	18,019,321	67,924,624
Asset management plans	96,319,871	81,347,831
Trust beneficiary rights	68,871,256	84,937,452
Total	208,414,730	254,060,587

All of these unconsolidated structured entities are recorded in financial assets at fair value through profit or loss and debt investments at amortised costs as at 30 June 2018 (31 December 2017: investments classified as receivables).



## Notes to Condensed Consolidated Financial Statements

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### 38. STRUCTURED ENTITIES *(Continued)*

#### 38.2 Unconsolidated structured entities *(Continued)*

##### **(2) Unconsolidated structured entities sponsored by the Bank in which the Bank holds interests**

The types of unconsolidated structured entities sponsored by the Bank mainly include non-principal-guaranteed wealth management products. The purpose of sponsoring these structured entities is to generate fees from managing assets on behalf of investors. Interests held by the Bank includes fees charged by providing management services to these structured entities.

For the six months ended 30 June 2018, the management fee recognised amounted to RMB490 million (Six months ended 30 June 2017: RMB560 million).

As at 30 June 2018, the total assets of unconsolidated non-principal-guaranteed wealth management products sponsored by the Bank amounted to RMB89,249 million (31 December 2017: RMB96,084 million).

In addition, unconsolidated structured entities sponsored by the Bank also include asset-backed securities.

The Group did not provide any financial or other support to these unconsolidated structured entities during the period/year.

## Notes to Condensed Consolidated Financial Statements

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### 39. RELATED PARTY TRANSACTIONS

**(1) Following major shareholders held more than 5% interest of the Bank and are considered as related parties of the Group:**

	Percentage of shares held	
	As at 30 June 2018	As at 31 December 2017
Tianjin Bonded Zone Investment Co., Ltd.	15.92%	15.92%
Australia and New Zealand Banking Group Limited	11.95%	11.95%
Tianjin Pharmaceutical Holdings Ltd. and its subsidiaries	8.06%	8.06%
Tianjin Bohai Chemical Industry Group Co., Ltd. and its subsidiaries	8.04%	8.04%

***Balances and transactions between the Group and these major shareholders and entities under their control***

During the period/year, the Group had the following material balances and entered into the following material transactions with major shareholders and entities under their control. These transactions were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

	As at 30 June 2018	As at 31 December 2017
Balances at the end of the period/year:		
Assets		
Deposits with banks and other financial institutions	4,367	4,704
Loans and advances to customers	1,953,000	2,600,000
Interest receivable from related parties	3,006	3,621
<b>Total</b>	<b>1,960,373</b>	<b>2,608,325</b>
Liabilities		
Due to customers	664,581	914,651
Interest payable to related parties	172	213
<b>Total</b>	<b>664,753</b>	<b>914,864</b>

## Notes to Condensed Consolidated Financial Statements

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### 39. RELATED PARTY TRANSACTIONS *(Continued)*

#### (1) Following major shareholders held more than 5% interest of the Bank and are considered as related parties of the Group: *(Continued)*

**Balances and transactions between the Group and these major shareholders and entities under their control** *(Continued)*

	Six months ended 30 June	
	2018	2017
Transactions during the period:		
Interest income	128,564	23,413
Interest expense	11,139	3,982
Interest rate ranges during the period:		
Deposits with banks and other financial institutions	–	–
Loans and advances to customers	4.35%~7.00%	4.35%~5.50%
Due to customers	0.35%~4.70%	0.05%~1.32%

#### (2) Other related parties

Other related parties can be individuals or enterprises, which include: members of the Board of Directors, the senior management and close family members of such individuals; entities (and their subsidiaries) controlled or jointly controlled by members of the Board of Directors, the senior management, and close family members of such individuals. Transactions with other related parties were entered into in the normal course of business, with pricing policies consistent with those transactions conducted with independent third parties.

## Notes to Condensed Consolidated Financial Statements

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### 39. RELATED PARTY TRANSACTIONS (Continued)

#### (2) Other related parties (Continued)

##### Balances and transactions with other related parties

	As at 30 June 2018	As at 31 December 2017
Balances at the end of the year:		
Assets		
Loans and advances to customers	269,000	–
Interest receivable from related parties	377	–
<b>Total</b>	<b>269,377</b>	<b>–</b>
Liabilities		
Deposits from banks and other financial institutions	568,346	591,393
Due to customers	19,675	50,000
Interest payable from related parties	2,101	1,112
<b>Total</b>	<b>590,122</b>	<b>642,505</b>
Six months ended 30 June		
	2018	2017
Transactions during the period:		
Interest income	10,121	–
Interest expense	5,785	104
Interest rate range during the period:		
Loans and advances to customers	4.99%~5.51%	–
Deposit from banks and other financial institutions	0.35%~5.30%	0.35%~5.30%
Due to customers	2.20%~4.10%	–

## Notes to Condensed Consolidated Financial Statements

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### 39. RELATED PARTY TRANSACTIONS *(Continued)*

#### (3) Key management personnel

Key management personnel include directors, supervisors and senior management team members.

No major transactions have been entered into with the key management personnel during the six months ended 30 June 2018 other than the emoluments paid to them (being the key management personnel compensation).

	Six months ended 30 June	
	2018	2017
Fees	720	579
Basic salaries, bonuses and allowances	1,438	1,331
Contribution to pension schemes	569	726
Total	2,727	2,636

#### (4) Annuity schemes

Contribution to annuity schemes are disclosed in note 9 to the condensed consolidated financial statements.

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### 40. CONTINGENT LIABILITIES AND COMMITMENTS

#### Legal proceedings

The Bank and its subsidiaries, as defendants, are involved in certain lawsuits arising from its normal business operations. As at 30 June 2018, the Group has assessed and measured the impact of those significant pending lawsuits and recognised reasonable amount of provisions (refer to Note 36).

#### Capital commitments

	As at 30 June 2018	As at 31 December 2017
Contracted but not provided for – commitments for the acquisition of property and equipment	275,573	156,338

#### Operating lease commitments

At the end of the period/year, the Group had the following non-cancellable operating lease commitments as lessee with fixed lease term and lease payment:

	As at 30 June 2018	As at 31 December 2017
Within 1 year	305,368	297,903
1 to 5 years	772,109	755,848
Over 5 years	260,899	318,895
<b>Total</b>	<b>1,338,376</b>	<b>1,372,646</b>

## Notes to Condensed Consolidated Financial Statements

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### 40. CONTINGENT LIABILITIES AND COMMITMENTS *(Continued)*

#### Credit commitments

	As at 30 June 2018	As at 31 December 2017
Acceptances	27,807,742	29,021,385
Undrawn credit card limit	2,057,663	1,799,981
Letters of credit issued	8,322,393	8,557,033
Letters of guarantee	3,598,928	6,272,432
Undrawn corporate loans limit	26,087,714	19,779,377
Corporate loans credit commitments	80,000	80,000
<b>Total</b>	<b>67,954,440</b>	<b>65,510,208</b>

Credit commitments represent general facility limits granted to customers. These credit facilities may be drawn in the form of loans and advances or through the issuance of letters of credit, acceptances or letters of guarantee.

#### Redemption commitments of government bond

The Bank is authorized by the Ministry of Finance to underwrite certificate government bonds and e-saving bonds. The investors of these bonds can redeem before maturity date and the Bank has the obligation to pay the principal and related interests to investors.

As at 30 June 2018, the principal balance of certificate government bonds which the Bank had an obligation to pay in advance amounted to RMB2,173 million (31 December 2017: RMB2,144 million), and the principal balance of e-saving bonds amounted to RMB2,347 million (31 December 2017: RMB2,371 million). The original term of these bonds is from 1 to 5 years.

The Ministry of Finance does not pay the principal and interest of the certificate government bonds before the expiry date, but pays the principal and interest of the e-savings bonds on a regular basis based on the payment approach for the e-savings bonds.

