

# Bank of Tianjin Co., LTD.\*

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



## 2020 Interim Report



\* *Bank of Tianjin Co., Ltd. is not an authorised 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 authorised to carry on banking and/or deposit-taking business in Hong Kong.*

# Contents

Definitions	2
Company Profile	4
Summary of Accounting Data and Financial Indicators	6
Management Discussion and Analysis	10
Changes in Share Capital and Information on Shareholders	64
Directors, Supervisors, Senior Management and Employees	69
Important Events	76
Report on Review of Condensed Consolidated Financial Statements	82
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	83
Condensed Consolidated Statement of Financial Position	85
Condensed Consolidated Statement of Changes in Equity	87
Condensed Consolidated Statement of Cash Flows	88
Notes to the Condensed Consolidated Financial Statements	90
Unaudited Supplementary Financial Information	139
List of Branches	145

## Definitions

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

“Articles of Association”	the articles of association of the Bank as may be amended, supplemented or otherwise modified from time to time
“Bank”, “our Bank”, “we” or “us”	Bank of Tianjin Co., Ltd. (天津銀行股份有限公司), a joint stock company incorporated on 6 November 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
“Board” or “Board of Directors”	the board of Directors of the Bank
“Board of Supervisors”	the board of Supervisors of the Bank
“CBIRC”	the China Banking and Insurance Regulatory Commission
“CBIRC Tianjin Office”	Tianjin Regulatory Bureau of China Banking and Insurance Regulatory Commission
“China” or “PRC”	the People’s Republic of China, excluding for the purposes of this interim report Hong Kong, Taiwan and Macau
“Director(s)”	the director(s) of the Bank
“Domestic Shares”	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
“Foreign Shares”	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 nationals or PRC corporate entities, and are not listed on any stock exchange
“H Shares”	ordinary shares issued by our Bank, with a nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

## Definitions

"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"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 30 June 2020
"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
"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	SUN Liguó
Authorised Representatives	ZHANG Furong, NGAI Wai Fung
Board Secretary	ZHANG Furong
Joint Company Secretaries	ZHANG Furong, NGAI Wai Fung
Registered Address and Headquarter Address	No. 15 Youyi Road, Hexi District, Tianjin, China
Principal Place of Business in Hong Kong	40/F, Sunlight Tower, 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

## Company Profile

Date of Initial Registration	6 November 1996
Business Licence No. of Corporation	120000000007636
Uniform Social Credit Code	911200001030702984
Finance Permit Institution Number	B0108H212000001
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 30 June		Rate of change (%)
	2020	2019	
	(Amounts in thousands of RMB unless otherwise stated)		
<b>OPERATING RESULTS</b>			
Interest income	15,595,557	15,953,879	(2.2)
Interest expense	(9,193,092)	(9,487,780)	(3.1)
<b>NET INTEREST INCOME</b>	<b>6,402,465</b>	<b>6,466,099</b>	<b>(1.0)</b>
Investment income	857,315	824,219	4.0
Fee and commission income	1,386,214	1,064,950	30.2
Fee and commission expense	(38,635)	(14,869)	159.8
<b>NET FEE AND COMMISSION INCOME</b>	<b>1,347,579</b>	<b>1,050,081</b>	<b>28.3</b>
Net trading (losses)/gains	(1,590)	358,873	(100.4)
Net gains arising from derecognition of financial assets measured at amortised cost	69,353	83,826	(17.3)
Other income, gains or losses	16,282	72,230	(77.5)
<b>OPERATING INCOME</b>	<b>8,691,404</b>	<b>8,855,328</b>	<b>(1.9)</b>
Operating expenses	(1,813,842)	(1,921,770)	(5.6)
Impairment losses under expected credit loss (ECL) model, net of reversals	(3,744,702)	(3,038,529)	23.2
Share of results of associates	10,213	8,051	26.9
<b>PROFIT BEFORE TAX</b>	<b>3,143,073</b>	<b>3,903,080</b>	<b>(19.5)</b>
Income tax expense	(470,689)	(759,842)	(38.1)
<b>PROFIT FOR THE PERIOD</b>	<b>2,672,384</b>	<b>3,143,238</b>	<b>(15.0)</b>
Profit for the period attributable to:			
<b>Equity holders of the Bank</b>	<b>2,653,604</b>	<b>3,113,189</b>	<b>(14.8)</b>
<b>Non-controlling interests</b>	<b>18,780</b>	<b>30,049</b>	<b>(37.5)</b>
	<b>2,672,384</b>	<b>3,143,238</b>	<b>(15.0)</b>
<b>Earnings per share attributable to equity holders of the Bank (Expressed in RMB Yuan per share)</b>			
– Basic	0.44	0.51	(13.7)

## Summary of Accounting Data and Financial Indicators

	As of 30 June 2020	As of 31 December 2019	Rate of change (%)
(Amounts in thousands of RMB unless otherwise stated)			
<b>MAJOR INDICATORS OF ASSETS/LIABILITIES</b>			
<b>Total assets</b>	685,836,628	669,401,117	2.5
Of which: loans and advances to customers	291,652,458	281,229,242	3.7
<b>Total liabilities</b>	633,157,949	618,224,334	2.4
Of which: due to customers	368,251,178	350,996,365	4.9
Share capital	6,070,552	6,070,552	–
Equity attributable to equity holders of the Bank	51,877,961	50,394,845	2.9
<b>Total equity</b>	52,678,679	51,176,783	2.9
<b>For the six months ended 30 June</b>			
	2020	2019	Change
<b>PROFITABILITY INDICATORS (%)</b>			
Return on average total assets <sup>(1)</sup>	0.79	0.95	(0.16)
Return on average equity <sup>(2)</sup>	10.29	12.91	(2.62)
Net interest spread <sup>(3)</sup>	1.84	1.86	(0.02)
Net interest margin <sup>(4)</sup>	2.16	2.18	(0.02)
Net fee and commission income to operating income	15.50	11.86	3.64
Cost-to-income ratio <sup>(5)</sup>	19.71	20.54	(0.83)

## Summary of Accounting Data and Financial Indicators

	As of 30 June 2020	As of 31 December 2019	<b>Change</b>
<b>ASSET QUALITY INDICATORS (%)</b>			
Non-performing loan ratio <sup>(6)</sup>	2.15	1.98	0.17
Allowance coverage ratio <sup>(7)</sup>	212.82	220.58	(7.76)
Allowance to gross loan ratio <sup>(8)</sup>	4.57	4.36	0.21
	As of 30 June 2020	As of 31 December 2019	<b>Change</b>
<b>CAPITAL ADEQUACY RATIO INDICATORS (%)</b>			
<b><i>Calculated based on Capital Administrative Measures</i></b>			
Core tier-one capital adequacy ratio <sup>(9)</sup>	10.87	10.62	0.25
Tier-one capital adequacy ratio <sup>(10)</sup>	10.88	10.63	0.25
Capital adequacy ratio <sup>(11)</sup>	15.47	15.24	0.23
Total equity to total assets	7.68	7.65	0.03
<b>OTHER INDICATORS (%)</b>			
Loan-to-deposit ratio <sup>(12)</sup>	84.00	85.05	(1.05)
Liquidity ratio <sup>(13)</sup>	56.73	51.38	5.35
Percentage of loans to the single largest customer <sup>(14)</sup>	4.08	4.38	(0.30)
Percentage of loans to the top ten customers <sup>(15)</sup>	31.72	31.76	(0.04)

## 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 sundry taxes) by total operating income.
- (6) Calculated by dividing total non-performing loans by gross loans (excluding interest).
- (7) Calculated by dividing total allowance for impairment on loans to customers by total non-performing loans.
- (8) Calculated by dividing total allowance for impairment on loans to customers by gross loans (excluding interest) 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-deposit ratios of as of 31 December 2019 and 30 June 2020 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》) issued by CBRC.
- (13) Liquidity ratio is calculated in accordance with the formula promulgated by the China Banking and Insurance 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

### I ENVIRONMENT AND PROSPECTS

In the first half of 2020, the abrupt outbreak of COVID-19 had severely affected the international and domestic economic and social development. Due to the impact of COVID-19, the global economic decline increased, and most countries experienced negative economic growth, becoming the most serious economic recession in recent years. The Bank's business operations was faced with severe pressure and challenges. The COVID-19 epidemic has undermined the liquidity and financial position of certain corporate and retail customers, which may lead to weakened repayment ability of certain customers and impose greater pressure on the Bank's asset quality. Out of prudent and operation-based considerations, the Bank increased its provisions for loans. Meanwhile, various economic and financial policies were introduced in the PRC to encourage banks and financial institutions to provide more credit support to corporations and individuals for the benefits of small and micro enterprises by ways of providing loans with lower interest rates, reduction in handling fees, delay in the repayment of loans and providing credit support to small and micro enterprises. The above measures led to a decrease in net interest income and interest spread of the Bank, affecting the operating results to a certain extent.

To effectively respond to the impact brought by COVID-19, under the strong leadership of CPC Central Committee and the State Council and by fully implementing the instructions of President Xi Jinping, China holistically advanced various works concerning the prevention and control of COVID-19 as well as economic and social development. Due to the relatively good control of the epidemic, economic activities in China have entered a stable recovery stage from the second quarter. The resumption of work and production and the resumption of business and market were firmly promoted. While the "six stabilities" policy was in progress, the "six guarantees" policy has been introduced in a timely manner. Production demand has gradually picked up, and basic industry support was strong. Market expectations were generally stable. New momentum grew against the trend. With increased economic activity, the national economy has been fully restored, and the stability, compatibility and sustainability of economic development will continue to increase. The far-reaching impact of COVID-19 had not only resulted in tremendous changes in market economy, the production model of enterprises as well as people's consumption levels and patterns, but it also brought about new opportunities and challenges. We are now facing unprecedented huge changes in the century. In the second half of 2020, with the effective control of the global epidemic, new domestic infrastructure projects will drive investment growth, and the accelerated implementation of the "six stabilities" and "six guarantees" policies. The recovery of domestic economic production and activities will be accelerated, and the level of economic development will continue to improve. The fiscal policy will be more proactive and effective, focusing on the effectiveness. The monetary policy will be more flexible, moderate and precise. Money supply and social financing will maintain a reasonable rise and facilitate the reduction in comprehensive financing cost, and the new financing will be focused on manufacturing industries as well as small, medium and micro-sized enterprises. Efforts will be stepped up to stabilise market players, and industrial transformation and upgrading will be accelerated. The Bank will closely follow the policy of the central government, and keep a foothold in regional economic development. Focusing on "serving the real economy, preventing and controlling financial risks, and deepening the financial reform", we will provide diversified and differentiated financial services for the systematic project of the coordinated development of Beijing, Tianjin and Hebei. We will actively promote the transformation of momentum and development models in the Beijing-Tianjin-Hebei region to help private and small and micro enterprises resume work and production. We will persist in the "dual track" strategy of transformation and innovation to actively build core competitiveness and comprehensively improve the economic efficiency and overall strength of the Bank of Tianjin.

## Management Discussion and Analysis

### II CORPORATE STRATEGIES

The unexpected outbreak of COVID-19 pandemic has changed the way we live and work as well as our business targets. The fight against the pandemic has become the main theme of our work, which also tests the response capability and quality of Bank of Tianjin. In the face of the impact of the pandemic and the severe economic situation, the Bank has focused on studying the messages from and carrying out the instructions of President Xi Jinping, fully implemented central financial policies and a series of measures proposed by the municipal government of Tianjin to win the battle of epidemic prevention and to propel healthy economic growth. The Bank focused on the prevention and control of the epidemic while supporting the production resumption of enterprises, especially small, medium, micro-sized enterprises. It helped the real economy “win twice in two fights”, took forward the work of “six stabilities”, fully implemented “six guarantees”, achieving the goal of “providing good service and achieving good performance while everyone and every place is safe”. Firstly, the Bank made careful arrangement, strictly carried out various epidemic prevention and control measures, closely kept track of the development of the epidemic, and studied and deployed 17 measures for epidemic prevention and control. The Bank is well-prepared to strictly prevent the epidemic and has resolved to win the battle against the epidemic. Secondly, the Bank conscientiously formulated work plans, firmly promote the production resumption, implemented shift work by splitting staff into A and B groups as well as flexi-time work system, reasonably aligned the resources of bank outlets, so as to minimise the risk arising from the epidemic while continuously providing customers with financial services. The Bank fully leveraged the internet to move various works online in order to reduce gatherings and ensure continuity of management and operation. Thirdly, the Bank took initiative to become an “epidemic fighter” in the financial industry. After the outbreak of the epidemic, the Bank immediately made announcement to the public on our seven measures of assuring financial services to support the prevention and control of the epidemic, so as to meet the special financial needs of the public during this special period. The Bank set up a fast feedback mechanism to satisfy production capital needs for epidemic prevention materials, created a green review channel for approving loans, and cooperated with China Development Bank to provide RMB6 billion for emergency financing used to support enterprises producing epidemic prevention materials, which has been listed in the “21 measures for supporting enterprises (惠企21條)” in Tianjin. The Bank established a three-specialization mechanism including “specialised institution”, “specialised team” and “specialised policies”. In the first half of 2020, the Bank accumulated a total of approximately RMB30.9 billion through transaction banking business, which was spent on financing for epidemic prevention and control as well as production resumption of enterprises, and had invested and underwritten RMB3.31 billion on various bonds for epidemic prevention and production resumption. The Credit Risk Mitigation Warrants (“CRMW”) launched by the Bank had become the first CRMW for epidemic prevention of the city commercial banks in China. Fourthly, the Bank actively fulfilled social responsibility, providing assistance to customers distressed by the epidemic. In the first half of 2020, the Bank had deferred principal and interest payment for 140 small, medium and micro-sized enterprises, 158 personal loans and 1,453 credit card customers. At the same time, the Bank established the “White Warrior Caring Fund” (白衣戰士關愛基金) with Red Cross Society of China Tianjin Branch and donated RMB5 million.

## Management Discussion and Analysis

While supporting epidemic prevention and control, the Bank continued to implement the dual-track strategy of “transformation + innovation”, complied with the financial policies implemented by CPC Central Committee, the State Council and banking regulatory authority, closely in the course of its own business development, actively innovated its financial products and met the various customers’ financial needs with professional and precise services. Firstly, to serve the real economy, the Bank stepped up its efforts on loan business, especially the development of inclusive finance, by extending the user reach of “e-loans for taxpayers” (銀稅e貸) and “e-loans for supermarkets” (商超e貸) online and innovating and developing inclusive financial product “Tianhangyongbei” (天行用唄), so as to support all kinds of customers to resume operation. Loans granted to over 5,500 small and micro customers through above channels had accumulated to approximately RMB1.88 billion. As of the end of the Reporting Period, net loans and advances to customers increased by 3.7% from the end of 2019, of which our inclusive loans to small and micro enterprises amounted to RMB16,688.8 million, representing an increase of 39.8% as compared to the end of 2019. Secondly, the Bank upheld the operating principle of “taking deposits as the primary job of the Bank” (存款立行), continuously stepping up its marketing efforts for customers’ deposit-taking business, with the balance of amount due to customers increased by 4.9% as compared to the end of 2019. The Bank constantly promoted “Four Tailor-made Approaches” corporate banking business, and the corporate deposits increased by 4.4% as compared to the end of 2019. Thirdly, the Bank continued to promote “ultra-unconventional development approach for retail business” with omni-channel coverage online and offline, so as to use internet channels to attract customers. In terms of liabilities, the Bank secured low-cost capital with the help of leading internet platforms into which deposits are channeled. In terms of assets, personal integrated financial assets amounted to RMB155.96 billion, representing an increase of 4.1% as compared to the beginning of the year. The number of credit cards newly issued increased by 132,300, representing an increase of 19.6 times as compared to the same period last year. Three types of smart outlets including “comprehensive outlet”, “flagship outlet” and “light outlet” had been put into operation, and customers’ experience and satisfaction have been greatly improved. Fourthly, for the financial market and investment banking businesses we insisted on the return to our origins, focused on improving services and supporting the real economy, stepped up efforts in standardized asset investment and underwriting, and aimed at enhancing the abilities of investment research and sales transactions. The Bank strengthened its initiative debt marketing and optimised its debt structure; it also stressed qualifications attained by new businesses and product innovation, put great efforts in building centres for innovation products and initiative debt as well as a channel platform between other banks and clients. In the first half of 2020, the bond transactions conducted by the Bank amounted to RMB3.36 trillion, representing an increase of 56% as compared to the same period last year. The Bank ranked 4th on the “Ranking for Trading Volume of Spot Bonds” of CCDC. The Bank had underwritten a total of RMB22.1 billion in non-finance corporate debt financing instruments and debt financing plan, representing an increase of 294.6% as compared to the same period last year, which facilitated the transformation of the Bank towards capital-light and asset-light businesses. Fifthly, the Bank continued to optimise and enhance the system of asset management products, and the proportion of existing net-value products increased from 50% in the beginning of the year to 70%. The Bank launched the wealth management products of enhanced fixed income, cyclical net worth products as well as a variety of wealth management products for exclusive customers. Sixthly, the Bank focused on both development and risk control, and steadily carried out the development of internet business. It adhered to the principle of “small-amount, short-term, high-efficiency and controllable risks” for loans and stuck to the concept of compliance development based on the multi-dimensional assessment result of the risks in loan of cooperation in terms of partners, cooperative loan operations, post-loan management and system

## Management Discussion and Analysis

management, to ensure that the loan of cooperation is operated in compliance with regulations. Meanwhile, the Bank strengthened the management and control of non-performing risks, effectively identified, assessed, monitored and controlled the internet loan risks, so as to ensure that internet business is in compliance with regulations. As of the first half of the year, personal cooperative loan on internet amounted to RMB195.08 billion and the balance of loan amounted to RMB90.80 billion, with a non-performing loan ratio by the five categories of 1.77% and the per-capital loan of RMB4,449. Seventhly, the development of information technology was steadily promoted. The Bank proactively promoted the two major lines of the building of active-active data center and IT Framework Planning Implementation Project (Phase II), continuously enhancing the standards of technology management and technology safety and security. In the meantime, through digitalisation and standardisation, the Bank had improved the quality of technology operation and maintenance as well as the efficiency of software development through the promotion of standard certifications of ISO 20000 and CMMI, thus continuously improving the level of refined technology management of the Bank.

In the first half of 2020, under the impact brought by COVID-19, the Bank realised operating income of RMB8.69 billion, representing a slight decrease of 1.9% as compared to the same period last year. Profit before allowance slightly decreased by 0.8% to RMB6.89 billion as compared to the same period last year, both of which remained essentially stable. To offset the impact on our asset quality brought by the epidemic, impairment provisions amounted to RMB3.74 billion, representing an increase of 23.2% as compared to the same period last year. Total profit amounted to RMB3.14 billion, representing a decrease of 19.5% as compared to the same period last year. Net profit reached RMB2.67 billion, representing a decrease of 15.0%. The main operating businesses performed well and net interest income reached RMB6.40 billion, representing a slight decrease of 1.0% as compared to the same period last year. The Bank's investment income amounted to RMB860 million, representing an increase of 4.0% as compared to 2019. Net fee and commission income amounted to RMB1,350 million, representing an increase of 28.3% as compared to the same period last year. Capital adequacy ratio was 15.47%, 0.23 percentage point higher than as at the end of 2019. Tier-one capital adequacy ratio was 10.88%, and core tier-one capital adequacy ratio was 10.87%, 0.25 percentage point higher than as at the end of 2019. Allowance to gross loan ratio was 4.57%, 0.21 percentage point higher than as at the beginning of the year. The non-performing loan ratio was 2.15% and allowance coverage ratio amounted to 212.82%. All other major regulatory indicators were in compliance with relevant requirements.

In the second half of 2020, the Bank will adhere to normalisation management of epidemic prevention and control and strictly implemented various epidemic prevention measures, continue to insist on the new development concept of "putting quality first and giving priority to performance", maintain determination on strategic goals and historical patience, make every effort to promote the "transformation + innovation" dual-track strategy and Ten Major Projects (2.0)". At the same time, we will strengthen internal operation and management and enhance the "immunity" against financial risks; vigorously develop new business formats such as Internet finance and smart finance, and make every effort to promote financial reform and innovation to win the initiative for future development; further adjust and optimise the business structure, deepen, optimise and refine the financial business and strive for achieving new business performance; guide financial resources, financial policies, and financial services to converge in the real economy, endeavour to enhance the ability to support the real economy, realise its own development in services, and contribute to the coordinated development of Beijing, Tianjin and Hebei.

## Management Discussion and Analysis

### III ANALYSIS OF THE INCOME STATEMENT

	For the six months ended 30 June		Rate of change (%)
	2020	2019	
	<i>(Amounts in thousands of RMB unless otherwise stated)</i>		
Interest income	15,595,557	15,953,879	(2.2)
Interest expense	(9,193,092)	(9,487,780)	(3.1)
<b>NET INTEREST INCOME</b>	<b>6,402,465</b>	<b>6,466,099</b>	<b>(1.0)</b>
Investment income	857,315	824,219	4.0
Fee and commission income	1,386,214	1,064,950	30.2
Fee and commission expense	(38,635)	(14,869)	159.8
<b>NET FEE AND COMMISSION INCOME</b>	<b>1,347,579</b>	<b>1,050,081</b>	<b>28.3</b>
Net trading (losses)/gains	(1,590)	358,873	(100.4)
Net gains arising from derecognition of financial assets measured at amortised cost	69,353	83,826	(17.3)
Other income, gains or losses	16,282	72,230	(77.5)
<b>OPERATING INCOME</b>	<b>8,691,404</b>	<b>8,855,328</b>	<b>(1.9)</b>
Operating expenses	(1,813,842)	(1,921,770)	(5.6)
Impairment losses under ECL model, net of reversals	(3,744,702)	(3,038,529)	23.2
Share of results of associates	10,213	8,051	26.9
<b>PROFIT BEFORE TAX</b>	<b>3,143,073</b>	<b>3,903,080</b>	<b>(19.5)</b>
Income tax expense	(470,689)	(759,842)	(38.1)
<b>PROFIT FOR THE PERIOD</b>	<b>2,672,384</b>	<b>3,143,238</b>	<b>(15.0)</b>

For the six months ended 30 June 2020, the Bank's profit before tax decreased by 19.5% from RMB3,903.1 million for the six months ended 30 June 2019 to RMB3,143.1 million, and the profit for the same period decreased by 15.0% from RMB3,143.2 million for the six months ended 30 June 2019 to RMB2,672.4 million.

## Management Discussion and Analysis

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

For the six months ended 30 June 2020, our net interest income amounted to RMB6,402.5 million and net interest income of financial instruments measured at fair value through profit or loss (“FVTPL”), the figure under the item “investment income”, amounted to RMB857.3 million. The sum of two was RMB7,259.8 million, a decrease of 0.4% as compared to the figure as at 30 June 2019 measured in the same standard, which remained essentially stable. Our net interest spread decreased from 1.86% for the six months ended 30 June 2019 to 1.84% for the six months ended 30 June 2020, primarily due to the fact that the average yield of our interest-earning assets decreased by 15 basis points to 4.89% while the average cost of our interest-bearing liabilities decreased by 13 basis points to 3.05%. Our net interest margin decreased from 2.18% for the six months ended 30 June 2019 to 2.16% for the six months ended 30 June 2020, because our net interest income<sup>(1)</sup> decreased by 0.4% for the six months ended 30 June 2020, while the average balance of our interest-earning assets increased by 1.0% for the six months ended 30 June 2020.

(1) Includes net investment income from financial instruments at FVTPL, i.e., the figure under the item “investment income”.

## Management Discussion and Analysis

The following tables set forth 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 30 June 2019 and 2020.

	For the six months ended 30 June					
	2020			2019		
	Average balance	Interest income/expense <sup>(7)</sup>	Average yield/cost (%)	Average balance	Interest income/expense <sup>(7)</sup>	Average yield/cost (%)
	<i>(Amounts in millions of RMB, except percentages)</i>					
<b>Interest-earning assets</b>						
Loans and advances to customers	286,031.0	9,859.1	6.89	300,996.7	9,703.3	6.45
Investment securities and other financial assets, including	311,584.0	5,984.9	3.84	289,881.7	6,237.3	4.30
— Trust beneficiary rights, funds, wealth management products and asset management plans	141,754.5	2,928.9	4.13	143,526.9	3,114.2	4.34
— Debt securities investment	169,829.5	3,056.0	3.60	146,354.8	3,123.1	4.27
Amounts due from banks and other financial institutions <sup>(1)</sup>	25,209.3	299.1	2.37	22,774.4	463.0	4.07
Deposits with banks and other financial institutions	9,532.2	29.9	0.63	6,946.8	46.2	1.33
Balances with central bank	40,550.4	282.7	1.39	45,776.4	332.0	1.45
<b>Total interest-earning assets (include assets at FVTPL)</b>	<b>672,906.9</b>	<b>16,455.7</b>	<b>4.89</b>	<b>666,376.0</b>	<b>16,781.8</b>	<b>5.04</b>
Allowance for impairment losses	(17,017.8)			(13,954.2)		
Non-interest earning assets <sup>(2)</sup>	21,674.6			17,987.9		
<b>Total assets</b>	<b>677,563.7</b>	<b>16,455.7</b>	<b>4.86</b>	<b>670,409.7</b>	<b>16,781.8</b>	<b>5.01</b>

## Management Discussion and Analysis

	For the six months ended 30 June					
	2020			2019		
	Average balance	Interest income/expense <sup>(7)</sup>	Average yield/cost (%)	Average balance	Interest income/expense <sup>(7)</sup>	Average yield/cost (%)
<i>(Amounts in millions of RMB, except percentages)</i>						
<b>Interest-bearing liabilities</b>						
Due to customers	344,499.7	5,224.9	3.03	339,012.4	5,076.0	2.99
Deposits from banks and other financial institutions	44,027.1	644.6	2.93	31,158.8	482.7	3.10
Amounts due to banks and other financial institutions <sup>(3)</sup>	61,313.3	602.1	1.96	62,180.1	786.6	2.53
Debt securities issued	111,189.0	2,025.8	3.64	150,199.2	2,890.7	3.85
Lease liabilities	1,195.7	26.1	4.37	1,055.5	23.3	4.41
Borrowings from central bank	41,507.5	672.4	3.24	14,022.7	232.2	3.31
<b>Total interest-bearing liabilities (include liabilities at FVTPL)</b>	<b>603,732.3</b>	<b>9,195.9</b>	<b>3.05</b>	<b>597,628.7</b>	<b>9,491.5</b>	<b>3.18</b>
Non-interest-bearing liabilities <sup>(4)</sup>	19,495.2			21,594.8		
<b>Total liabilities</b>	<b>623,227.5</b>	<b>9,195.9</b>	<b>2.95</b>	<b>619,223.5</b>	<b>9,491.5</b>	<b>3.07</b>
<b>Net interest income</b>		<b>7,259.8</b>			<b>7,290.3</b>	
<b>Net interest spread<sup>(5)</sup></b>			<b>1.84</b>			<b>1.86</b>
<b>Net interest margin<sup>(6)</sup></b>			<b>2.16</b>			<b>2.18</b>

Notes:

- (1) Consists of financial assets held under resale agreements and placements with banks and other financial institutions.
- (2) Consists of cash, interest receivables, property and equipment, intangible assets, other receivables, repossessed assets, deferred tax assets, derivative financial assets and interests in associates, etc.
- (3) Consists of financial assets sold under repurchase agreements, financial liabilities held for trading and placements from banks and other financial institutions.
- (4) Consists of interest payables, sundry taxes payable, other payables, salaries and benefits payables, dividends payable and derivative financial liabilities, etc.
- (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.
- (7) Includes net interest income from financial instruments at FVTPL, i.e., the figure under the item "investment income".

## Management Discussion and Analysis

### 2 Interest Income

For the six months ended 30 June 2020, our interest income (includes interest income at FVTPL) decreased by 1.9% to RMB16,455.7 million from RMB16,781.8 million for the six months ended 30 June 2019, which was primarily attributable to the fact that despite the increase of 1.0% in the average balance of our interest-bearing assets from RMB666,376.0 million for the six months ended 30 June 2019 to RMB672,906.9 million for the six months ended 30 June 2020, the average yield of our interest-earning assets decreased by 15 basis points from 5.04% for the six months ended 30 June 2019 to 4.89% for the six months ended 30 June 2020.

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

For the six months ended 30 June 2020, interest income from loans and advances to customers increased by 1.6% from RMB9,703.3 million for the six months ended 30 June 2019 to RMB9,859.1 million for the six months ended 30 June 2020, primarily due to the increase of 44 basis points in the average yield of our loans and advances to customers from 6.45% for the six months ended 30 June 2019 to 6.89% for the six months ended 30 June 2020. The increase in the average yield of our loans and advances to customers was primarily due to the Bank's active adjustment in the loan structure, strengthened pricing management and the increase in loans income.