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### 41. FIDUCIARY ACTIVITIES

The Group commonly acts as asset manager or in other fiduciary capacities, that results in it holding or managing assets on behalf of individuals or corporations. These assets and any gains or losses arising thereon are not included in the financial statements of the Group as they are not the Group's assets.

As at 30 June 2018, the entrusted loans balance of the Group amounted to RMB41,883 million (31 December 2017: RMB44,599 million).

As at 30 June 2018, the balance of the non-principal-guaranteed wealth management products issued by the Group amounted to RMB89,249 million (31 December 2017: RMB96,084 million).

### 42. TRANSFER OF FINANCIAL ASSETS

#### Repurchase agreement

The Group entered into repurchase agreements with certain counterparties to sell bonds or bills of carrying amount of RMB36,774 million as at 30 June 2018 (31 December 2017, RMB50,726 million) which are subject to the simultaneous agreements with commitments to repurchase at specified future dates and prices. The proceeds from selling such bonds or bills totaling RMB35,368 million (31 December 2017: RMB50,696 million) is presented as 'financial assets sold under repurchase agreements' (note 33) as at the end of the period.

As stipulated in the repurchase agreements, there is no transfer of the legal ownership of these bonds or bills to the counterparties during the covered period. However, the Group is not allowed to sell or pledge these securities during the covered period unless both parties mutually agree with such arrangement. Accordingly, the Group has determined that it retains substantially all the risks and rewards of these bonds or bills and therefore have not derecognised them from the financial statements but regarded as 'collateral' for the secured lending from the counterparties. The counterparty's recourse is not limited to the transferred assets.

### 43. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks, primarily including credit risk, market risk (including currency risk, interest risk and other price risk), and liquidity risk. Those activities involve analysis, evaluation, acceptance and management of some degree of risks or combination of risks. Managing risks are core to the financial business, and operational risks are an inevitable consequence of being in business.

The Group's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Group's financial performance. The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, products and emerging best practice.



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### 43. FINANCIAL RISK MANAGEMENT *(Continued)*

The Board of Directors is the highest authority for the Group's overall risk management. It provides strategy and risk preference for overall risk management and decides the risk tolerance and monitor risk management and internal control system. It assesses overall risk based on monitoring information and risk management reported by the senior management. Senior management is responsible for overseeing the Group's overall risk management, including the formulation and implementation of risk management policies and procedures, covering credit risk, interest rate risk, liquidity risk and foreign exchange risk. The risk management committee is in charge of the Group's overall risk management structure, policies and tools, and monitors the risk management. The assets and liabilities management department is primarily in charge of managing the Group's liquidity risk and banking account interest rate risk.

### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS

Certain financial assets and financial liabilities of the Group are measured at fair value at the end of the reporting period. Fair value measurements are categorized into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements is observable and the significance of the inputs to the fair value measurement in its entirety, which is described below:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available such as the market price of listed equity securities on exchanges. Where level 1 fair value measurements are not available, the fair value of financial assets and financial liabilities are determined in accordance with generally accepted pricing models, including discounted cash flow analysis, using prices from observable current market transactions for similar instruments to the extent available.

The main valuation technique used by the Group is discounted cash flow model for financial instruments. The main inputs used in discounted cash flow model include recent transaction prices, interest rates, own credit spread and counterparty credit spreads, as appropriate. If these parameters used in the model are substantively based on observable market data and/or obtainable from active open market, the instruments are classified as level 2.

The following tables give the information about how the fair values of these financial assets and financial liabilities are categorized and determined, in particular, the valuation technique(s) and input(s) used.

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### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis

	As at 30 June, 2018			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Government bonds	–	565,917	–	565,917
Financial institution bonds	–	3,022,109	–	3,022,109
Corporate bonds	–	258,655	–	258,655
Asset-backed securities	–	4,925,354	–	4,925,354
Funds	–	1,702,275	–	1,702,275
Wealth management products	–	–	16,973,563	16,973,563
Asset management plans	–	–	37,573,888	37,573,888
Trust beneficiary rights	–	–	27,347,167	27,347,167
Others	–	–	91,932	91,932
Subtotal	–	10,474,310	81,986,550	92,460,860
Financial assets at FVTOCI				
Government bonds	–	11,708,757	–	11,708,757
Financial institution bonds	–	23,869,866	–	23,869,866
Corporate bonds	–	16,087,027	–	16,087,027
Subtotal	–	51,665,650	–	51,665,650
Derivative financial instruments	–	109,197	–	109,197
Total	–	62,249,157	81,986,550	144,235,707

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### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis *(Continued)*

	As at December 31, 2017			Total
	Level 1	Level 2	Level 3	
Financial assets held for trading				
Government bonds	–	1,785,329	–	1,785,329
Financial institution bonds	–	1,830,279	–	1,830,279
Corporate bonds	–	2,104,490	–	2,104,490
Subtotal	–	5,720,098	–	5,720,098
Available-for-sale financial assets				
Government bonds	–	9,954,663	–	9,954,663
Financial institution bonds	–	20,938,058	–	20,938,058
Corporate bonds	–	2,215,986	–	2,215,986
Funds	–	3,103,639	–	3,103,639
Subtotal	–	36,212,346	–	36,212,346
Total	–	41,932,444	–	41,932,444

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Reconciliation of Level 3 fair value measurements of financial assets

Assets	Investments mandatorily measured at FVTPL-debt Total
Balance at 31 December 2017	–
Effect arising from initial application of IFRS 9:	
Reclassification	133,288,127
Balance at 1 January 2018	133,288,127
Total gains recognised in profit or loss	503,033
Purchases	20,156,788
Matured/sold	(71,961,398)
<b>Balance at 30 June 2018</b>	<b>81,986,550</b>

There were no significant transfers between level 1, level 2 and level 3 during the period.

Note: Debt securities traded on China Interbank Bond Market are classified into level 2. Their fair values are provided by China Central Depository & Clearing Co., Ltd. and determined by using discounted cash flow method. Future cash flows are estimated based on contractual amounts, and then discounted at rates that reflect the credit risk of the issuers.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

	As at 30 June, 2018		As at 31 December, 2017	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Debt instruments at amortised costs	176,628,432	176,690,290	–	–
Financial assets held under resale agreements				
Loans and advances to customers	229,555,280	241,617,903	241,637,249	253,354,732
Held-to-maturity investments	–	–	49,123,275	48,445,761
Investments classified as receivables	–	–	272,338,316	271,499,596
<b>Total</b>	<b>406,183,712</b>	<b>418,308,193</b>	<b>563,098,840</b>	<b>573,300,089</b>
Financial liabilities				
Deposits from banks and other financial institutions	26,023,763	26,024,785	77,036,368	77,036,368
Placements from banks	21,972,708	22,028,164	22,719,415	22,749,631
Due to customers	336,328,832	339,270,526	357,857,635	360,750,298
Debt securities issued	150,584,961	149,365,488	118,688,315	117,234,399
<b>Total</b>	<b>534,910,264</b>	<b>536,688,963</b>	<b>576,301,733</b>	<b>577,770,696</b>

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018

(Amounts in thousands of Renminbi, unless otherwise stated)

### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis *(Continued)*

The following table gives the information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation technique(s) and input(s) used.