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

For the six months ended 30 June 2020, interest income from trust beneficiary rights, funds, wealth management products and asset management plans decreased by 6.0% from RMB3,114.2 million for the six months ended 30 June 2019 to RMB2,928.9 million for the six months ended 30 June 2020, primarily due to the fact that the average balance of our trust beneficiary rights, funds, wealth management products and asset management plans decreased by 1.2% from RMB143,526.9 million for the six months ended 30 June 2019 to RMB141,754.5 million for the six months ended 30 June 2020, and the average yield of our trust beneficiary rights, funds, wealth management products and asset management plans decreased by 21 basis points from 4.34% for the six months ended 30 June 2019 to 4.13% for the six months ended 30 June 2020. The decrease in average balance of trust beneficiary rights, funds, wealth management products and asset management plans was primarily due to our Bank's active adjustment in the asset structure and continuous reduction in the corresponding scale of assets. The decrease in average yield of trust beneficiary rights, funds, wealth management products and asset management plans was primarily due to the decrease in market interest rate.

## Management Discussion and Analysis

### *Interest income from debt securities investment*

Interest income from debt securities investment decreased by 2.1% from RMB3,123.1 million for the six months ended 30 June 2019 to RMB3,056.0 million for the six months ended 30 June 2020, principally due to the fact that the average yield of our debt securities investment decreased by 67 basis points from 4.27% for the six months ended 30 June 2019 to 3.60% for the six months ended 30 June 2020. The main reason for the decrease in the average yield of our debt securities investment was due to the decrease in market interest rate.

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

Interest income from amounts due from banks and other financial institutions decreased by 35.4% from RMB463.0 million for the six months ended 30 June 2019 to RMB299.1 million for the six months ended 30 June 2020, primarily due to the fact that the average yield of the amounts due from banks and other financial institutions decreased by 170 basis points from 4.07% for the six months ended 30 June 2019 to 2.37% for the six months ended 30 June 2020. The main reason for the decrease in the average yield of our amounts due from banks and other financial institutions was due to the decrease in market interest rate.

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

Interest income from deposits with banks and other financial institutions decreased by 35.3% from RMB46.2 million for the six months ended 30 June 2019 to RMB29.9 million for the six months ended 30 June 2020, primarily due to the decrease of 70 basis points in the average yield of deposits with banks and other financial institutions from 1.33% for the six months ended 30 June 2019 to 0.63% for the six months ended 30 June 2020. The decrease in the average yield of our deposits with banks and other financial institutions was primarily due to the decrease in market interest rate.

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

Interest income from balances with central bank decreased by 14.8% from RMB332.0 million for the six months ended 30 June 2019 to RMB282.7 million for the six months ended 30 June 2020, primarily due to the decrease of 11.4% in the average balance of our balances with central bank from RMB45,776.4 million for the six months ended 30 June 2019 to RMB40,550.4 million for the six months ended 30 June 2020, and the decrease of 6 basis points in the average yield of our balances with central bank from 1.45% for the six months ended 30 June 2019 to 1.39% for the six months ended 30 June 2020.

## Management Discussion and Analysis

### 3 Interest Expense

Our interest expense (including interest expense at FVTPL) decreased by 3.1% from RMB9,491.5 million for the six months ended 30 June 2019 to RMB9,195.9 million for the six months ended 30 June 2020, primarily due to the fact that despite the increase of 1.0% in the average balance of the interest-bearing liabilities from RMB597,628.7 million for the six months ended 30 June 2019 to RMB603,732.3 million for the six months ended 30 June 2020, the average cost of these interest-bearing liabilities decreased by 13 basis points from 3.18% for the six months ended 30 June 2019 to 3.05% for the six months ended 30 June 2020.

#### *Interest expense on due to customers*

Our interest expense on due to customers increased by 2.9% from RMB5,076.0 million for the six months ended 30 June 2019 to RMB5,224.9 million for the six months ended 30 June 2020, primarily due to the increase of 4 basis points in the average cost of due to customers from 2.99% for the six months ended 30 June 2019 to 3.03% for the six months ended 30 June 2020, and a 1.6% increase in the average balance of the total due to customers from RMB339,012.4 million for the six months ended 30 June 2019 to RMB344,499.7 million for the six months ended 30 June 2020. The average cost of due to customers remained essentially stable. The increase in the average balance of due to customers was primarily because the Bank stepped up its marketing efforts for deposit-taking business, innovated its deposit-taking products, obtained more stable liability sources while meeting its customers' needs.

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

Our interest expense on deposits from banks and other financial institutions increased by 33.5% from RMB482.7 million for the six months ended 30 June 2019 to RMB644.6 million for the six months ended 30 June 2020, primarily due to the fact that despite a decrease of 17 basis points in the cost of deposits from banks and other financial institutions from 3.10% for the six months ended 30 June 2019 to 2.93% for the six months ended 30 June 2020, the average balance of our deposits from banks and other financial institutions increased by 41.3% from RMB31,158.8 million for the six months ended 30 June 2019 to RMB44,027.1 million for the six months ended 30 June 2020. The increase in the average balance of our deposits from banks and other financial institutions primarily reflected our Bank's active adjustment of the liability structure and increase of the scale of deposits from banks and other financial institutions. The decrease in the average cost of our deposits from banks and other financial institutions was primarily due to the decline in market interest rate.

#### *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 23.5% from RMB786.6 million for the six months ended 30 June 2019 to RMB602.1 million for the six months ended 30 June 2020, primarily due to the decrease of 57 basis points in the average cost of our amounts due to banks and other financial institutions from 2.53% for the six months ended 30 June 2019 to 1.96% for the six months ended 30 June 2020. The decrease in the average cost of our amounts due to banks and other financial institutions was primarily due to the decrease in market interest rate.

## Management Discussion and Analysis

### *Interest expense on debt securities issued*

Our interest expense on debt securities issued decreased by 29.9% from RMB2,890.7 million for the six months ended 30 June 2019 to RMB2,025.8 million for the six months ended 30 June 2020, primarily due to the decrease of 21 basis points in the average cost of our debt securities issued from 3.85% for the six months ended 30 June 2019 to 3.64% for the six months ended 30 June 2020, and the decrease of 26.0% in the average balance of the debt securities issued from RMB150,199.2 million for the six months ended 30 June 2019 to RMB111,189.0 million for the six months ended 30 June 2020. The decrease in the average balance of our debt securities issued was primarily due to our Bank's extension to more financing channels to increase other liability sources. The decrease in the average cost of our debt securities issued was primarily due to the decline in market interest rate.

### *Interest expense on lease liabilities*

For the six months ended 30 June 2020, our interest expense on lease liabilities amounted to RMB26.1 million, representing an increase of 12.0% from RMB23.3 million for the six months ended 30 June 2019, mainly due to the decrease of 4 basis points in the average cost of our lease liabilities from 4.41% for the six months ended 30 June 2019 to 4.37% for the six months ended 30 June 2020, and the increase of 13.3% in the average balance of the lease liabilities from RMB1,055.5 million for the six months ended 30 June 2019 to RMB1,195.7 million for the six months ended 30 June 2020.

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

Our interest expense on borrowings from central bank increased by 189.6% from RMB232.2 million for the six months ended 30 June 2019 to RMB672.4 million for the six months ended 30 June 2020, primarily due to the increase of 196.0% in the average balance of borrowings from central bank from RMB14,022.7 million for the six months ended 30 June 2019 to RMB41,507.5 million for the six months ended 30 June 2020. The increase in the average balance of our borrowings from central bank was primarily due to a general increase in our borrowings from central bank.

## **4 Investment Income**

The Bank adopted the IFRS 9 since 1 January 2018. Certain financial assets measured at amortised cost under the original standard were reclassified to financial assets measured at fair value through profit or loss under the new standard. Interests arising from the corresponding assets were also adjusted from interest income to investment income for accounting purpose.

Investment income represents gains from investment in financial instruments measured at fair value through profit or loss, mainly including debt securities investment, funds, trust beneficiary rights, wealth management products and asset management plans measured at fair value through profit or loss. Investment income for the six months ended 30 June 2020 was RMB857.3 million, representing an increase of 4.0% from the investment income of RMB824.2 million for the six months ended 30 June 2019, mainly due to an increase in the average daily investment measured at fair value through profit or loss.

## Management Discussion and Analysis

### 5 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 30 June 2019 and 2020.

	For the six months ended 30 June			
	2020	2019	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Fee and commission income</b>				
Settlement and clearing fees	88.2	96.8	(8.6)	(8.9)
Wealth management service fees	816.6	621.6	195.0	31.4
Acceptance and guarantee commitment fees	31.3	41.9	(10.6)	(25.3)
Agency commission and underwriting service fees	303.9	184.3	119.6	64.9
Bank card fees	57.6	30.0	27.6	92.0
Consultancy fees	87.2	89.0	(1.8)	(2.0)
Others	1.4	1.4	–	–
<b>Subtotal</b>	<b>1,386.2</b>	<b>1,065.0</b>	<b>321.2</b>	<b>30.2</b>
Fee and commission expense	(38.6)	(14.9)	(23.7)	159.1
<b>Net Fee and Commission Income</b>	<b>1,347.6</b>	<b>1,050.1</b>	<b>297.5</b>	<b>28.3</b>

Our net fee and commission income increased by 28.3% from RMB1,050.1 million for the six months ended 30 June 2019 to RMB1,347.6 million for the six months ended 30 June 2020. The increase was primarily due to the increase in wealth management service fees as well as agency commission and underwriting service fees.

### 6 Net Trading (Losses)/Gains

Net trading (losses)/gains arise from the realised and unrealised profit and loss of financial assets measured at fair value through profit or loss and the net disposal gains and losses of debt instruments measured at fair value through other comprehensive income. Our net trading (losses)/gains amounted to RMB(1.6) million for the six months ended 30 June 2020, while the Bank recorded net trading (losses)/gains of RMB358.9 million for the six months ended 30 June 2019. The main reason was because of a year-on-year decrease in the changes in fair value of financial assets which was mainly due to market fluctuation.

## Management Discussion and Analysis

### 7 Operating Expenses

The following table sets forth the principal components of our operating expenses for the six months ended 30 June 2019 and 2020.

	For the six months ended 30 June			
	2020	2019	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Operating expenses</b>				
Staff costs	1,114.2	1,212.6	(98.4)	(8.1)
Sundry taxes	100.9	102.5	(1.6)	(1.6)
Other general and administrative expenses	161.6	152.3	9.3	6.1
Office expenses	82.5	112.0	(29.5)	(26.3)
Rental and property management expenses	31.4	86.1	(54.7)	(63.5)
Depreciation and amortisation	323.2	256.3	66.9	26.1
<b>Total operating expenses</b>	<b>1,813.8</b>	<b>1,921.8</b>	<b>(108.0)</b>	<b>(5.6)</b>
<b>Cost-to-income ratio<sup>(1)</sup></b>	<b>19.7%</b>	<b>20.5%</b>	<b>–</b>	<b>(0.8)</b>

Notes:

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

Our operating expenses decreased by 5.6% from RMB1,921.8 million for the six months ended 30 June 2019 to RMB1,813.8 million for the six months ended 30 June 2020. The decrease was primarily due to a decrease in staff costs.

For the six months ended 30 June 2019 and 2020, our cost-to-income ratio (excluding sundry taxes) was 20.5% and 19.7%, respectively.

## Management Discussion and Analysis

### Staff costs

Staff costs are the largest component of our operating expenses, which amounted to RMB1,114.2 million for the six months ended 30 June 2020, representing a decrease of 8.1% from RMB1,212.6 million for the six months ended 30 June 2019. The following table sets forth the principal components of staff costs for the periods indicated.

	For the six months ended 30 June			
	2020	2019	Change in amount	Rate of change (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Salaries, bonuses and allowances	893.8	928.2	(34.4)	(3.7)
Social insurance	54.3	132.8	(78.5)	(59.1)
Housing funds	59.0	59.4	(0.4)	(0.7)
Staff welfare	22.9	23.1	(0.2)	(0.9)
Labour union fees and staff education expenses	17.9	17.9	0.0	0.0
Contribution to annuity schemes	66.3	51.2	15.1	29.5
<b>Total</b>	<b>1,114.2</b>	<b>1,212.6</b>	<b>(98.4)</b>	<b>(8.1)</b>

### Sundry taxes

Sundry taxes amounted to RMB100.9 million for the six months ended 30 June 2020, representing a decrease of 1.6% from RMB102.5 million for the six months ended 30 June 2019.

### Office expenses and rental and property management expenses

The office expenses and rental and property management expenses amounted to RMB113.9 million for the six months ended 30 June 2020, representing a decrease of 42.5% from RMB198.1 million for the six months ended 30 June 2019.

### Other general and administrative expenses

Our other general and administrative expenses amounted to RMB161.6 million for the six months ended 30 June 2020, representing an increase of 6.1% from RMB152.3 million for the six months ended 30 June 2019.

### Depreciation and amortisation

Depreciation and amortisation, including right-of-use assets, amounted to RMB323.2 million for the six months ended 30 June 2020, representing an increase of 26.1% from RMB256.3 million for the six months ended 30 June 2019.

## Management Discussion and Analysis

### 8 Impairment Losses Under ECL Model, Net of Reversals

The following table sets forth the principal components of our impairment losses under ECL model, net of reversals for the periods indicated.

	For the six months ended 30 June			
	2020	2019	Change in amount	Rate of change (%)
	<i>(Amounts in millions of RMB, except percentages)</i>			
Loans and advances to customers				
measured at amortised cost	3,526.8	3,031.9	494.9	16.3
Loans and advances to customers				
at fair value through other comprehensive income	14.7	0.9	13.8	1,533.3
Credit commitments	(43.5)	8.9	(52.4)	(588.8)
Debt instruments measured at amortised cost	203.7	(79.5)	283.2	(356.2)
Debt instruments measured at				
fair value through other comprehensive income	(0.0)	73.7	(73.7)	(100.0)
Deposits with banks and other financial institutions	5.7	2.4	3.3	137.5
Placements with banks and other financial institutions	1.7	(0.0)	1.7	–
Financial assets held under resale agreements	(0.0)	0.1	(0.1)	(100.0)
Other assets	35.6	0.1	35.5	35,500.0
<b>Total</b>	<b>3,744.7</b>	<b>3,038.5</b>	<b>706.2</b>	<b>23.2</b>

Our impairment losses under ECL model, net of reversals for the six months ended 30 June 2020 were RMB3,744.7 million, representing an increase of 23.2% from RMB3,038.5 million for the six months ended 30 June 2019, which was primarily due to the fact that the Bank strengthened the overall provision of its assets, and the more sufficient impairment provision reflected the prudence of our impairment provision.