Financial assets/ financial liabilities	Fair value at		Fair value hierarchy	Valuation technique(s) and key input(s)
	As at 30 June 2018	As at 31 December 2017		
Debt instruments at amortised costs	176,690,290	–	Level 2	See note 1.
Loans and advances to customers	241,617,903	253,354,732	Level 3	Discounted cash flows. Future cash flows are estimated base on contractual amounts and discounted at rates using the yield curve with reference to the PBoC benchmark interest rates and credit spread for specific borrowers.
Held-to-maturity investments	–	48,445,761	Level 2	See note 1.
Investments classified as receivables	–	271,499,596	Level 3	Discounted cash flows. Future cash flows are estimated based on contractual amounts, discounted at rates that reflect the credit risk of various counterparties.
Deposits from banks and other financial institutions	26,024,785	77,036,368	Level 3	Discounted cash flows. Future cash flows are estimated based on contractual amounts and discounted at a rates with reference to the interest rate for each contract.
Placements from banks	22,028,164	22,749,631	Level 3	Discounted cash flows. Future cash flows are estimated based on contractual amounts, discounted at rates with reference to Shanghai Interbank Offered Rate for deposits of similar remaining maturities.
Due to customers	339,270,526	360,750,298	Level 3	Discounted cash flows. Future cash flows are estimated based on contractual amounts and discounted at rates with reference to the PBoC benchmark interest rates for deposits of similar remaining maturities.
Debt securities issued	149,365,488	117,234,399	Level 2	See note 1.

## Notes to Condensed Consolidated Financial Statements

For the six months ended June 30, 2018  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 44. FAIR VALUE OF FINANCIAL INSTRUMENTS *(Continued)*

#### **Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis** *(Continued)*

Note 1: Debt securities traded on China Interbank Bond Market are classified into Level 2. Their fair values are provided by China Central Depository & Clearing Co., Ltd. and determined by using discounted cash flow method. Future cash flows are estimated based on contractual amounts, and then discounted at rates that reflect the credit risk of the issuers.

There were no significant transfers between Level 1, Level 2 and Level 3 during the period.

Other financial assets and financial liabilities including balances with central bank, deposits and placements with banks and other financial institutions, borrowing from central bank, placements from banks and financial assets sold under repurchase agreements mostly have terms within one year. Their carrying values approximate their fair values.

### 45. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated financial statements were approved by the Board of Directors of the Bank on 24 August 2018.

## Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

In accordance with the Hong Kong Listing Rules and Banking (Disclosure) Rules, the Group discloses the unaudited supplementary financial information as follows:

### LIQUIDITY COVERAGE RATIOS AND LEVERAGE RATIO

(Expressed in percentage)

#### (1) Liquidity ratios

	As at June 30, 2018	As at December 31, 2017
RMB current assets to RMB current liabilities	46.4%	35.4%
Foreign currency current assets to foreign currency current liabilities	40.2%	40.7%
	Average for the six months ended June 30,	
	2018	2017
RMB current assets to RMB current liabilities	44.9%	38.6%
Foreign currency current assets to foreign currency current liabilities	45.2%	54.0%

#### (2) Leverage ratio

(Expressed in percentage)

	As at June 30, 2018	As at December 31, 2017
Leverage ratio	6.64%	5.97%

Pursuant to the Leverage Ratio Management of Commercial Bank (Amended) issued by the CBRC, effective from April 2015, a minimum leverage ratio of 4% is required.

The above liquidity ratios and leverage ratios are calculated in accordance with the formula promulgated by CBRC.



## Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

### CURRENCY CONCENTRATIONS

	Equivalent in Renminbi			Total
	US Dollars	Hong Kong Dollars	Others	
As at June 30, 2018				
Spot assets	15,541,446	562,721	116,970	16,221,137
Spot liabilities	(17,422,934)	(254,573)	(54,011)	(17,731,518)
Net position	(1,881,488)	308,148	62,959	(1,510,381)
As at December 31, 2017				
Spot assets	22,953,011	113,942	320,744	23,387,697
Spot liabilities	(21,677,412)	(7,380)	(291,482)	(21,976,274)
Net position	1,275,599	106,562	29,262	1,411,423

The above information is computed in accordance with the provisions of the CBRC. The Group has no structural position as at the end of each reporting period.

### INTERNATIONAL CLAIMS

The Group is principally engaged in business operations within mainland China, and regards all claims on third parties outside mainland China as cross-border claims.

Cross-border claims mainly include balances with banks.

Cross-border claims have been disclosed by different countries or geographical areas. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of cross-border claims, after taking into account any risk transfers. Risk transfer is only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	As at June 30, 2018	As at December 31, 2017
Deposits with banks		
Asia Pacific excluding mainland China	311,576	126,710
– of which attributed to Hong Kong	303,788	114,482
Europe	1,580	8,216
North America	260,289	1,072,982
Total	573,445	1,207,908

## Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

### OVERDUE ASSETS

Loans and advances to customers which have been overdue are set out as follows:

	As at June 30, 2018	As at December 31, 2017
Below 3 months (inclusive)	4,386,007	2,192,423
Between 3 and 6 months (inclusive)	391,471	828,674
Between 6 and 12 months (inclusive)	576,895	1,378,752
Over 12 months	3,089,846	2,400,761
<b>Total</b>	<b>8,444,219</b>	<b>6,800,610</b>
As a percentage of gross loans and advances to customers		
Below 3 months (inclusive)	1.80%	0.88%
Between 3 and 6 months (inclusive)	0.16%	0.33%
Between 6 and 12 months (inclusive)	0.24%	0.55%
Over 12 months	1.27%	0.96%
<b>Total</b>	<b>3.47%</b>	<b>2.72%</b>

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

Financial assets that have been overdue measured at fair value through other comprehensive income are presented below:

	As at June 30, 2018	As at December 31, 2017
Below 3 months (inclusive)	-	N/A
Between 3 and 6 months (inclusive)	-	N/A
Between 6 and 12 months (inclusive)	-	N/A
Over 12 months	40,000	N/A
<b>Total</b>	<b>40,000</b>	<b>N/A</b>
As a percentage of financial assets measured at fair value through other comprehensive income		
Below 3 months (inclusive)	-	N/A
Between 3 and 6 months (inclusive)	-	N/A
Between 6 and 12 months (inclusive)	-	N/A
Over 12 months	0.08%	N/A
<b>Total</b>	<b>0.08%</b>	<b>N/A</b>

## Unaudited Supplementary Financial Information

(Amounts in thousands of Renminbi, unless otherwise stated)

Financial assets that have been overdue measured at amortised cost are presented below:

	As at June 30, 2018	As at December 31, 2017
Below 3 months (inclusive)	–	N/A
Between 3 and 6 months (inclusive)	290,000	N/A
Between 6 and 12 months (inclusive)	–	N/A
Over 12 months	484,363	N/A
<b>Total</b>	<b>774,363</b>	N/A
As a percentage of total financial assets measured at amortised cost		
Below 3 months (inclusive)	–	N/A
Between 3 and 6 months (inclusive)	0.16%	N/A
Between 6 and 12 months (inclusive)	–	N/A
Over 12 months	0.27%	N/A
<b>Total</b>	<b>0.43%</b>	N/A

Financial assets measured at fair value through other comprehensive income and financial assets measured at amortised cost with a specific repayment date are classified as overdue when the principal or interest is overdue.

### EXPOSURES TO MAINLAND CHINA NON-BANK ENTITIES

	As at June 30, 2018	As at December 31, 2017
On-balance sheet exposure	234,865,433	241,637,249
Off-balance sheet exposure	41,786,726	45,650,831
Individually assessed allowance for impairment losses	不適用	1,587,798

## List of Branches

### LIST OF BRANCHES

As at June 30, 2018, details of the branches of the Bank are set out as below:

No.	Name of Branches	Address of Branches	Postcode
1	Bank of Tianjin, Sales Department	No. 5, Youyi Road, Hexi District, Tianjin	300201
2	Bank of Tianjin, First Central sub-branch	Kangning Building, Junction of Xikang Road and Hanyang Road, Heping District, Tianjin	300070
3	Bank of Tianjin, Second Central sub-branch	Zhonghao International Automobile Building, No. 62, Longchang Road, Hexi District, Tianjin	300201
4	Bank of Tianjin, Third Central sub-branch	Area A2, Shengxinyuan, Nanmenwai Street, Nankai District, Tianjin	300100
5	Bank of Tianjin, Fourth Central sub-branch	Ground Floor, 1-3/F, Fujian Building, Huaxing Road, Hedong District, Tianjin	300011
6	Bank of Tianjin, Fifth Central sub-branch	Ground Floor, Hongji Garden, Shizilin Street, Hebei District, Tianjin	300143
7	Bank of Tianjin, Sixth Central sub-branch	No. 187, Qinjian Road, Hongqiao District, Tianjin	300130
8	Bank of Tianjin, Binhai branch	E2ABC, No. 20, Plaza East Road, Binhai Finance Street, the Third Street, Economic and Technology Development District, Tianjin	300457
9	Bank of Tianjin, Tianjin Free-Trade Zone branch	Building 2, Finance Center, No. 158, West 3rd Road, Airport Logistics Processing Zone, Tianjin	300308
10	Bank of Tianjin, Beijing branch	Xuanwumen Building, No. 73, Dongheyuan Hutong, Xuanwu District, Beijing	100052
11	Bank of Tianjin, Shanghai branch	No. 110, Hankou Road, Huangpu District, Shanghai	200002
12	Bank of Tianjin, Jinan branch	1-109, Building 2 & 5, Area 1 Sanjianruifuyuan, No. 20999, Jingshi Road, Shizhong District, Jinan	250001

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
13	Bank of Tianjin, Chengdu branch	No. 688, Tianfu Street Central Section, Hi-tech District, Chengdu, Sichuan	610041
14	Bank of Tianjin, Shijiazhuang branch	No. 49, Yuhua East Road, Qiaoxi District, Shijiazhuang, Hebei Province	050000
15	Bank of Tianjin, Dongying branch	No. 55, Fuqian Street, Dongying District, Dongying	257000
16	Bank of Tianjin, Taian branch	No. 483, Dongyue Street, Taian, Shandong	271000
17	Bank of Tianjin, Yantai branch	No. 16 Hengshan Road, Economic and Technological Development District, Yantai, Shandong Province	264006
18	Bank of Tianjin, Luzhou branch	No. 189, Chunjingxia Road, Jiangyang District, Luzhou, Sichuan Province	646000
19	Bank of Tianjin, Baoding branch	No. 3108, Fuxing Middle Road, Baoding, Hebei Province	071000
20	Bank of Tianjin, Tangshan branch	No. 99, Xinhua West Road, Lubei District, Tangshan, Hebei	063000
21	Bank of Tianjin, Dongli sub-branch	No. 77, Yuejin Road, Dongli District, Tianjin	300300
22	Bank of Tianjin, Yijing Road sub-branch	2/F, Extension No. 3, Yijing Road, Dongli Development Zone, Tianjin	300300
23	Bank of Tianjin, Junliang City sub-branch	No. 1-7, Block 29, Junhua Yard, Xinshi Town, Junliang City, Xingnong Road, Dongli District, Tianjin	300301
24	Bank of Tianjin, Huaming sub-branch	No. 11, Hongshun Road, Huaming Industrial Park, Dongli District, Tianjin	300300
25	Bank of Tianjin, Jinnan sub-branch	No. 1, Ground Floor, Building 2, Jingming Garden, east side of Jingu Road and north side of Xianshuigu Hospital, Xianshuigu Town, Jinnan District, Tianjin	300350
26	Bank of Tianjin, Lushui Road sub-branch	No. 15 & 16, Ground Floor, Block 10, Baojujiayuan, Southern side of the Wushui Road, Jinnan District, Tianjin	300000

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
27	Bank of Tianjin, Jingu Road sub-branch	No. 1-3, Ground Floor, Zonglv Yuan 4, Gelinxiaocheng, west side of Jingu Road, Shuanggang Town, Jinnan District, Tianjin	300350
28	Bank of Tianjin, Xiqing sub-branch	Junction of Guangming Road and Xinhua Road, Yangliuqing, Xiqing District, Tianjin	300380
29	Bank of Tianjin, Zhangjiawo sub-branch	No. 60, Yutai Road, Xiqing District, Tianjin	300380
30	Bank of Tianjin, Zhongbei Town sub-branch	1-101, 1-102 & 1-103, Huatingjiayuan Public Building, east side of Haiguang Road, Zhongbei Town, Xiqing District, Tianjin	300380
31	Bank of Tianjin, Dasi Town sub-branch	No. 28 & 30, Liuyang Road, Dasi Town, Xiqing District, Tianjin	300385
32	Bank of Tianjin, Changling Road sub-branch	(Ground Floor, No.102, Apartment block) Block A-F, Yueya Garden, Lingkou Village, Liqizhuang Street, Xiqing District, Tianjin	300381
33	Bank of Tianjin, Beichen sub-branch	1185, 1186, 1187, 2170, 3180, Building 1-3, Changying Commercial Plaza, northwest side at the Junction of Jingjin Road and Longzhou Road, Beichen District, Tianjin	300340
34	Bank of Tianjin, Jingjin Road sub-branch	Extension No. 9-10, No. 352, south at the junction of Jingjin Road and Guoyuan North Road, Beichen District, Tianjin	300400
35	Bank of Tianjin, Xinyibai Avenue sub-branch	North side of Xinyibai Avenue, Beichen District, Tianjin	300420
36	Bank of Tianjin, Wuqing sub-branch	No. 143, Quanwang Road, Wuqing District, Tianjin	301799
37	Bank of Tianjin, Jinghu sub-branch	Ground Floor, Scientific Research Service Building, Huidareli Group, Jianing Road, Xiazhuozhuang Street, Wuqing District, Tianjin	301700

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
38	Bank of Tianjin, Huangzhuang sub-branch	Ground Floor, Building 74, Commercial Street, Junction of Weiyi Road and Jingba Road, Huangzhuang Street, Wuqing District, Tianjin	301700
39	Bank of Tianjin, Yongyangxi Road sub-branch	Ground Floor, No. 12-2, Shengshixinyuan, Southern side of Yongyangxi Road, Xincheng, Wuqing District, Tianjin	301799
40	Bank of Tianjin, Baodi sub-branch	No. 52, Nancheng Road, Baodi District, Tianjin	301800
41	Bank of Tianjin, Kaiyuan Road sub-branch	2-113, 2-114, 2-115, 2-213, 2-214, Huifeng Building 2, south side of Nanhuan Road, Baodi District, Tianjin	301800
42	Bank of Tianjin, Jiuyuan sub-branch	South side of Jiuyuan Road, Jiuyuan Industrial Park, Baodi District, Tianjin (Ground Floor, 1/F, Service Building, Jingjinxincheng Industrial Park)	301802
43	Bank of Tianjin, Tianbao Industrial Park sub-branch	North side of Tongtang Road and east side of Tianbao Road, Economic Development Zone, Baodi District, Tianjin (Ground Floor, East Building, No. 6, Nanhuan Road)	301800
44	Bank of Tianjin, Jizhou sub-branch	8-102, Qixing Garden, West of Guangming Road North, Jixian, Tianjin	301900
45	Bank of Tianjin, Renmin West Avenue sub-branch	No. 2-188, No. 2-188A, 2-204, Jinding Building, north side of Renmin West Avenue West, Jixian, Tianjin	301900
46	Bank of Tianjin, Zhouhewan sub-branch	Extension No. 8, No. 5, Qingchi West Street, Zhouhewan, Xincheng, Jixian, Tianjin	301900
47	Bank of Tianjin, Jinghai sub-branch	105 & 106, Building 7, Jinxiujiayuan (location of original Jinghai County Party Committee), Jinghai County, Tianjin	301600
48	Bank of Tianjin, Dongfanghong Road sub-branch	Commercial Area B, Haixinyuan, Dongfanghong Road, Jinghai County, Tianjin	301600
49	Bank of Tianjin, Ninghe sub-branch	No. 66, Guangming Road, Lutai Town, Ninghe County, Tianjin	301500