## Management Discussion and Analysis

### 9 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 30 June			
	2020	2019	Change in amount	Rate of change (%)
	<i>(Amounts in millions of RMB, except percentages)</i>			
Profit before tax	3,143.1	3,903.1	(760.0)	(19.5)
Tax calculated at applicable statutory tax rate of 25%	785.8	975.8	(190.0)	(19.5)
Income tax at concessionary rate	(3.1)	(6.1)	3.0	(49.2)
Underprovision/(Overprovision) of tax in prior years	2.5	(12.6)	15.1	(119.8)
Tax effect of expense not deductible for tax purposes	10.2	15.5	(5.3)	(34.2)
Tax effect of income not taxable for tax purposes <sup>(1)</sup>	(324.7)	(212.8)	(111.9)	52.6
Income tax expenses	470.7	759.8	(289.1)	(38.0)

Note:

- (1) The income not taxable for tax purposes mainly represents interest income arising from government bonds and fund dividends. This kind of interest income is tax free under the PRC tax regulations.

Our income tax expenses for the six months ended 30 June 2020 were RMB470.7 million, representing a decrease of 38.0% from RMB759.8 million for the six months ended 30 June 2019. The decrease was mainly due to a decrease of our profit before tax and an increase of income not taxable.

## Management Discussion and Analysis

### IV ANALYSIS OF THE STATEMENT OF FINANCIAL POSITION

#### 1 Assets

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>ASSETS</b>				
Gross loans and advances to customers	305,473.4	44.5	293,945.7	43.9
Allowance for impairment losses	(13,820.9)	(2.0)	(12,716.5)	(1.9)
Loans and advances to customers, net	291,652.5	42.5	281,229.2	42.0
Investment securities and other financial assets, net	323,727.2	47.2	296,512.8	44.3
Financial assets held under resale agreements	2,957.8	0.4	8,174.2	1.2
Cash and balances with central bank	42,020.6	6.1	59,303.1	8.9
Deposits with banks and other financial institutions	6,738.0	1.0	6,888.5	1.0
Placements with banks and other financial institutions	6,944.9	1.0	5,414.0	0.8
Derivative financial assets	163.8	0.0	167.3	0.0
Other assets <sup>(1)</sup>	11,631.8	1.8	11,712.0	1.8
<b>TOTAL ASSETS</b>	<b>685,836.6</b>	<b>100.0</b>	<b>669,401.1</b>	<b>100.0</b>

Note:

- (1) Consist primarily of property and equipment, right-of-use assets, deferred tax assets, interests in associates, repossessed assets, prepaid expenses, intangible assets and other receivables, etc.

As of 30 June 2020, our total assets amounted to RMB685,836.6 million, representing an increase of 2.5% from RMB669,401.1 million for the year ended 31 December 2019. The increase was primarily due to the increase in investment securities and other financial assets as well as loans and advances to customers.

## Management Discussion and Analysis

### 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 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Corporate loans	148,814.5	48.6	148,463.7	50.5
Personal loans	124,799.7	40.9	127,142.3	43.3
Finance lease receivables	3,595.2	1.2	4,865.5	1.7
Discounted bills	28,264.0	9.3	13,474.2	4.5
<b>Total</b>	<b>305,473.4</b>	<b>100.0</b>	<b>293,945.7</b>	<b>100.0</b>

### Corporate loans

Our corporate loans amounted to RMB148,814.5 million as of 30 June 2020, representing an increase of 0.2% compared to RMB148,463.7 million as of 31 December 2019.

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Short-term loans (one year or less)	48,303.6	32.5	58,898.0	39.7
Medium and long-term loans (over one year)	100,510.9	67.5	89,565.7	60.3
<b>Total corporate loans</b>	<b>148,814.5</b>	<b>100.0</b>	<b>148,463.7</b>	<b>100.0</b>

Short-term loans as a percentage of our corporate loan portfolio decreased from 39.7% as of 31 December 2019 to 32.5% as of 30 June 2020 and our medium- and long-term loans as a percentage of our corporate loan portfolio increased from 60.3% as of 31 December 2019 to 67.5% as of 30 June 2020. The changes in the above percentages of our corporate loan portfolio were primarily due to the fact that the Bank further adjusted and optimised the credit structure.

## Management Discussion and Analysis

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
	<i>(Amounts in millions of RMB, except percentages)</i>			
Working capital loans	77,669.7	52.2	79,369.4	53.5
Fixed assets loans	59,258.1	39.8	55,467.6	37.4
Trade finance	7,865.1	5.3	8,509.7	5.7
Others <sup>(1)</sup>	4,021.6	2.7	5,117.0	3.4
<b>Total corporate loans</b>	<b>148,814.5</b>	<b>100.0</b>	<b>148,463.7</b>	<b>100.0</b>

Note:

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

Our working capital loans amounted to RMB77,669.7 million as of 30 June 2020, representing a decrease of 2.1% compared to RMB79,369.4 million as of 31 December 2019, remaining essentially stable.

Our fixed assets loans amounted to RMB59,258.1 million as of 30 June 2020, 6.8% higher than RMB55,467.6 million as of 31 December 2019, which was primarily due to the fact that the Bank further adjusted and optimised the credit structure.

Our trade finance amounted to RMB7,865.1 million as of 30 June 2020, representing a decrease of 7.6% compared to RMB8,509.7 million as of 31 December 2019, which was mainly because of the decrease in financing demands from customers due to the impact of COVID-19 epidemic.

Our other corporate loans amounted to RMB5,117.0 million and RMB4,021.6 million as of 31 December 2019 and 30 June 2020, respectively.

## Management Discussion and Analysis

### Personal loans

Our personal loans amounted to RMB124,799.7 million as of 30 June 2020, representing a decrease of 1.8% as compared to RMB127,142.3 million as of 31 December 2019. This decrease was mainly attributable to the Bank's adjustment to the credit structure.

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Personal consumption loans	86,223.0	69.1	91,660.2	72.1
Residential mortgage loans	22,686.7	18.2	22,352.2	17.6
Personal business loans	13,941.0	11.1	11,382.9	8.9
Credit card overdrafts	1,949.0	1.6	1,747.0	1.4
<b>Total personal loans</b>	<b>124,799.7</b>	<b>100.0</b>	<b>127,142.3</b>	<b>100.0</b>

Our personal consumption loans amounted to RMB86,223.0 million as of 30 June 2020, representing a decrease of 5.9% compared to RMB91,660.2 million as of 31 December 2019. The decrease was primarily because personal consumption demand was suppressed to a certain extent due the impact of COVID-19 epidemic, the demand for consumption loans was therefore affected.

Our residential mortgage loans amounted to RMB22,686.7 million as of 30 June 2020, representing an increase of 1.5% compared to RMB22,352.2 million as of 31 December 2019. The increase in our residential mortgage loans was primarily due to the fact that since the beginning of this year, the Bank had stepped up the efforts in the marketing of the personal residential mortgage loan business, and at the same time, timely adjusted the residential loan policies for the interest rate pricing and the loan-to-value ratio on the basis of compliance with the regulatory requirements. The scale of personal residential loans has been steadily increased.

## Management Discussion and Analysis

Our personal business loans amounted to RMB13,941.0 million as of 30 June 2020, representing an increase of 22.5% compared to RMB11,382.9 million as of 31 December 2019. The increase in our personal business loans was primarily due to our effective implementation of Central Government's policy to support for operation resumption of small and micro-sized enterprises and sole proprietors in 2020. Focusing on online loan products such as "e-loans for taxpayers" ("銀稅e貸") and "e-loans for supermarkets" ("商超e貸") targeting individuals, we continued to enhance the application and promotion of online "contactless" loan products. As such, our business scale and client base in this sector realised significant growth.

Our credit card overdrafts amounted to RMB1,747.0 million and RMB1,949.0 million as of 31 December 2019 and 30 June 2020, which was primarily due to the card issuance marketing model combining the online acquisition of customers on the Internet platform of the Meituan Joint Credit Card products with the offline QR code promotion at our business outlets, which led to a rapid increase in the scale of credit card issuance.

### *Finance lease receivables*

As of 30 June 2020, we recorded a decrease of 26.1% in our finance lease receivables from RMB4,865.5 million as of 31 December 2019 to RMB3,595.2 million, which was primarily due to the impact of COVID-19 and a slowdown in the pace of the launch of finance lease projects.

### *Discounted bills*

Our discounted bills increased by 109.8% from RMB13,474.2 million as of 31 December 2019 to RMB28,264.0 million as of 30 June 2020, primarily because under the influence of macro policy adjustment, in order to promote the resumption of work and production of enterprises, the central bank guided the downward trend of capital interest rates through open market operations and used rediscount tools to support corporate discount. In response to the policy requirements, the Bank proactively increased its bill assets and further optimized its asset structure.

### *Investment securities and other financial assets*

As of 30 June 2020, the balance of our investment securities and other financial assets amounted to RMB323,727.2 million, representing an increase of 9.2% compared to RMB296,512.8 million as of 31 December 2019. The increase was mainly due to the further adjustment in our asset portfolio which continuously reduced allocation to investment in assets management plans and other investment businesses of other financial institutions while increasing the business scales in debt securities that were highly liquid and standardized as well as publicly offered funds.

## Management Discussion and Analysis

The following table sets forth the components of our investment securities and other financial assets as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Debt securities</b>				
Debt securities measured at amortised cost	136,524.2	42.4	106,863.9	36.0
Debt securities measured at fair value through other comprehensive income	45,938.4	14.2	46,994.0	15.8
Debt securities measured at fair value through profit or loss	4,578.1	1.4	1,973.9	0.7
Allowance for impairment losses	(242.3)	(0.1)	(276.7)	(0.1)
<b>Subtotal</b>	<b>186,798.4</b>	<b>57.7</b>	<b>155,555.1</b>	<b>52.4</b>
<b>Funds</b>	<b>28,886.7</b>	<b>8.9</b>	<b>23,306.2</b>	<b>7.9</b>
<b>Wealth management products issued by other financial institutions</b>				
	4,836.2	1.5	–	–
<b>Trust beneficiary rights and assets management plans, net</b>				
Asset management plans	56,075.3	17.3	69,919.1	23.6
Trust beneficiary rights	48,771.6	15.1	49,437.3	16.7
Allowance for impairment losses	(3,395.2)	(1.0)	(3,157.1)	(1.1)
<b>Subtotal</b>	<b>101,451.7</b>	<b>31.4</b>	<b>116,199.3</b>	<b>39.2</b>
<b>Equity investments</b>				
Equity investments measured at fair value through profit or loss	360.6	0.1	58.6	0.0
Equity investments measured at fair value through other comprehensive income	1,393.6	0.4	1,393.6	0.5
<b>Subtotal</b>	<b>1,754.2</b>	<b>0.5</b>	<b>1,452.2</b>	<b>0.5</b>
<b>Total investment securities and other financial assets, net</b>	<b>323,727.2</b>	<b>100.0</b>	<b>296,512.8</b>	<b>100.0</b>

## Management Discussion and Analysis

### Debt securities

The following table sets forth the components of our debt securities as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
PRC government bonds	58,741.3	31.4	48,770.4	31.3
Debt securities issued by PRC policy banks	68,773.4	36.8	52,342.6	33.6
Debt securities issued by PRC corporate issuers	35,572.3	19.0	30,659.1	19.7
Debt securities issued by				
PRC banks and other financial institutions	1,813.4	1.0	1,902.0	1.2
Asset-backed securities	22,140.3	11.8	22,157.7	14.2
<b>Total</b>	<b>187,040.7</b>	<b>100.0</b>	<b>155,831.8</b>	<b>100.0</b>

Our holding of debt securities issued by PRC government increased by 20.4% from RMB48,770.4 million as of 31 December 2019 to RMB58,741.3 million as of 30 June 2020. The increase was primarily due to the fact that the Bank properly adjusted the asset structure and increased the scale of deployment of such assets.

Our holding of debt securities issued by PRC policy banks increased by 31.4% from RMB52,342.6 million as of 31 December 2019 to RMB68,773.4 million as of 30 June 2020. The increase was primarily due to the fact that the Bank properly adjusted the asset structure and increased the scale of deployment of such assets.

Our holding of debt securities issued by PRC corporate issuers increased by 16.0% from RMB30,659.1 million as of 31 December 2019 to RMB35,572.3 million as of 30 June 2020, which was primarily due to the fact that the Bank properly adjusted the asset structure and increased the scale of deployment of such assets with higher revenue.

Our holding of debt securities issued by PRC banks and other financial institutions decreased by 4.7% from RMB1,902.0 million as of 31 December 2019 to RMB1,813.4 million as of 30 June 2020, which reflected the fact that the Bank properly adjusted the asset structure and decreased the scale of deployment of such assets.

Our holding of asset-backed securities decreased by 0.1% from RMB22,157.7 million as of 31 December 2019 to RMB22,140.3 million as of 30 June 2020, which remained stable overall.

## Management Discussion and Analysis

*Distribution of investment securities and other financial assets by items on condensed consolidated statement of financial position*

The following table sets forth the distribution of our investment securities and other financial assets by items on condensed consolidated statement of financial position as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Debt instruments measured at amortised cost	203,412.2	62.8	188,580.6	63.6
Financial assets measured at fair value through other comprehensive income	47,332.0	14.6	48,387.6	16.3
Financial assets measured at fair value through profit or loss	72,983.0	22.6	59,544.6	20.1
<b>Total</b>	<b>323,727.2</b>	<b>100.0</b>	<b>296,512.8</b>	<b>100.0</b>

*Financial assets held under resale agreements*

The table below sets forth the distribution of our financial assets held under resale agreements by collateral type as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Analysed by collateral type:</b>				
Bonds	2,357.6	70.4	7,574.0	88.4
Bills	993.5	29.6	993.5	11.6
<b>Gross amount</b>	<b>3,351.1</b>	<b>100.0</b>	<b>8,567.5</b>	<b>100.0</b>
Allowance for impairment losses	(393.3)		(393.3)	
<b>Net amount</b>	<b>2,957.8</b>		<b>8,174.2</b>	

Our financial assets held under resale agreements amounted to RMB2,957.8 million as of 30 June 2020, representing a decrease of 63.8% compared to RMB8,174.2 million as of 31 December 2019, primarily due to the fact that the Bank properly adjusted the asset structure and decreased the scale of deployment of such assets.