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
50	Bank of Tianjin, Panzhuang sub-branch	Panzhuang Village, Panzhuang Town, Ninghe County, Tianjin	301508
51	Bank of Tianjin, Rongsheng sub-branch	No. 179 & 181, Chengdu Road, Heping District, Tianjin	300070
52	Bank of Tianjin, Kaifeng sub-branch	No. 11, Nanma Road, Heping District, Tianjin	300022
53	Bank of Tianjin, Jianye sub-branch	No. 33, Qixiangtai Road, Heping District, Tianjin	300070
54	Bank of Tianjin, Baoli sub-branch	Block B, No. 18, Guizhou Road, Heping District, Tianjin	300051
55	Bank of Tianjin, Hongtong sub-branch	No. 75, Yingkou Road, Heping District, Tianjin	300040
56	Bank of Tianjin, Laolian sub-branch	No. 87 & 89, Nanjing Road, Building 1 & 2, Junlong Plaza, Heping District, Tianjin	300042
57	Bank of Tianjin, Xiangsheng sub-branch	Ground Floor, Block B, Building 5, Changshou Apartment, Rongye Street, Heping District, Tianjin	300021
58	Bank of Tianjin, Jinsheng sub-branch	No. 32, Xinxing Road, Heping District, Tianjin	300070
59	Bank of Tianjin, Jingong sub-branch	No. 72, Jiefang North Road, Heping District, Tianjin	300041
60	Bank of Tianjin, Shiye sub-branch	No. 157, Dagu North Road, Heping District, Tianjin	300040
61	Bank of Tianjin, Huafeng sub-branch	No. 74, Jianshe Road, Heping District, Tianjin	300040
62	Bank of Tianjin, Dali Road sub-branch	No. 86, Dali Road, Heping District, Tianjin	300050
63	Bank of Tianjin, Tianhe sub-branch	Junction of Jieyuan Road and Dafeng Road, Hongqiao District, Tianjin	300121



## List of Branches

No.	Name of Branches	Address of Branches	Postcode
64	Bank of Tianjin, Jianshe Road sub-branch	Beside No. 82, Jianshe Road, Heping District, Tianjin	300042
65	Bank of Tianjin, Jinmao Plaza sub-branch	No. 5-5, 5-6, Jinmao Plaza, Northwest of the intersection of Qingshan Street and Fu'an Avenue, Heping District, Tianjin	300041
66	Bank of Tianjin, Haihe East Road sub-branch	No. 52, Haihe East Road, Hebei District, Tianjin	300010
67	Bank of Tianjin, Jinhe sub-branch	No. 676, Dagu South Road, Hexi District, Tianjin	300200
68	Bank of Tianjin, Ruide sub-branch	Ground Floor, Taidayuan, No. 68, Jiulong Road, Hexi District, Tianjin	300204
69	Bank of Tianjin, Jinxi sub-branch	No. 28, Xiamen Road, Hexi District, Tianjin	300203
70	Bank of Tianjin, Jincui sub-branch	Beside Donglou Bridge, Dagu South Road, Hexi District, Tianjin	300200
71	Bank of Tianjin, Xilian sub-branch	Ground Floor, Tianjin Library, Tianjin Culture Center, Pingjiang Road, Hexi District, Tianjin	300201
72	Bank of Tianjin, Chentang Park sub-branch	106 Chentang Science and Technology Business Service Center, No. 20, Dongting Road, Hexi District, Tianjin	300220
73	Bank of Tianjin, Rongcheng sub-branch	No. 75, Heiniucheng Road, Hexi District, Tianjin	300061
74	Bank of Tianjin, Shaoxing Road sub-branch	No. 105, Ground Floor, Senmiao Apartment, Pingshan Road, Hexi District, Tianjin	300074
75	Bank of Tianjin, Donghai sub-branch	No. 33, Huanhu Middle Road, Hexi District, Tianjin	300060
76	Bank of Tianjin, Yinlian sub-branch	No. 26 & 28, Shuangshui Road, Hexi District, Tianjin	300222
77	Bank of Tianjin, Xietong sub-branch	No.10, Nanjing Road, Hexi District, Tianjin	300042

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
78	Bank of Tianjin, Huiyuan sub-branch	South Ground Floor, Building 1, Huaxiafuyu Plaza, Jiefang South Road, Hexi District, Tianjin	300202
79	Bank of Tianjin, Jinhua sub-branch	Extension No. 14, No. 16, Heiniucheng Road, Hexi District, Tianjin	300210
80	Bank of Tianjin, Tianma sub-branch	No. 12, Xiyuan Street, Youyi Road, Hexi District, Tianjin	300061
81	Bank of Tianjin, Jiefang South Road sub-branch	No. 473, Jiefang South Road, Hexi District, Tianjin (Ground Floor of Bohai Sea International Commerce Block)	300221
82	Bank of Tianjin, Tanjiang Road sub-branch	Unit 17, Ground Floor, Chuanshuiyuan Estate (Public Building III), Suijiang Street, Hexi District, Tianjin	300221
83	Bank of Tianjin, Dagu South Road sub-branch	No. 04-05, Ground Floor, Building 1, Liuyuan Apartment, Dagu South Road, Hexi District, Tianjin	300222
84	Bank of Tianjin, Zhujiang Road sub-branch	Junction of Zhujiang Road and Xueyuan Road, Hexi District, Tianjin	300222
85	Bank of Tianjin, Limin Road sub-branch	Ground Floor, Zhuhaili Community, Limin Road, Hexi District, Tianjin	300200
86	Bank of Tianjin, Meijiang sub-branch	12-1 & 12-2, Xinshuiyuan, south side of Zhujiang West Road, Hexi District, Tianjin	300221
87	Bank of Tianjin, South and North Avenue sub-branch	Door 1, Ground Floor, Building 2, Meining Apartment, South and North Avenue, Hexi District, Tianjin	300210
88	Bank of Tianjin, Guhai Road sub-branch	No. 243, Jiefang South Road, Hexi District, Tianjin	300210
89	Bank of Tianjin, Meijiang Road sub-branch	No. 35 & 37, Meijiang Road, Hexi District, Tianjin	300221
90	Bank of Tianjin, Qixiangtai Road sub-branch	Extension No. 11, No. 89, Fenghuangcheng, Junction of Qixiangtai Road and Pingquan Road, Hexi District, Tianjin	300074

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
91	Bank of Tianjin, Heiniucheng Road sub-branch	202-203, Extension No. 1, Lidabolan, Heiniucheng Road, Hexi District, Tianjin	300381
92	Bank of Tianjin, Keji sub-branch	No. 6, Meiyuan Road, Huayuan Industrial Park, Nankai District, Tianjin	300384
93	Bank of Tianjin, Jinhui sub-branch	No. 248, Baidi Road, Nankai District, Tianjin	300192
94	Bank of Tianjin, Xingke sub-branch	No. 200, Anshan West Road, 1895 Tianjin University Architecture and Creation Building, Nankai District, Tianjin	300073
95	Bank of Tianjin, Xinyuan sub-branch	No. 23, Changjiang Road, Nankai District, Tianjin	300190
96	Bank of Tianjin, Wanhua sub-branch	No. 148-1, Yingshui Road, Huayuan Industrial Park, New Industrial Park, Tianjin	300384
97	Bank of Tianjin, Yinshan sub-branch	Ground Floor, Xingtai Apartment, No. 66, Nanfeng Road, Nankai District, Tianjin	300192
98	Bank of Tianjin, Jinshan sub-branch	102-103, No. 1289, Nanma Road, Nankai District, Tianjin	300100
99	Bank of Tianjin, Changkang sub-branch	Extension No. 18, No. 628, Changjiang Road, Nankai District, Tianjin	300111
100	Bank of Tianjin, Rongyuan sub-branch	No. 467, Huanghe Road, Nankai District, Tianjin	300110
101	Bank of Tianjin, Xingnan sub-branch	No. 14, 16 & 18, Huai'anhuan Road, Nankai District, Tianjin	300193
102	Bank of Tianjin, Lingbin Road sub-branch	No. 96-98, Lingbin Road, Nankai District, Tianjin	300381
103	Bank of Tianjin, Xianyang Road sub-branch	Ground Floor, Door 3, Building 9, Jialingbeili, Xianyang Road, Nankai District, Tianjin	300122