## Management Discussion and Analysis

### *Other components of our assets*

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

Our cash and balances with central bank amounted to RMB42,020.6 million as of 30 June 2020, representing a decrease of 29.1% compared to RMB59,303.1 million as of 31 December 2019.

Our deposits with banks and other financial institutions amounted to RMB6,738.0 million as of 30 June 2020, representing a decrease of 2.2% compared to RMB6,888.5 million as of 31 December 2019, which remained essentially stable.

Our placements with banks and other financial institutions amounted to RMB6,944.9 million as of 30 June 2020, representing an increase of 28.3% compared to RMB5,414.0 million as of 31 December 2019. The increase was primarily due to the fact that the Bank properly adjusted the asset structure and increased the scale of deployment of such assets.

Our derivative financial assets amounted to RMB163.8 million as of 30 June 2020, representing a decrease of 2.1% compared to RMB167.3 million as of 31 December 2019.

Our other assets consist primarily of property and equipment, right-of-use assets, deferred tax assets, repossessed assets, interests in associates, prepaid expenses, intangible assets and other receivables, etc. Our other assets decreased by 0.7% from RMB11,712.0 million as of 31 December 2019 to RMB11,631.8 million as of 30 June 2020, primarily due to the decrease in deferred tax assets.

### *Pledge of assets*

As of 30 June 2020, the details of pledge of our assets are set out in note 42 to the condensed consolidated financial statements in this interim report.

## Management Discussion and Analysis

### 2 Liabilities

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Due to customers	368,251.2	58.2	350,996.4	56.8
Debt securities issued	109,035.3	17.2	120,669.7	19.5
Deposits from banks and other financial institutions	35,536.3	5.6	45,385.1	7.3
Financial assets sold under repurchase agreements	45,131.0	7.1	32,994.0	5.3
Placements from banks and other financial institutions	22,217.4	3.5	21,198.6	3.4
Financial liabilities held for trading	80.2	0.0	412.2	0.1
Borrowings from central bank	45,023.2	7.1	36,629.4	5.9
Income tax payable	646.6	0.1	1,693.5	0.3
Derivative financial liabilities	12.1	0.0	39.8	0.0
Other liabilities <sup>(1)</sup>	7,224.7	1.2	8,205.6	1.4
<b>TOTAL LIABILITIES</b>	<b>633,158.0</b>	<b>100.0</b>	<b>618,224.3</b>	<b>100.0</b>

Note:

- (1) Consist primarily of lease liabilities, other payables, settlement payable, salaries and benefits payables, dividends payable and sundry taxes payable, etc.

As of 30 June 2020, our total liabilities were RMB633,158.0 million, representing an increase of 2.4% compared to RMB618,224.3 million as of 31 December 2019.

## Management Discussion and Analysis

### Due to customers

As of 30 June 2020, our due to customers amounted to RMB368,251.2 million, representing an increase of 4.9% compared to RMB350,996.4 million as of 31 December 2019.

The following table sets forth our due to customers by product type and maturity profile of deposits as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Corporate deposits</b>				
Demand	185,825.3	50.4	180,184.0	51.3
Time <sup>(1)</sup>	85,683.9	23.3	79,839.0	22.7
Subtotal	271,509.2	73.7	260,023.0	74.0
<b>Personal deposits</b>				
Demand	19,791.4	5.4	21,692.8	6.2
Time <sup>(1)</sup>	60,790.2	16.5	51,473.9	14.7
Subtotal	80,581.6	21.9	73,166.7	20.9
<b>Others<sup>(2)</sup></b>	<b>16,160.4</b>	<b>4.4</b>	<b>17,806.7</b>	<b>5.1</b>
<b>Total due to customers</b>	<b>368,251.2</b>	<b>100.0</b>	<b>350,996.4</b>	<b>100.0</b>

### Notes:

- (1) Includes principal-guaranteed wealth management products, which we classify as due to customers pursuant to the rules of the People's Bank of China.
- (2) Consist primarily of pledged deposits, funds deposited with us for remittance and temporary deposits.

## Management Discussion and Analysis

Our corporate deposits increased by 4.4% from RMB260,023.0 million as of 31 December 2019 to RMB271,509.2 million as of 30 June 2020. The increase in our corporate deposits was primarily due to enhancement of client acquisition capability and client loyalty of our Bank. By adhering to our “Four Tailor-made Approaches” and precision marketing tactics, we were more focused on acquiring corporate clients with an emphasis on account planning as well as enhanced quality and efficiency. Consequently, contribution from due to customers area was boosted.

Our personal deposits increased by 10.1% from RMB73,166.7 million as of 31 December 2019 to RMB80,581.6 million as of 30 June 2020. The increase in our personal deposits was primarily due to the Bank’s continuous commitment to the innovation of retail financial products and the expansion of our scope of service based on modern information technology. We used differentiated product strategies and service strategies to provide customers with suitable deposit products to meet the diverse needs of individual financial users for financial products. Since the beginning of this year, the Bank has further focused on the stability and sustainable development of the traditional liability business. We effectively met customers’ needs on time, enhanced integrated service abilities to respond to market changes and attracted customer funds through providing various asset allocation plans, which effectively promoted the growth of the size of personal deposits of the Bank.

### *Debt securities issued*

As of 30 June 2020, our debt securities issued amounted to RMB109,035.3 million, representing a decrease of 9.6% from RMB120,669.7 million as of 31 December 2019. The decrease in our debt securities issued was primarily because we extended to more financing channels to increase other liability sources.

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

As of 30 June 2020, our deposits from banks and other financial institutions amounted to RMB35,536.3 million, representing a decrease of 21.7% from RMB45,385.1 million as of 31 December 2019. The decrease in our deposits from banks and other financial institutions primarily reflected the fact that the Bank adjusted our liability structure and reduced the size of this business area.

### *Financial assets sold under repurchase agreements*

As of 30 June 2020, our financial assets sold under repurchase agreements amounted to RMB45,131.0 million, representing an increase of 36.8% from RMB32,994.0 million as of 31 December 2019. The increase in our financial assets sold under repurchase agreements was primarily because the Bank adjusted our liability structure and increased the size of this business area.

## Management Discussion and Analysis

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

As of 30 June 2020, our placements from banks and other financial institutions amounted to RMB22,217.4 million, representing an increase of 4.8% from RMB21,198.6 million as of 31 December 2019. The increase in our placements from banks and other financial institutions was primarily due to an increase in the size of this business area of the Bank because of the adjustment of our liability structure.

### *Financial liabilities held for trading*

As of 30 June 2020, our financial liabilities held for trading amounted to RMB80.2 million, representing a decrease of 80.5% from RMB412.2 million as of 31 December 2019. The decrease in our financial liabilities held for trading was primarily because the Bank adjusted its liability structure and decreased the size of this business area.

### *Borrowings from central bank*

As of 30 June 2020, our borrowings from central bank amounted to RMB45,023.2 million, representing an increase of 22.9% from RMB36,629.4 million as of 31 December 2019. The increase in our borrowings from central bank was primarily due to a general increase in our borrowings from central bank including refinancing and rediscounting.

### *Income tax payable*

As of 30 June 2020, our income tax payable amounted to RMB646.6 million, representing a decrease of 61.8% from RMB1,693.5 million as of 31 December 2019.

### *Derivative financial liabilities*

As of 30 June 2020, our derivative financial liabilities amounted to RMB12.1 million, representing a decrease of 69.6% from RMB39.8 million as of 31 December 2019.

### *Other liabilities*

Our other liabilities mainly include lease liabilities, other payables, settlement payable, salaries and benefits payable, dividends payable and sundry taxes payable, etc. Our other liabilities decreased by 12.0% from RMB8,205.6 million as of 31 December 2019 to RMB7,224.7 million as of 30 June 2020, which was primarily due to the decrease in other payables and settlement payables.

### *Contingent liabilities*

As of 30 June 2020, details of the Bank's contingent liabilities are set out in note 40 to the condensed consolidated financial statements in this interim report.

## Management Discussion and Analysis

### 3 Equity

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

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>EQUITY</b>				
Share capital	6,070.6	11.5	6,070.6	11.9
Capital reserve	10,731.1	20.4	10,731.1	21.0
Investment revaluation reserve	10.8	0.0	88.6	0.2
Surplus reserve	3,352.5	6.4	3,352.5	6.5
General reserve	9,198.3	17.5	9,198.3	18.0
Retained earnings	22,514.6	42.7	20,953.8	40.9
Equity attributable to equity holders of the Bank	51,877.9	98.5	50,394.9	98.5
Non-controlling interests	800.7	1.5	781.9	1.5
<b>TOTAL EQUITY</b>	<b>52,678.6</b>	<b>100.0</b>	<b>51,176.8</b>	<b>100.0</b>

As of 30 June 2020, our shareholders' equity amounted to RMB52,678.6 million, representing an increase of 2.9% compared to RMB51,176.8 million as of 31 December 2019. As of 30 June 2020, our equity attributable to equity holders of the Bank was RMB51,877.9 million, representing an increase of 2.9% compared to RMB50,394.9 million as of 31 December 2019. The increase in the shareholders' equity in the six months ended 30 June 2020 was mainly due to the increase in our retained earnings.

## Management Discussion and Analysis

### V ANALYSIS OF OFF-BALANCE SHEET ITEMS

The following table sets forth the contractual amounts of our credit commitments as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020	As of 31 December 2019
	<i>(Amounts in millions of RMB)</i>	
Acceptances	30,317.6	32,085.8
Letters of credit issued	7,341.9	8,642.5
Letters of guarantee	1,107.2	1,248.6
Undrawn corporate loans limit	24,034.6	23,471.6
Undrawn credit card limit	8,547.7	6,924.5
<b>Total</b>	<b>71,349.0</b>	<b>72,373.0</b>

## Management Discussion and Analysis

### VI ANALYSIS

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

The following table sets forth the distribution of our loan portfolio by the five-category loan classification as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total <sup>(1)</sup> (%)	Amount	% of the total <sup>(1)</sup> (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Normal	282,296.3	92.41	274,802.4	93.49
Special mention	16,682.9	5.46	13,378.2	4.55
<b>Subtotal</b>	<b>298,979.2</b>	<b>97.87</b>	<b>288,180.6</b>	<b>98.04</b>
Substandard	4,052.4	1.33	3,130.8	1.07
Doubtful	1,870.9	0.61	2,071.1	0.70
Loss	570.9	0.19	563.2	0.19
<b>Subtotal</b>	<b>6,494.2</b>	<b>2.13</b>	<b>5,765.1</b>	<b>1.96</b>
<b>Total loans and advances to customers</b>	<b>305,473.4</b>	<b>100.0</b>	<b>293,945.7</b>	<b>100.0</b>

As of 30 June 2020, according to the five-category classification, the normal loans amounted to RMB282,296.3 million, representing an increase of RMB7,493.9 million compared to that as of 31 December 2019. The normal loans accounted for 92.41% of all the loans of the Bank as of 30 June 2020. Loans classified as special mention were RMB16,682.9 million, representing an increase of RMB3,304.7 million compared to that as of 31 December 2019. The loans classified as special mention accounted for 5.46% of all loans. The non-performing loans were RMB6,494.2 million, representing an increase of RMB729.1 million compared to that as of 31 December 2019 with a non-performing loan ratio<sup>(1)</sup> of 2.13%, representing an increase of 0.17 percentage point compared to that as of 31 December 2019, primarily due to the weakened repayment ability of individual corporate customers and individual customers of the Bank.

Note:

(1) Calculated by the amount of five categories loans (interests included).

## 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 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Real estate	32,963.0	21.7	35,254.4	23.1
Manufacturing	25,976.4	17.0	26,373.2	17.2
Wholesale and retail	24,076.8	15.8	23,834.4	15.5
Leasing and business services	23,565.8	15.5	22,454.9	14.6
Construction	19,002.5	12.5	17,205.7	11.2
Water, environment and public facilities management	13,320.1	8.8	13,145.1	8.6
Transportation, storage and postal services	3,424.3	2.3	3,608.9	2.4
Electricity, heat, gas and water production and supply	2,836.4	1.9	2,952.5	1.9
Finance	1,669.2	1.1	2,662.6	1.7
Resident services, repair and other services	1,138.3	0.7	1,822.0	1.2
Cultural, sports and entertainment	913.0	0.6	671.4	0.4
Accommodation and catering	814.5	0.5	742.7	0.5
Agriculture, forestry, animal husbandry and fishery	681.7	0.4	610.5	0.4
Information transmission, software and information technology services	651.1	0.4	609.3	0.4
Mining	567.5	0.4	657.8	0.4
Scientific research and technical services	369.4	0.2	272.7	0.2
Health and social services	364.6	0.2	257.3	0.2
Education	75.1	0.0	40.4	0.0
Public administration, social security and social organisation	–	–	153.4	0.1
<b>Total corporate loans<sup>(1)</sup></b>	<b>152,409.7</b>	<b>100.0</b>	<b>153,329.2</b>	<b>100.0</b>

Note:

(1) Consist of finance lease receivables.

In the first half of 2020, the Bank actively supported the development of the real economy with its loans structure further optimised. As of 30 June 2020, loans provided to customers in the industries of (i) real estate, (ii) manufacturing, (iii) wholesale and retail, (iv) leasing and business services, and (v) construction represented the top five largest components of the Bank's corporate loans. As of 30 June 2020 and 31 December 2019, the balance of loans provided to the corporate customers in these five industries were RMB125,584.5 million and RMB125,122.6 million, respectively, accounting for 82.5% and 81.6% of the total corporate loans issued by the Bank, respectively.

## Management Discussion and Analysis

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

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

	As of 30 June 2020			As of 31 December 2019		
	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)
<i>(Amounts in millions of RMB, except percentages)</i>						
Manufacturing	1,783.0	41.9	6.86	1,834.3	42.5	6.96
Wholesale and retail	1,729.5	40.5	7.18	1,768.1	41.0	7.42
Construction	307.2	7.2	1.62	251.6	5.8	1.46
Mining	169.9	4.0	29.94	209.9	4.9	31.91
Accommodation and catering	74.5	1.7	9.15	74.5	1.7	10.03
Real estate	61.2	1.4	0.19	61.2	1.4	0.17
Information transmission, software and information technology services	46.9	1.1	7.20	46.9	1.1	7.70
Transportation, storage and postal services	45.8	1.1	1.34	47.8	1.1	1.32
Agriculture, forestry, animal husbandry and fishery	38.2	0.9	5.60	10.7	0.2	1.75
Scientific research and technical services	6.0	0.1	1.62	12.0	0.3	4.40
Leasing and business services	3.0	0.1	0.01	–	–	–
<b>Total non-performing corporate loans<sup>(2)</sup></b>	<b>4,265.2</b>	<b>100.0</b>	<b>2.80</b>	<b>4,317.0</b>	<b>100.0</b>	<b>2.82</b>

Notes:

- (1) Calculated by dividing non-performing loans to corporate customers in each industry by gross loans to corporate customers (interests included) in that industry.
- (2) Consist 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 manufacturing industry were 6.96% and 6.86% as of 31 December 2019 and 30 June 2020, respectively. As of 31 December 2019 and 30 June 2020, non-performing corporate loans to borrowers in this industry accounted for 42.5% and 41.9% of our total non-performing corporate loans, respectively. The decrease in the non-performing loan ratio for our corporate loans to borrowers in the manufacturing industry was primarily because the Bank strengthened the collection and resolution of non-performing loans.

The non-performing loan ratios for our corporate loans in the wholesale and retail industry were 7.42% and 7.18% as of 31 December 2019 and 30 June 2020, respectively. As of 31 December 2019 and 30 June 2020, non-performing corporate loans to borrowers in this industry accounted for 41.0% and 40.5% of our total non-performing corporate loans, respectively. The decrease in our non-performing loan ratio for our corporate loans to borrowers in the wholesale and retail industry was primarily because the Bank strengthened the collection and resolution of non-performing loans.

The non-performing loan ratios for our corporate loans in the construction industry were 1.46% and 1.62% as of 31 December 2019 and 30 June 2020, respectively. As of 31 December 2019 and 30 June 2020, non-performing corporate loans to borrowers in this industry accounted for 5.8% and 7.2% of our total non-performing corporate loans, respectively. The increase in our non-performing loan ratio for our corporate loans to borrowers in the construction industry was primarily due to the weakened repayment ability of individual customers in the industry.

The non-performing loan ratios for our corporate loans in the mining industry were 31.91% and 29.94% as of 31 December 2019 and 30 June 2020, respectively. As of 31 December 2019 and 30 June 2020, non-performing corporate loans to borrowers in this industry accounted for 4.9% and 4.0% of our total non-performing corporate loans, respectively. The decrease in our non-performing loan ratio for our corporate loans to borrowers in this industry primarily reflected the Bank's increased efforts in the collection and resolution of non-performing loans.

The non-performing loan ratios for our corporate loans in the accommodation and catering industry were 10.03% and 9.15% as of 31 December 2019 and 30 June 2020, respectively. As of 31 December 2019 and 30 June 2020, non-performing corporate loans to borrowers in this industry accounted for 1.7% of our total non-performing corporate loans. The decrease in our non-performing loan ratio for our corporate loans to borrowers in the accommodation and catering industry was primarily due to the increase in the industry's balance of loans.

## Management Discussion and Analysis

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

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

	As of 30 June 2020			As of 31 December 2019		
	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)
<i>(Amounts in millions of RMB, except percentages)</i>						
<b>Corporate loans<sup>(2)</sup></b>						
Working capital loans	3,816.1	58.8	4.91	3,903.7	67.7	4.92
Fixed asset loans	62.5	1.0	0.11	62.5	1.1	0.11
Trade finance	22.4	0.3	0.28	22.9	0.4	0.27
Others <sup>(3)</sup>	364.2	5.6	9.06	327.9	5.7	6.41
<b>Subtotal</b>	<b>4,265.2</b>	<b>65.7</b>	<b>2.80</b>	<b>4,317.0</b>	<b>74.9</b>	<b>2.82</b>
<b>Discounted bills</b>						
	–	–	–	28.6	0.5	0.21
<b>Subtotal</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>28.6</b>	<b>0.5</b>	<b>0.21</b>
<b>Personal loans</b>						
Personal business loans	573.0	8.8	4.11	448.7	7.8	3.94
Personal consumption loans	1,536.5	23.6	1.78	885.3	15.3	0.97
Residential mortgage loans	70.0	1.1	0.31	55.7	1.0	0.25
Credit card overdrafts	49.5	0.8	2.55	29.8	0.5	1.72
<b>Subtotal</b>	<b>2,229.0</b>	<b>34.3</b>	<b>1.79</b>	<b>1,419.5</b>	<b>24.6</b>	<b>1.12</b>
<b>Total non-performing loans</b>	<b>6,494.2</b>	<b>100.0</b>	<b>2.13</b>	<b>5,765.1</b>	<b>100.0</b>	<b>1.96</b>

Notes:

- (1) Calculated by dividing non-performing loans in each product type by gross loans (interests included) in that product type.
- (2) Total corporate loans here consist 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 overdraft.

## Management Discussion and Analysis

The non-performing loan ratio for our corporate loans decreased from 2.82% as of 31 December 2019 to 2.80% as of 30 June 2020, with a 1.2% decrease in our non-performing corporate loans from RMB4,317.0 million to RMB4,265.2 million. The decrease in our non-performing corporate loans was primarily because the Bank strengthened the collection and resolution of non-performing loans.

The non-performing loan ratio for our personal loans increased from 1.12% as of 31 December 2019 to 1.79% as of 30 June 2020, with a 57.0% increase in our non-performing personal loans from RMB1,419.5 million as of 31 December 2019 to RMB2,229.0 million as of 30 June 2020. The increase in the non-performing loan ratio for our personal loans was primarily due to the weakened repayment ability of individual customers of the Bank.

The non-performing loan ratio for our discounted bills was 0.21% as of 31 December 2019 and our non-performing loans for discounted bills amounted to RMB28.6 million as of the same date. There was no non-performing loans for our discounted bills as of 30 June 2020. The decrease in the non-performing loan ratio for our discounted bills was primarily because the Bank strengthened the collection and resolution of non-performing loans.

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

The following table sets forth the distribution of our non-performing loans by geographical region as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020			As of 31 December 2019		
	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)	Amount	% of the total (%)	NPL ratio <sup>(1)</sup> (%)
<i>(Amounts in millions of RMB, except percentages)</i>						
Tianjin	1,573.7	24.3	1.23	1,585.5	27.4	1.36
Beijing	655.6	10.1	3.68	397.0	6.9	1.60
Shandong Province	893.3	13.8	2.57	891.0	15.5	2.61
Shanghai	1,457.5	22.4	1.84	1,039.1	18.0	1.44
Hebei Province	1,644.8	25.3	7.02	1,663.5	28.9	7.20
Sichuan Province	249.9	3.8	1.16	178.2	3.1	0.81
Ningxia	19.4	0.3	2.11	10.8	0.2	1.17
<b>Total non-performing loans</b>	<b>6,494.2</b>	<b>100.0</b>	<b>2.13</b>	<b>5,765.1</b>	<b>100.0</b>	<b>1.96</b>

Note:

(1) Calculated by dividing non-performing loans of each region by the gross loans (interests included) of that region.

## Management Discussion and Analysis

### Distribution of Loans by Collateral

The following table sets forth the distribution of our loans and advances to customers by type of collateral as of 31 December 2019 and 30 June 2020.

	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Unsecured loan	107,877.9	35.3	109,527.3	37.3
Guaranteed loan	106,272.3	34.8	97,674.7	33.2
Collateralised loans <sup>(1)</sup>	67,171.0	22.0	68,449.1	23.3
Pledged loans <sup>(1)</sup>	24,152.2	7.9	18,294.6	6.2
<b>Total loans and advances to customers</b>	<b>305,473.4</b>	<b>100.0</b>	<b>293,945.7</b>	<b>100.0</b>

Note:

- (1) Represent 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

As of 30 June 2020, the Bank's total loans to its largest single borrower accounted for 4.08% of its regulatory capital while total loans to its top ten customers accounted for 31.72% of its regulatory capital, which were in compliance with regulatory requirements.

#### a. Indicators of Concentration

Major regulatory indicators	Regulatory standard	As of 30 June 2020	As of 31 December 2019
Loan concentration ratio for the largest single customer (%)	<=10	4.08	4.38
Loan concentration ratio for the top ten customers (%)	<=50	31.72	31.76

Note: The data above are calculated in accordance with the formula promulgated by the China Banking and Insurance 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 top ten largest single borrowers, all of which were classified as normal at that date.

	Industry	As of 30 June 2020			Classification
		Amount	% of total loans (%)	% of regulatory capital <sup>(1)</sup> (%)	
<i>(Amounts in millions of RMB, except percentages)</i>					
Borrower A	Construction	2,998.5	0.99	4.08	Normal
Borrower B	Leasing and business services	2,820.0	0.92	3.84	Normal
Borrower C	Manufacturing	2,486.3	0.81	3.38	Normal
Borrower D	Manufacturing	2,477.3	0.81	3.37	Normal
Borrower E	Manufacturing	2,336.2	0.76	3.18	Normal
Borrower F	Construction	2,282.5	0.75	3.11	Normal
Borrower G	Real estate	2,135.0	0.70	2.90	Normal
Borrower H	Real estate	2,086.0	0.68	2.84	Normal
Borrower I	Leasing and business services	1,895.0	0.62	2.58	Normal
Borrower J	Wholesale and retail	1,797.0	0.59	2.44	Normal
<b>Total</b>		<b>23,313.8</b>	<b>7.63</b>	<b>31.72</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 30 June 2020, balance of loans to the largest single borrower of the Bank was RMB2,998.5 million, accounting for 0.99% of the total amount of loans of the Bank, and the total amount of loans to the top ten single borrowers was RMB23,313.8 million, representing 7.63% of the total amount of loans of the Bank.

## Management Discussion and Analysis

### Aging Schedule of Loans Past Due

The following table sets forth aging schedule of our loans past due as of the dates indicated.

Past Due	As of 30 June 2020		As of 31 December 2019	
	Amount	% of the total loans and advances to customers (%)	Amount	% of the total loans and advances to customers (%)
<i>(Amounts in thousands of RMB, except percentages)</i>				
Past due 1 to 90 days	4,694,832	1.53	3,689,078	1.25
Past due 90 days to 1 year	2,557,125	0.84	1,902,002	0.65
Past due 1 to 3 years	2,078,386	0.68	2,018,500	0.69
Past due more than 3 years	1,853,316	0.61	1,767,617	0.60
<b>Total</b>	<b>11,183,659</b>	<b>3.66</b>	<b>9,377,197</b>	<b>3.19</b>

### Changes to Allowance for Impairment Losses of Loans

The allowance for impairment losses of loans increased by 8.7% to RMB13,820.9 million as of 30 June 2020 from RMB12,716.4 million as of 1 January 2020. The increase was mainly due to the general increase in the Bank's provision for assets.

	As of 30 June 2020		As of 31 December 2019	
	Amount	NPL ratio <sup>(2)</sup> (%)	Amount	NPL ratio <sup>(2)</sup> (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
<b>Beginning of the period</b>	<b>12,716.4</b>	<b>1.96</b>	<b>11,845.7</b>	<b>1.64</b>
Net provisions for the period <sup>(1)</sup>	3,526.8		5,083.1	
Reversal interest revenue	(63.5)		(111.3)	
Write-off and transfers	(2,441.6)		(4,172.0)	
Recovery	82.8		70.9	
<b>End of the period</b>	<b>13,820.9</b>	<b>2.13</b>	<b>12,716.4</b>	<b>1.96</b>

Notes:

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

(2) Calculated by dividing the total amount of non-performing loans by total amount of loans (interests included).

## Management Discussion and Analysis

### VII 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 categorise 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 30 June			
	2020		2019	
	Amount	% of the total (%)	Amount	% of the total (%)
	<i>(Amounts in millions of RMB, except percentages)</i>			
Tianjin	4,619.0	53.1	4,944.5	55.8
Shandong Province	679.8	7.8	623.5	7.0
Shanghai	1,508.8	17.4	1,443.3	16.3
Sichuan Province	718.2	8.3	651.5	7.4
Beijing	790.8	9.1	892.1	10.1
Hebei Province	337.2	3.9	247.9	2.8
Ningxia	37.6	0.4	52.5	0.6
<b>Total</b>	<b>8,691.4</b>	<b>100.0</b>	<b>8,855.3</b>	<b>100.0</b>

## Management Discussion and Analysis

### Business Segment Report

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

	For the six months ended 30 June			
	2020		2019	
	Amount	% of the total (%)	Amount	% of the total (%)
<i>(Amounts in millions of RMB, except percentages)</i>				
Corporate banking	2,940.0	33.8	3,716.9	42.0
Personal banking	3,135.2	36.1	2,762.3	31.1
Treasury operations	2,585.2	29.7	2,360.5	26.7
Others <sup>(1)</sup>	31.0	0.4	15.6	0.2
<b>Total</b>	<b>8,691.4</b>	<b>100.0</b>	<b>8,855.3</b>	<b>100.0</b>

Note:

(1) Consist primarily of income that is not directly attributable to any specific segment.

## Management Discussion and Analysis

### VIII ANALYSIS ON CAPITAL ADEQUACY RATIO

As of 30 June 2020, capital adequacy ratio was 15.47%, 0.23 percentage point higher than that at the end of 2019, while tier-one capital adequacy ratio and core tier-one capital adequacy ratio were 10.88% and 10.87%, respectively, 0.25 percentage point higher than those at the end of 2019.

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

	As of 30 June 2020	As of 31 December 2019
	<i>(Amounts in millions of RMB, except percentages)</i>	
<b>Core capital</b>		
– Share capital	6,070.6	6,070.6
– Capital reserve and investment revaluation reserve	10,741.9	10,819.7
– Surplus reserve	3,352.5	3,352.5
– General reserve	9,198.3	9,198.3
– Retained earnings	22,514.6	20,953.8
– Non-controlling interests that may be included	161.9	206.9
<b>Total Core Capital</b>	<b>52,039.8</b>	50,601.8
<b>Core tier-one capital</b>	<b>52,039.8</b>	50,601.8
<b>Core tier-one capital deductible items</b>	<b>(400.8)</b>	(396.5)
<b>Net core tier-one capital</b>	<b>51,639.0</b>	50,205.3
<b>Net tier-one capital</b>	<b>51,660.7</b>	50,232.9
<b>Tier-two capital</b>		
– Net tier-two capital instruments and related premiums	16,260.0	16,260.0
– Surplus allowance for impairment losses on loans	5,540.1	5,516.5
– Non-controlling interests that may be included	43.2	55.2
<b>Total tier-two capital</b>	<b>21,843.3</b>	21,831.7
<b>Net capital</b>	<b>73,504.0</b>	72,064.6
<b>Total risk-weighted assets</b>	<b>475,033.0</b>	472,772.3
<b>Core tier-one capital adequacy ratio (expressed in percentage)</b>	<b>10.87</b>	10.62
<b>Tier-one capital adequacy ratio (expressed in percentage)</b>	<b>10.88</b>	10.63
<b>Capital adequacy ratio (expressed in percentage)</b>	<b>15.47</b>	15.24

As of 30 June 2020, the Bank's leverage ratio was 7.18%.