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No.	Name of Branches	Address of Branches	Postcode
104	Bank of Tianjin, Shuishang Gongyuan Road sub-branch	No. 46, Shuishang Gongyuan West Road, Nankai District, Tianjin	300191
105	Bank of Tianjin, Weijin South Road sub-branch	No. 70, Weijin South Road, Nankai District, Tianjin	300381
106	Bank of Tianjin, Huayuan East Road sub-branch	Huayuan Residential Zone, Nankai District, Tianjin	300384
107	Bank of Tianjin, Kemao Street sub-branch	No. 428, Anshan West Road, Nankai District, Tianjin	300193
108	Bank of Tianjin, Tianda 1st sub-branch	Siji Village, Tianjin University, Nankai District, Tianjin	300072
109	Bank of Tianjin, Guangkaiwuma Road sub-branch	No. 294, Huanghe Road, Nankai District, Tianjin	300110
110	Bank of Tianjin, Haitai Road sub-branch	1/F, Door 4, Block F, Haitai Green Industry Base, Haitai Development 6th Road, High-tech Industrial Park, Tianjin	300384
111	Bank of Tianjin, Haiguangsi sub-branch	No. 349, Nanjing Road, Nankai District, Tianjin	300100
112	Bank of Tianjin, Shuishang Gongyuan East Road sub-branch	Building 7, Yangguang Apartment, Nankai District, Tianjin	300381
113	Bank of Tianjin, Xima Road sub-branch	No. 140 & 142, Nankaisanma Road, Nankai District, Tianjin	300101
114	Bank of Tianjin, Beicheng Street sub-branch	No. 1351, Beicheng Street, Nankai District, Tianjin	300120
115	Bank of Tianjin, Huanghe Road sub-branch	Extension No. 10 & 11, No. 65, Xianyang Road, Nankai District, Tianjin	300111

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
116	Bank of Tianjin, Yuanyin Road sub-branch	Ground Floor, Building 8, Yuanyinbeili, Yuanyin Road, Wangdingdi, Nankai District, Tianjin	300191
117	Bank of Tianjin, Chengjiang Road sub-branch	Ground Floor, Building 16, Huaningbeili, Chengjiang Road, Nankai District, Tianjin	300190
118	Bank of Tianjin, Nankaierwei Road sub-branch	No. 43, Huanghe Road, Nankai District, Tianjin	300102
119	Bank of Tianjin, Haihe Education Park (Beiyang Zone) sub-branch	No.104, Xinyuan South Road, Tianjin University, Haihe Education Park, Tianjin	300350
120	Bank of Tianjin, Donglian sub-branch	Tianshan Road, Wanxin Village, Hedong District, Tianjin	300162
121	Bank of Tianjin, Dongxin sub-branch	Extension No. 1, No. 2, No. 40, Jintang Road, Hedong District, Tianjin	300182
122	Bank of Tianjin, Dongyin sub-branch	Extension No. 3, No. 80, Jintang Road, Hedong District, Tianjin	300170
123	Bank of Tianjin, Hedong sub-branch	101 & 102, Yitingyuan, Liuwei Road, Hedong District, Tianjin	300012
124	Bank of Tianjin, Jiahua sub-branch	No. 17-5, Jiahuali, Chenglinzhuang Road, Hedong District, Tianjin	300161
125	Bank of Tianjin, Weiguo Road sub-branch	No. 163, Weiguo Road, Hedong District, Tianjin	300250
126	Bank of Tianjin, Daqiao Road sub-branch	Outpatient hall, the 3rd Central Hospital, No. 83, Jintang Road, Hedong District, Tianjin	300170
127	Bank of Tianjin, Chenguang Road sub-branch	No. 71, Taixing South Road, Hedong District, Tianjin	300162

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No.	Name of Branches	Address of Branches	Postcode
128	Bank of Tianjin, Zhongxin North Road sub-branch	No. 41, Zhongxin North Road, Hedong District, Tianjin	300181
129	Bank of Tianjin, Dongxing Road sub-branch	No. 4, Ground Floor, Building 13, Dieqiao Apartment, Hedong District, Tianjin	300170
130	Bank of Tianjin, Jintang Road sub-branch	Ground Floor, No. 2, Door 1, Building 2, Youainanli, Zhongshanmen, Jintang Road, Hedong District, Tianjin	300180
131	Bank of Tianjin, Taixing South Road sub-branch	Ground Floor, No. 3, Building 1, Jinwan Apartment, No. 100, Chenglinzhuang Road, Hedong District, Tianjin	300160
132	Bank of Tianjin, Changzhou Road sub-branch	No. 22, Changzhou Road, Hedong District, Tianjin	300250
133	Bank of Tianjin, Bada sub-branch	No. 23, Minzu Road, Hebei District, Tianjin	300010
134	Bank of Tianjin, Xingbei sub-branch	Ground Floor, Building 1, Huiyingli Community, No. 10, Zengchan Road, Hebei District, Tianjin	300250
135	Bank of Tianjin, Zhenbei sub-branch	Building 2, Shuyuanli, Zhongshan North Road, Hebei District, Tianjin	300241
136	Bank of Tianjin, Zhongbei sub-branch	1-2/F, Ground Floor, Building 2, Yuyang Apartment, Junction of Zhongshan Road and Yuewei Road, Hebei District, Tianjin	300140
137	Bank of Tianjin, Jincheng sub-branch	Ground Floor, Fangjingmingju, Junction of Jinzhonghe Street and Zengchan Road, Hebei District, Tianjin	300150
138	Bank of Tianjin, Yuying Road sub-branch	Ground Floor, Training Building, Rolling Stock Plant, Nankou Road, Hebei District, Tianjin	300230
139	Bank of Tianjin, Wuha Road sub-branch	Ground Floor, No. 17, Cuihuali, Junction of Wuha Road and Zhenli Road, Hebei District, Tianjin	300150
140	Bank of Tianjin, Zhongshan Road sub-branch	Ground Floor, Zerenli Building, Zhongshan Road, Hebei District, Tianjin	300142

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No.	Name of Branches	Address of Branches	Postcode
141	Bank of Tianjin, Beiningwan sub-branch	No. 179, No. 177-183 (odd No.), Yingxian Road, Hebei District, Tianjin	300402
142	Bank of Tianjin, Yuguan Road sub-branch	1/F, No. 376, Yuguan Road, Hebei District, Tianjin	300232
143	Bank of Tianjin, Tiedong Road sub-branch	No. 61-63(A6), Block 10, Beimingxinyuan, Southeast of the intersection of Tiedong Road and Yibai Road, Hebei District, Tianjin	300412
144	Bank of Tianjin, Hongxin sub-branch	No. 84, Xiqing Road, Hongqiao District, Tianjin	300122
145	Bank of Tianjin, Hongyin sub-branch	Room 101, Gate 61, Xiangju Apartment, Guangrong Road, Hongqiao District, Tianjin	300130
146	Bank of Tianjin, Guanyinhao sub-branch	No. 5, Dongma Road, Nankai District, Tianjin	300090
147	Bank of Tianjin, Xiangtan Road sub-branch	No. 11, Xiangtan Road, Hongqiao District, Tianjin	300133
148	Bank of Tianjin, Jieyuan Road sub-branch	Ground Floor, 7-102, Minghuali Jieyuan Road, Hongqiao District, Tianjin	300121
149	Bank of Tianjin, Fuxing Road sub-branch	Ground Floor, No. 16, Kanghuali, Fuxing Road, Hongqiao District, Tianjin	300121
150	Bank of Tianjin, Yibo Apartment Community sub-branch	No. 104, Ground Floor, Building 1, Yibo Apartment, Hongqiao District, Tianjin	300130
151	Bank of Tianjin, Development Area sub-branch	No. 76, Dongting Road, Economic Development Zone, Tianjin	300457
152	Bank of Tianjin, Dagang sub-branch	No. 75, Yingbin Street, Dagang District, Tianjin	300270