	As of 30 June 2020	As of 31 December 2019
Leverage ratio	<b>7.18%</b>	7.12%

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

## Management Discussion and Analysis

### IX RISK MANAGEMENT

Our Bank is exposed to the following primary risks: credit risk, operational risk, market risk, liquidity risk and information technology risk. In the first half of 2020, 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 of causing financial loss to creditors or holders of financial products, resulting from the failure by an obligor or counterparty to fulfill its obligations under the contract or changes in its credit quality affecting the value of financial products. 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 authorisation 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 authorisation and credit review and extension management system.

The Bank implements a centralised 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 centralised credit extension management and reviewed by review authorities or reviewers with corresponding authorisation for credit review and extension.

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 categorisation system and adopting specific procedures to manage relevant risks, improving our capacity to process credit risk management by utilising 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.

## Management Discussion and Analysis

### 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 information technology systems.

Our Bank has improved our operational risk management system. We have implemented three main operational risk management tools, namely self-assessment on operational risk and control, key risk index and operational risk incidents collection. The Bank regularly carries out self-assessment on risk identification and control, key risk index monitoring and collects information on operational risk loss. The Bank strictly adheres to the Administrative Measures for Operational Risk Report of the Bank of Tianjin (《天津銀行操作風險報告管理辦法》) to regulate the reporting system of operational risk. The Bank also issued the Negative List for Business Risk Prevention and Control to clarify on the dos and don'ts. Our Bank has made the effort to carry out various inspection procedures which are carrying forward, stereoscopic and multi-dimensional. We have placed emphasis on our accountability and reporting system. In addition, we have established a risk warning system. Multi-dimensional educative activities have been carried out across the Bank to enhance risk prevention and warning education.

### 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 undertakes the ultimate responsibility for 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 the Bank has sufficient human resources, materials, and appropriate organisation 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.

## Management Discussion and Analysis

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

### Information Technology Risk Management

We are subject to information technology risk which may cause operational, legal and reputational risks.

Our Bank continuously improves IT risk management, formulates and revises IT risk management-related policies and sets up IT management system to improve IT application capability and ensure system, internet, and information security. We have also effectively reduced potential risks by enhancing management and increasing IT investment.

Our Bank has formulated IT Risk Management Policies of Bank of Tianjin Co., Ltd. (《天津銀行股份有限公司信息科技風險管理政策》), Administrative Measures for IT Risk Management of Bank of Tianjin (《天津銀行信息科技風險管理辦法》), IT Risk Management Strategies of Bank of Tianjin (《天津銀行信息科技風險管理策略》), Administrative Measures for Risk Management of Sub-contracting IT Work of Bank of Tianjin (《天津銀行信息科技外包風險管理辦法》) and Administrative Measures for IT Risk Monitoring Evaluation of Bank of Tianjin (《天津銀行信息科技風險監測評估管理辦法》). Meanwhile, since the outbreak of the epidemic this year, the Bank timely formulated a bank-wide business continuity management work plan in response to the epidemic, carried out the information technology outsourcing risk screening, and strictly prevented the epidemic and information technology risks.

## Management Discussion and Analysis

### X BUSINESS REVIEW

#### Corporate Banking Business

In the first half of 2020, our corporate banking business focused on its main businesses and centered around adhering to the operation philosophy of “returning to the origin”, with focus of operation on supporting development of the real economy, mainly on giving support to national and regional key construction projects, to enterprises in combating the epidemic and resuming work and production, and to stabilise enterprises for ensuring employment. With increased release of loans, optimised corporate business structure, enlarged customer base and developed core customer base, the Bank achieved the business objectives of improving quality and efficiency while stabilising the source of liabilities.

For the six months ended 30 June 2020, our operating income from corporate banking business amounted to RMB2,940.0 million, accounting for 33.8% of the total operating income over the same period, representing a decrease of 20.9% as compared to the same period last year.

As of 30 June 2020, balance of our corporate loans excluding discounted bills and finance lease receivables amounted to RMB148,814.5 million, representing an increase of 0.2% as compared to that on 31 December 2019. As of 30 June 2020, our total corporate deposits amounted to RMB271,509.2 million, representing an increase of 4.4% as compared to that on 31 December 2019.

In line with the development trend and in response to the national policy requirement of green development, the Bank integrated the philosophy of low carbon and environmental protection into the Company's operation and daily management, actively built green financial system for internal management. By providing excellent green financial products and services, we underpinned the sustainable development of the society, economy and environment. As of the end of the Reporting Period, our balance on energy saving and green projects and service loans reached RMB8.31 billion.

In the first half of 2020, the Bank's transaction banking business took our development strategic planning as the blueprint with “light capital, integration and online” as the direction to further integrate our transaction banking products, reduce risky assets occupation and increase the level of intermediate business incomes; through the focus on key industries, we enhanced comprehensive solutions for products and built a platform for transaction banking services; we promoted business going online, pushed forward the building of business platforms such as the electronic certificate system and online supply chain etc.; we accelerated business innovation and development in the free trade zones, and created free trade business with our own characteristics. For the six months ended 30 June 2020, income from intermediary business of our transaction banking business amounted to RMB123.55 million.

## Management Discussion and Analysis

### Personal Banking Business

In the first half of 2020, we further implemented the “boundless connections” business development strategy in our personal finance business, used internet channel to attract customers, steadily developed online businesses, and solidly implemented important measures of “1+2+1” for the personal finance business, that is, “1” for consolidating the superior wealth management business, “2” for consolidating the basic personal deposit and loan business, and “1” for strengthening the work requirements of product innovation business. Our Bank efficiently pushed forward various work measures, with major operating indicators showing high-quality and ultra-unconventional development.

To fully streamline business processing procedures and enhance business process efficiency, the Bank, adhering to the principle of continuously improving customers’ experiences, promoted the construction of “intelligent outlets standardisation” to reach a new level. The three types of smart model outlets, which are “light”, “comprehensive” and “flagship-type”, have been launched, and outlet images have been further enhanced. In addition, the Bank deeply developed local markets, continuously strengthened the cooperation with Tianjin Social Security Bureau, diversified the functions and rights attached to social security cards, proactively promoted the use of social security cards to issue social insurance benefits, thus significantly increasing the deposits in current saving accounts of the social security cards. At the same time, to narrow the gap between advanced peers and us, the Bank strengthened its investment in financial product innovation, tapped into customers’ financial and non-financial demand in various scenarios, sought financial innovations that serve and are closely relevant to the lives of the general public, offering comprehensive and all-rounded services to individual financial customers.

For the six months ended 30 June 2020, the operating income from our personal banking business amounted to RMB3,135.2 million, accounting for 36.1% of our total operating income over the same period and representing an increase of 13.5% as compared to the same period of last year.

As of 30 June 2020, balance of our personal loans reached RMB124,799.7 million, accounting for 40.9% of our total loans to customers. As of 30 June 2020, our personal consumption loans, residential mortgage loans, personal business loans and credit card overdrafts amounted to RMB86,223.0 million, RMB22,686.7 million, RMB13,941.0 million and RMB1,949.0 million, respectively, accounting for 69.1%, 18.2%, 11.1% and 1.6%, respectively of our total personal loans. As of the same date, our total personal deposits amounted to RMB80,581.6 million, representing an increase of 10.1% as compared to that on 31 December 2019.

For the six months ended 30 June 2020, in respect of our credit card business, due to the card issuance marketing model including the online attraction of customers on the Internet platform of Meituan’s Joint Credit Card Product together with the offline QR code promotion at our business outlets as well as the card-using activities such as “Order takeaway, save 6 yuan everyday (訂外賣·天天減6元)”, “Enjoy cuisine, 50% off on top of discount every week (吃美食·周周折上5折)” and “Swipe card every day, draw red packets every case (天天刷·筆筆抽紅包)”, which led to rapidly increased card issuance. As of 30 June 2020, the number of credit cards newly issued was 132,300 this year, representing an increase 1,956% as compared to the same period last year. Among them, the issuance of Meituan’s Joint Credit Card accounted for 99.2%. As of 30 June 2020, the Bank has issued 711,595 credit cards.

## Management Discussion and Analysis

### Small and Micro Financial Services

In the first half of 2020, especially since the outbreak of the epidemic, our Bank has responded quickly, thoroughly implemented the work arrangements of the Party Central Committee, the State Council and regulatory agencies about strengthening the work deployment for financial supports to small and micro enterprises. These include resolutely taking helping small and micro enterprises solve their difficulties as the top priority of current tasks, organising and promoting branches to strengthen service access to small and micro enterprises, actively realising the spirit of financial support policies by increasing the proportion of inclusive loans to small and micro enterprises, and further reducing the interest rate for loans to small and micro enterprises to fully satisfy their financing needs in areas such as epidemic prevention and production as well as work and production resumption, hence providing entities with more accurate and efficient small and micro inclusive financial services for the development of the real economy.

Our Bank has established a comprehensive small and micro inclusive financial services system. In terms of organisational system, special committees under the Board of Directors and senior management at the head office level have been set up to be responsible for the establishment, development and management of the small and micro inclusive financial services system, while branches at all levels are responsible for devoting to small and micro inclusive financial services and building a long-term mechanism for small and micro inclusive financial services at multiple levels through special policy support, building special teams and improving professional ability. In the first half of 2020, our Bank continued to implement the “dual-track” strategy for online and offline businesses and empower the small and micro inclusive finance areas with technology which focused on small and micro inclusive financial customers, using big data technologies and relevant electronic channels and the help of online loan products such as “e-Loan for taxpayers” (銀稅e貸) and “e-Loan for supermarkets” (商超e貸) to quickly and efficiently release credit funds to realise full access to long-tail, first loan and inclusive customer groups, providing small and micro customer groups with “precise dripping and irrigation” of financial running water, hence effectively helping their recovery and resume work and production of the real economy. As of 30 June 2020, our inclusive loans to small and micro enterprises amounted to RMB16,688.8 million, representing an increase of 39.8% as compared to that as at 31 December 2019. Number of clients for inclusive loans to small and micro enterprises grew by 3.8% to 412,024. In the first half of 2020, the weighted average interest rate of newly released inclusive loans to small and micro enterprises was 8.59%, representing a decrease of 1.34 percentage points over the same period in 2019.

In addition, the Bank developed the financial leasing business through establishing Bank of Tianjin Financial Leasing Co., Ltd., which commenced business operation in October 2016. For the six months ended 30 June 2020, total assets and net profit of Bank of Tianjin Financial Leasing Co., Ltd. amounted to RMB5,042.3 million and RMB32.9 million, respectively.

Furthermore, the 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 30 June 2020, our Bank established a total of 8 county banks in poor counties with small economic size and inadequate financial services in Xinjiang and Ningxia, and Jizhou District, Tianjin as well. Among them, Ningxia Yuanzhou Village Bank (寧夏原州村鎮銀行), our consolidated subsidiary, recorded operating income of RMB17.9 million and net profit of RMB4.0 million in the first half of 2020. Ningxia Tongxin Village Bank (寧夏同心村鎮銀行), our another consolidated subsidiary, recorded operating income of RMB19.7 million and net profit of RMB11.4 million in the first half of 2020. As of 30 June 2020, our inclusive agriculture-related loan balance was RMB2,126.4 million, among which the inclusive agriculture-related loan balance in Tianjin reached RMB966.1 million, representing an increase of 33.6% as compared to that of 31 December 2019.

## Management Discussion and Analysis

### Treasury Operations

In the first half of 2020, with focus on better serving and supporting the real economy, we continued to optimise our asset structure by enhancing investment in standardised, high-yield, light-capital and assets with high-liquidity assets and enhanced comprehensive contribution for business; strengthening marketing of initiative debts to optimise the debt structure; actively engaging in self-operation and trading on behalf of clients of bonds, foreign exchange, derivatives and precious metals, and further improving the FICC (Fixed income, Currency & Commodity) product business system that integrates investment and financing and trading business to promote the high quality development of financial market business.

For the six months ended 30 June 2020, our operating income in treasury operations business was RMB2,585.2 million, accounting for 29.7% of our Bank's total operating income, representing an increase of 9.5% as compared to the same period last year.

As of 30 June 2020, our Bank possessed business qualifications such as a member of Ministry of Finance book-entry treasury bond underwriting syndicates; local bond underwriting syndicates in Tianjin, Shanghai, Hebei and Shandong; financial debt underwriting syndicates of the three major policy banks (China Development Bank, China Export-Import Bank and Agricultural Development Bank of China); A-class lead underwriting qualification for debt financing instruments of non-financial enterprise in the inter-bank market; the license for hedging derivatives trading; qualifications of core dealer of CRMW instruments; issuing institution of CRMW and issuing institution of credit-linked notes, business qualifications for interbank gold price asking transactions through the Shanghai Gold Exchange; as well as business qualifications including qualification for interest rate swaps and standard bond forward business, online interbank depository participant, and membership of China Foreign Exchange Trade System for inter-bank forex trading in Shanghai Free-Trade Zone (上海自貿區).

In the first half of 2020, our Bank was one of the first batch of institutions trading interest rate swap options and interest rate collar options in the inter-bank market, and obtained the qualification to undertake real-time interest rate swap transactions, further improving the layout of our derivatives. In the first half of 2020, the Bank acquired the business qualification as trustee for debt financing instruments of non-financial enterprise in the inter-bank market and became one of the 30 entrusted management banks approved by National Association of Financial Market Institutional Investors, laying a solid foundation for exploration into and development of our new business.

In the first half of 2020, our Bank ranked fourth in the "Ranking for Trading Volume of Spot Bonds" by CCDC, was awarded "the Award for Member with the Greatest Improvement in Foreign Exchange Market" (外幣貨幣市場最大進步會員獎) granted by China Foreign Exchange Trade System. The Bank was listed among the list of "Active Dealers of X-Repo" from April to June 2020, and was awarded "X-Lending Active Institutions" in the first quarter of 2020 and from April to June 2020, during which the Bank ranked first in the list of X-Lending Active Institutions in May. Our brand image in the market was further enhanced.