## List of Branches

No.	Name of Branches	Address of Branches	Postcode
153	Bank of Tianjin, Haibin sub-branch	No. 2048, Shanghai Road, Tanggu District, Tianjin	300450
154	Bank of Tianjin, Hangzhou Road sub-branch	No. 8, Zhongxin North Road, Tanggu District, Tianjin	300451
155	Bank of Tianjin, Tianbao sub-branch	Rooms 101 & 201, Block B, No. 27, the Second Street, Tianjin Economic-Technological Development Area, Tianjin	300457
156	Bank of Tianjin, Binhai Hi-tech Zone sub-branch	No. 188, Rixin Road, Binhai Science and Technology Park, Binhai Hi-tech Zone, No. 13888, Jinhan Road, Tianjin	300301
157	Bank of Tianjin, Hangu sub-branch	No. 77, Xinkai Middle Road, Hangu, Binhai New Area, Tianjin	300480
158	Bank of Tianjin, Tanggu sub-branch	No. 289, 295 & 301, Yingkou Road, Tanggu District, Tianjin	300450
159	Bank of Tianjin, Sino-Singapore Eco-city sub-branch	2-1-101 & 201, Tianhexinlehui, No. 276, Hexu Road, Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin	300467
160	Bank of Tianjin, Heping Road sub-branch	No. 9, Heping Road, Tanggu District, Tianjin	300450
161	Bank of Tianjin, Oil North Road sub-branch	No. 79, Dongyan Road, Tanggu District, Tianjin	300452
162	Bank of Tianjin, the Third Avenue sub-branch	No. 31-6, Building 1, No. 31, the Third Avenue, Tianjin Economic-Technological Development Area, Tianjin	300457
163	Bank of Tianjin, Xingfu Road sub-branch	East No. 1, No. 666, Xingfu Avenue, Dagangyoutian, Dagang District, Tianjin	300280
164	Bank of Tianjin, Yingxin Street sub-branch	No. 114, Yingxin Street, Dagang District, Tianjin	300270
165	Bank of Tianjin, Shengli Road sub-branch	Binhai House Trading Center, Dagang District, Junction of Guangming Avenue and Chuangye Road, Dagangyoutian, Tianjin	300280



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No.	Name of Branches	Address of Branches	Postcode
166	Bank of Tianjin, Xuri Road sub-branch	West side of 1/F, Block B, Commercial Building, Fuyuan Garden, Xuri Road, Dagang, Binhai New Area, Tianjin (West of Haijing 7th Road and north of Xuri Road, Gangdongxincheng, Dagang)	300450
167	Bank of Tianjin, Baoshan Road sub-branch	No. 3807, Xinbei Road, Tanggu, Binhai New Area, Tianjin	300451
168	Bank of Tianjin, Chunguang Road sub-branch	No. 617, Xingfujayuan, Chunguang Road, Tanggu District, Tianjin	300456
169	Bank of Tianjin, Hebei Road sub-branch	No. 25, Hebei Road, Tanggu District, Tianjin	300451
170	Bank of Tianjin, Road No. 3 sub-branch	Door 2, Building 24, Ziyunyuan, No. 3462, Xingang Road No. 3, Tanggu District, Tianjin	300456
171	Bank of Tianjin, Chezhan North Road sub-branch	No. 830 & 836, Chezhan North Road, Tanggu District, Tianjin	300451
172	Bank of Tianjin, Jinzhou Road sub-branch	No. 1024, Jinzhou Road, Tanggu District, Tianjin	300451
173	Bank of Tianjin, the Second Street sub-branch	No. H3-103, 203, G/H Area, TEDA MSD, No. 61, the Second Street, Tianjin Economic-Technological Development Area, Tianjin	300457
174	Bank of Tianjin, Hebin Road sub-branch	No. 228, Hebin Road, Bohai Petroleum Binhai New Village, Tanggu District, Tianjin	300452
175	Bank of Tianjin, Hekou Road sub-branch	No. 2-37, Hekou Road, Tanggu District, Tianjin	300452
176	Bank of Tianjin, Yuanyang City sub-branch	No. 138, Yuanyang Central Road, Tanggu, Binhai New Area, Tianjin	300450

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No.	Name of Branches	Address of Branches	Postcode
177	Bank of Tianjin, Zhejiang Road sub-branch	Ground Floor, Door 1, Building 7, Huianli, Tanggu District, Tianjin	300450
178	Bank of Tianjin, Gangkou Road sub-branch	No. 25, Xingangerhao Road, Tanggu District, Tianjin	300450
179	Bank of Tianjin, Guangzhou Road sub-branch	No. 1156, Fuzhou Road, Tanggu, Binhai New Area, Tianjin	300450
180	Bank of Tianjin, Huanghai Road sub-branch	No. 21-9, the Second Street, Development District, Tianjin	300457
181	Bank of Tianjin, Beijing Chaowai sub-branch	No. 0185, Ground Floor & No. 1133 Office, Chaowai SOHO, B6 Chaowai Street, Chaoyang District, Beijing	100020
182	Bank of Tianjin, Beijing Sanyuanqiao sub-branch	Ground Floor, No. 101, 1/F and Office, No. 601, 6/F, Block A, Shenyuan Center, No. B2, East Sanhuan North Road, Chaoyang District, Beijing	100027
183	Bank of Tianjin, Beijing Xinxingqiao sub-branch	Ground Floor, No. 21 and Office, 10/F, Fuxing Road, Haidian District, Beijing	100036
184	Bank of Tianjin, Beijing Zhongguancun sub-branch	Ground Floor, 1-E & 1-F, Yuanzhongyuelai, No. 15, Haidian Middle Street, Haidian District, Beijing	100080
185	Bank of Tianjin, Beijing Finance Street sub-branch	Building A33, Erlong Road, Xicheng District, Beijing	100032
186	Bank of Tianjin, Beijing Fengtai sub-branch	Unit 01, F1 and F2, Commercial Building, No. 232 West Shiliuzhuang Street, Fengtai District, Beijing	100070
187	Bank of Tianjin, Beijing Xizhimen sub-branch	No. 52, North Street, Xizhimen, Haidian District, Beijing	100082
188	Bank of Tianjin, Beijing Dongcheng sub-branch	Ground Floor, No. 8, Chaoyangmennei Street, Dongcheng District, Beijing	100010

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No.	Name of Branches	Address of Branches	Postcode
189	Bank of Tianjin, Beijing Guangqumen sub-branch	101-02, 1/F, Floor 3, Guangqujiayuan, Dongcheng District, Beijing	100022
190	Bank of Tianjin, Beijing Dongzhimen sub-branch	101, 1/F & 201, 2/F, Building 1, No. 46, Dongzhimenwai Street, Dongcheng District, Beijing	100027
191	Bank of Tianjin, Beijing Hangtianqiao sub-branch	North side of 1-2, 1/F and 2-5010 & 2-5011, 5/F, No. 100, Xisanhuan North Road, Haidian District, Beijing	100037
192	Bank of Tianjin, Beijing Fangshan sub-branch	101, 1/F & 201, 2/F, south side of Building 1 & 2, Zhengtongxili Community, Liangxiang Region, Fangshan District, Beijing	102488
193	Bank of Tianjin, Beijing Tongzhou sub-branch	East Side, 1/F, 8-1-3, No. 61 & North Side, 8-1-9, 2/F, No. 59, Xinhua West Road, Tongzhou District, Beijing	101199
194	Bank of Tianjin, Beijing Daxing sub-branch	North Side, 3-2, No. 32 & 2/F, 3-3, No. 32, Xingye Avenue (Section 3), Daxing District, Beijing	102699
195	Bank of Tianjin, Beijing Shunyi sub-branch	Room 103, 1/F and Room 203, 2/F, No. 1 Building, No.1 Court, Zhanqian Street, Shunyi District, Beijing	101300
196	Bank of Tianjin, Shanghai Lujiazui sub-branch	Rooms 101 & 1201, China Ship Building, No. 1, Pudong Avenue, Pudong New Area, Shanghai	200120
197	Bank of Tianjin, Shanghai Zhabei sub-branch	Unit 01, 1/F, Henghui International Building, No. 556, 558 & 560, Hengfeng Road and Unit 02, 5/F, Henghui International Building, No. 568, Hengfeng Road, Zhabei District, Shanghai	200072
198	Bank of Tianjin, Shanghai Xuhui sub-branch	1 & 3/F, No. 2119, Xietu Road, Xuhui District, Shanghai	200032
199	Bank of Tianjin, Shanghai Hongkou sub-branch	Room 101, No. 843, Room 102, No. 845-847 & Rooms 103- 104, No. 851, Rooms 604-606, No. 1, Lane 839, Dalian Road, Hongkou District, Shanghai	200086
200	Bank of Tianjin, Shanghai Luwan sub-branch	Rooms 101, 102, 103, 1/F & Rooms 201-207, 2/F, Building 1, No. 622, Shunchang Road, Huangpu District, Shanghai	200025

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No.	Name of Branches	Address of Branches	Postcode
201	Bank of Tianjin, Shanghai Changning sub-branch	Part of west side of 1/F, No. 2111, Yan'an West Road, Changning District, Shanghai	200051
202	Bank of Tianjin, Shanghai Jing'an sub-branch	Street Front Shop, 1-2/F, No. 1056, Changde Road, Jing'an District, Shanghai	200040
203	Bank of Tianjin, Shanghai Minhang sub-branch	1/F, No. 1058, Caobao Road, Minhang District, Shanghai	201101
204	Bank of Tianjin, Shanghai Putuo sub-branch	1 & 2/F, No. 108, Guangxin Road, Putuo District, Shanghai	200061
205	Bank of Tianjin, Shanghai Fushan sub-branch	Room 1A, 1/F, No. 450, Fushan Road, Pudong New Area, Shanghai	200122
206	Bank of Tianjin, Jinan Licheng sub-branch	Building 27, No. 47, Huayuan Road, Licheng District, Jinan	250199
207	Bank of Tianjin, Jinan Lixia sub-branch	Yanjie Building, No. 14958, Courtyard 14966, Jingshi Road, Jinan	250014
208	Bank of Tianjin, Jinan Huaiyin sub-branch	Building 1 & 2, east side, Ground Floor, Shunchengyuan Community, No. 24916, Jingshi Road, Huaiyin District, Jinan	250022
209	Bank of Tianjin, Jinan Shizhong sub-branch	3F, No. 2666, Shop B2-002, No. 2688, Erhuannan Road, Shizhong District, Jinan City	250022
210	Bank of Tianjin, Jinan Tianqiao sub-branch	No. 965, 975 & 985, Minghu West Road, Jinan	250000
211	Bank of Tianjin, Jinan Hi-tech District sub-branch	No. 5006, Aoti Middle Road, Hi-tech District, Jinan	250101
212	Bank of Tianjin, Jinan Quancheng sub-branch	Jiefangge Business Center, No. 187, Heihuquan North Road, Lixia District, Jinan	250001

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No.	Name of Branches	Address of Branches	Postcode
213	Bank of Tianjin, Jinan Changqing sub-branch	No. S1-A14, 2345 Ziwei Road, Science and Technology Park, College Town, Changqing District, Jinan	250399
214	Bank of Tianjin, Jinan Zhangqiu sub-branch	Shop 104, Building 16, Qilujianqiao Community, No. 35, Mingshuishuangshan Street, Zhangqiu District, Jinan	250299
215	Bank of Tianjin, Jinan Dianliu sub-branch	5006-9, Erhuan Road East, Lixia District, Jinan	250014
216	Bank of Tianjin, Jinan Binhe sub-branch	Room 101, 1201 Partial, 1202 & 1203, Block A, Binhe Business Center, No. 8888 Qinghe North Road, Tianqiao District, Jinan	250033
217	Bank of Tianjin, Dongying Xicheng sub-branch	Jindu Tower, No. 680-1, Yellow River Road, Dongying District, Dongying City	257061
218	Bank of Tianjin, Chengdu Tianfu sub-branch	No. 5, 1/F & No. 6, 2/F, Block B, New Hope International, No. 69, Tianfu 3rd Street, Hi-tech District, Chengdu, Sichuan	610041
219	Bank of Tianjin, Chengdu Jingjiang sub-branch	No. 318 & 328, Tongying Street, Jinjiang District, Chengdu, Sichuan	610065
220	Bank of Tianjin, Chengdu Qingyang sub-branch	No. 53 & Attachment No. 1-2, No. 53, Jinyang Road, Qingyang District, Chengdu, Sichuan	610072
221	Bank of Tianjin, Chengdu Wuhou sub-branch	No. 1, 1/F, Building 1, No. 518, Lidu Road, Wuhou District, Chengdu, Sichuan	610047
222	Bank of Tianjin, Chengdu Renbei sub-branch	No. 1-3, 6-13 & 15, 1/F, Building 1, No. 1, Section 3, Renmin Middle Road, Qingyang District, Chengdu, Sichuan	610014
223	Bank of Tianjin, Chengdu Chenghua sub-branch	No. 69, 71, 73, 75; No. 204 of Building 1, No. 67, Fuqing Road (Section 2), Chenghua District, Chengdu, Sichuan	610057
224	Bank of Tianjin, Chengdu Hemei Community sub-branch	No. 3, 1/F, Building 7, No. 2, Vanke Road, Chenghua District, Chengdu, Sichuan	610051

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No.	Name of Branches	Address of Branches	Postcode
225	Bank of Tianjin, Chengdu Yinxinghuayuan Community sub-branch	No. 4, Building 3, No. 6, Shuming Road, Jinniu District, Chengdu, Sichuan	610036
226	Bank of Tianjin, Tangshan Qianan sub-branch	103, Building 1, Junfuyuan, Huiquan Street, Qian'an, Hebei	064000
227	Bank of Tianjin, Tangshan Caofeidian sub-branch	No. 198 & 200, Jianshe Avenue, Caofeidian District, Tangshan, Hebei	063299
228	Bank of Tianjin, Tangshan Fenghuangxincheng sub-branch	No. 131 & 133, Xingyuan Road, Lubei District, Tangshan, Hebei	063000
229	Bank of Tianjin, Tangshan Hi-tech District sub-branch	No. 110, Jianshe North Road, Hi-tech Development Zone, Tangshan, Hebei	063020
230	Bank of Tianjin, Tangshan Fengnan sub-branch	No. 82, 84 & 86, Jiaoyu Street, Fengnan District, Tangshan, Hebei	063000
231	Bank of Tianjin, Tangshan Lunan sub-branch	No. 7, Weiguo Road, Lunan District, Tangshan, Hebei	063000
232	Bank of Tianjin, Tangshan Leting sub-branch	No. 8, Dazhao Road, Leting County, Tangshan, Hebei	063000
233	Bank of Tianjin, Tangshan Xinhua sub-branch	No. 517, Yuhua West Road, Lubei District, Tangshan, Hebei	063000
234	Bank of Tianjin, Tangshan Square sub-branch	No. 38, Wenhua Road, Lubei District, Tangshan, Hebei	063099
235	Bank of Tianjin, Tangshan Zunhua sub-branch	No. 1 & 2, Ground Floor, Kaiyuanjiezuo, Wenbai Road, Zunhua, Hebei	064200
236	Bank of Tianjin, Small Enterprise Financial Services Center	2F, 86 Dali Road, Heping District, Tianjin	300050



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