## Management Discussion and Analysis

### *Money Market Transaction*

For the six months ended 30 June 2020, by expanding our aggregate transaction scale in the money market, our Bank responded to the changing money market while maintaining our liquidity and enhancing our influence in the money market.

Firstly, we strengthened money market transactions. In 2020, our transaction volume in the local currency money market was RMB4.37 trillion, representing a year-on-year increase of 82%, and our transaction volume in the foreign currency money market was US\$73.79 billion, representing a year-on-year increase of 10%; in the first half of 2020, our transaction volume in the bill market amounted to RMB44.091 billion, representing a year-on-year increase of 298.3%. While meeting our liquidity needs, our activities in the market increased significantly.

Secondly, we broadened our liability channels. On the one hand, we flexibly utilised various traditional money market tools to obtain financial support and reduced finance costs while ensuring liquidity security; on the other hand, we actively developed business methods such as rediscounting and refinancing through the People's Bank of China to implement the State's rediscounting financial policy with high quality and effectively support resumption of work and production of entities while further enriching our source of funds.

### *Fixed Income Business*

As of 30 June 2020, our Bank further strengthened research and analysis on the financial market and policy environment, and proactively adapted to new market changes.

Firstly, we continued to actively develop bond underwriting and distribution business through the model of joint action of primary and secondary markets as well as cross action of innovative business such as bond lending. The Bank continuously leveraged on the strength and customer resources of members of treasury bond underwriting syndicates, the three major policy banks' financial debt underwriting syndicates and local bond underwriting syndicates in Tianjin, Shanghai, Hebei, Shandong and other regions. In the first half of 2020, the accumulated underwriting amount of treasury bonds, local government bonds and policy bank bonds amounted to RMB78.7 billion. The Bank also actively participated in interest rate bond bidding of epidemic prevention while actively fulfilling its social responsibilities, which has further expanded our Bank's source of non-interests income.

Secondly, we engaged further in bond transactions, strengthened market analysis, grasped opportunities of market fluctuations to carry out bond transactions while achieving higher gains. In the first half of 2020, our scale in spot trading amounted to RMB3.36 trillion, an increase of 56% year-on-year; our transaction volume of bond lending was RMB117.08 billion, a year-on-year increase of nearly 28 times, and the participation in the market further increased.

Thirdly, we continued to optimise our investment portfolio, enhanced the quality of investment in assets and improved the comprehensive contribution for business. The Bank proactively allocated high-grade credit bonds, asset-backed securities and other corporate credit bonds, while actively participated in the investment in epidemic prevention and control bonds issued by companies as well as effectively built up support for economic development of service entities, taking into account economic and social benefits.

## Management Discussion and Analysis

### *Forex and Precious Metal Transactions*

In the first half of 2020, the Bank continuously consolidated and enhanced the capabilities and standards of our foreign exchange and precious metal business, laying the foundation for practically promoting financial market business transformation and innovation. Our Bank further accelerated the building of relationship among counterparties in financial derivatives transactions, consolidated the foundation for inter-bank cooperation, and continued to expand the scale of business transactions such as foreign exchange derivatives and precious metals. In the first half of 2020, our total volume of foreign exchange transactions amounted to approximately US\$16.4 billion, a year-on-year increase of 122%; we steadily carried out lending and swap business of 185,000 ounces of London gold, an increase of 17.5 times over last year

We actively carried out foreign currency repurchase innovation business and successfully launched the first foreign currency repurchase business with domestic bonds as collateral; as of the end of June 2020, foreign currency repurchase business amounted to US\$3.13 billion. The scale of the transactions is at the forefront of the market, providing the liquidity of our bonds under custody in Shanghai Clearing House and improving its efficiency.

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

For the six months ended 30 June 2020, the wealth management business of our Bank continued to grow steadily, which further accelerated the product transformation towards the net worth type, innovated new products, optimised asset allocation, adjusted its customer base, and consequently enhanced its profitability.

Firstly, we accelerated the product transformation towards the net worth type. In the first half of 2020, our Bank strictly followed the new regulatory requirements on asset management business and contributed to the net worth type transformation of wealth management business in the industry. On the basis of continuous improvement in the net worth product system, our Bank successively launched various types of net worth products such as the “Hong Ding Wealth-a enhanced fixed income product with 6 phases in half year (鴻鼎財富—半年6期固收增強類)” and Guan Hai Wealth-a cyclical wealth management product of 90 days which is available everyday (觀海財富90天隨享)”. By the end of the first half of 2020, the size of our existing net worth wealth management products reached RMB71,817.8 million, representing an increase in its proportion to the overall figure to 70% from 50% at the beginning of the year.

Secondly, we optimised asset allocation and stabilised value gains. According to the overall policy of our Bank, i.e., “Four Tailor-made Approaches” and “Improvement in both Quality and Efficiency”, our Bank’s wealth management business has strengthened the management of existing assets, reduced a batch of poor-quality and low-yield assets, and enhanced quality and efficiency through ways including adjustment of asset structure, optimisation of major asset allocation and increase in trade profits. With the overall downward trend in market interest rates, the static yield of the asset portfolio maintained stable.

## Management Discussion and Analysis

Thirdly, we sought for optimisation of customer profile. Based on the regulatory guideline for asset management business, i.e. “restoring to real economy”, and our Bank’s strategic positioning of ultra-unconventional development approach for retail business, we strive to be a leading city commercial bank by seeking for optimisation of customer profile in wealth management business. As of 30 June 2020, the proportion of our basic core wealth management customers increased to 88% from 81% at the beginning of the year. In particular, the size of our existing wealth management business for individuals reached RMB84,441.0 million and its proportion to the overall figure also increased to 83% from 78% at the beginning of the year.

As of 30 June 2020, the total outstanding amount of wealth management products issued by us was RMB102,328.2 million, representing a decrease of 7% as compared to the beginning of the year. For the six months ended 30 June 2020, the net fee and commission income from the wealth management products issued by us amounted to RMB816.6 million, representing an increase of 31% year-on-year.

### *Investment Banking Business*

In the first half of 2020, our Bank’s investment banking business continued to focus on our main responsible business, adhering to the direction of returning to the origins of finance and fulfilling our original intention of serving the real economy by closely following the guidance on strategic planning and ongoing strengthening support for the real economy. During the first half of the year, the Bank had underwritten and distributed a variety of direct financing products such as non-finance corporate debt financing instruments and debt financing plan of RMB22.1 billion, among which, the lead underwriting business involves bonds for COVID-19 prevention and control of RMB1.52 billion. The Bank successfully issued its first CRMW, which is also the first CRMW for COVID-19 prevention and control issued by a city commercial bank in China and the first CRMW issued by a corporate financial institution in Tianjin. In addition, the Bank has issued the first batch of interbank credit bonds for COVID-19 prevention and control for private finance lease companies in China. The above achievements have together supported the Bank’s transformation into a low capital-intensive and light-asset business model.

### *International Business*

For the six months ended 30 June 2020, our Bank’s international settlement volume amounted to US\$3,027.5 million.

## Changes in Share Capital and Information on Shareholders

### I. CHANGES IN SHARE CAPITAL

#### Share Capital

As of 30 June 2020, 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

	1 January 2020		Changes during the Reporting Period	30 June 2020	
	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%	–	3,979,001,638	65.54%
Domestic natural persons	326,951,121	5.39%	–	326,951,121	5.39%
H Shares	1,764,599,063	29.07%	–	1,764,599,063	29.07%
Other foreign shares	–	–	–	–	–
<b>Total</b>	<b>6,070,551,822</b>	<b>100.00%</b>	<b>–</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) <sup>(1)</sup>	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>(2)</sup>	121,832,962	121,832,962	2.01
6	Tianjin Jinrong Investment Service Group Co., Ltd. (天津津融投資服務集團有限公司)	117,378,125	117,378,125	1.93
7	Tianjin Ningfu Investment Co., Ltd. (天津市寧福投資有限公司)	114,278,299	114,278,299	1.88
8	Tianjin Wenhuanhai 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	2,743,885,525	2,743,885,525	45.20

Notes:

- (1) Tianjin Hi-tech Holding Group Co., Ltd. (天津海泰控股集團有限公司) pledged its 149,056,239 Shares to Tianjin Branch of Industrial and Commercial Bank of China Limited (中國工商銀行股份有限公司天津市分行).
- (2) Tianjin Hengchangyuan Industrial Co., Ltd. (天津恒昌圓實業有限公司) pledged its 37,190,086 Shares to New Times Trust Co., Ltd. (新時代信託股份有限公司).
- (3) Tianjin Wenhuanhai Industrial Co., Ltd. (天津文華天海實業有限公司) pledged its 52,415,276 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 at 30 June 2020, 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 be 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 all 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 Bohai Chemical Industry Group Co., Ltd. (天津渤海化工集團有限責任公司) <sup>(3)</sup>	Beneficial owner Interest of a controlled corporation	Domestic Shares	489,857,052	8.07	11.38
Tianjin Pharmaceutical Holdings Ltd. (天津市醫藥集團有限公司) <sup>(4)</sup>	Beneficial owner Interest of a controlled corporation	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責任公司) <sup>(4)</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>(4)</sup>	Interest of a controlled corporation	Domestic Shares	489,107,183	8.06	11.36

## Changes in Share Capital and Information on Shareholders

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
CSSC International Holding Company Limited <sup>(5)</sup>	Beneficial owner	H Shares	303,193,000	4.99	17.18
China State Shipbuilding Corporation Limited (中國船舶工業集團有限公司) <sup>(5)</sup>	Interest of a controlled corporation	H Shares	303,193,000	4.99	17.18
BL Capital Holdings Ltd <sup>(6)</sup>	Beneficial owner	H Shares	106,993,500	1.76	6.06
HNA Capital (Hong Kong) Holdings Co., Ltd <sup>(6)</sup>	Interest of a controlled corporation	H Shares	106,993,500	1.76	6.06
HNA Capital Group Co., Ltd. (海航資本集團有限公司) <sup>(6)</sup>	Interest of a controlled corporation	H Shares	106,993,500	1.76	6.06

### 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, incorporated in the State of Victoria, Australia on 14 July 1977, and is listed on the Australian Securities Exchange (Stock Code: ANZ) and New Zealand Exchange (Stock Code: ANZ: AU).
- (3) 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 2,778,686 Shares. As such, Tianjin Bohai Chemical Industry Group Co., Ltd. is interested in a total of 489,857,052 Shares by virtue of the SFO.

## Changes in Share Capital and Information on Shareholders

- (4) 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.
- (5) China State Shipbuilding Corporation Limited (中國船舶工業集團有限公司) is wholly-owned by State-owned Assets Supervision and Administration Commission of the State Council. CSSC International Holding Company Limited is wholly-owned by China State Shipbuilding Corporation Limited. As such, China State Shipbuilding Corporation Limited is deemed to be interested in the 303,193,000 Shares held by CSSC International Holding Company Limited.
- (6) HNA Capital (Hong Kong) Holdings Co., Ltd is wholly-owned by HNA Capital Group Co., Ltd. BL Capital Holdings Ltd is wholly-owned by HNA Capital (Hong Kong) Holdings Co., Ltd. As such, HNA Capital Group Co., Ltd. and HNA Capital (Hong Kong) Holdings Co., Ltd are deemed to be interested in the 106,993,500 Shares held by BL Capital Holdings Ltd.

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

Please see II. Information on Shareholders above 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. SUN Liguó (孫利國)	56	Executive Director	11 May 2018
		Chairman	27 August 2020
		Acting President	27 August 2020
Ms. ZHANG Furong (張富榮)	58	Executive Director,	11 May 2018
		Vice President, Secretary of the Board of Directors	15 June 2018
Ms. SUN Jingyu (孫靜宇)	52	Non-executive Director	8 June 2018
Ms. DONG Guangpei (董光沛)	39	Non-executive Director	30 June 2020
Mr. Alistair Marshall BULLOCH (布樂達)	62	Non-executive Director	11 May 2018
Mr. ZHAO Wei (趙煒)	50	Non-executive Director	11 May 2018
Mr. WANG Shunlong (王順龍)	43	Non-executive Director	30 June 2020
Ms. LI Jun (李峻)	47	Non-executive Director	8 June 2018
Mr. FENG Heping (封和平)	60	Independent Non-executive	11 May 2018
		Director	
Mr. LAW Yee Kwan, Quinn (羅義坤)	67	Independent Non-executive	11 May 2018
		Director	
Mr. JIN Qingjun (靳慶軍)	62	Independent Non-executive	11 May 2018
		Director	
Mr. HUA Yaogang (華耀綱)	63	Independent Non-executive	8 June 2018
		Director	
Mr. HE Jia (何佳)	65	Independent Non-executive	8 June 2018
		Director	

*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.

## Directors, Supervisors, Senior Management and Employees

### 2. Supervisors

Name	Age	Position	Date of Appointment
Ms. FENG Xia (馮俠)	48	Employee Representative Supervisor	15 March 2018
		Chairwoman of Board of Supervisors	15 June 2018
		Trade Union President	23 July 2019
Mr. YAO Tao (姚濤)	57	Employee Representative Supervisor	15 March 2018
Mr. YU Yang (于暘)	41	Shareholder Representative Supervisor	8 June 2018
Mr. ZHANG Lianming (張連明)	56	External Supervisor	11 May 2018
Mr. LIU Baorui (劉寶瑞)	63	External Supervisor	8 June 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 and the Articles of Association.

### 3. Senior Management

Name	Age	Position	Date of First Appointment as Senior Management
Mr. SUN Liguó (孫利國)	56	Acting President	December 2016
Ms. ZHANG Furong (張富榮)	58	Vice President, Secretary of the Board of Directors	November 2009
Ms. ZHANG Ying (張穎)	44	Vice President	September 2014
Mr. XIA Zhenwu (夏振武)	51	Assistant to President	January 2008
Mr. WANG Feng (王峰)	47	Assistant to President, Chief Information Officer	April 2017

## Directors, Supervisors, Senior Management and Employees

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

On 9 January 2020, due to work adjustment, Mr. LIANG Jianfa tendered his resignation from the position of the executive director of the Bank, a member of the related party transactions control committee, the risk management committee and the inclusive finance development and consumer rights protection committee (former the consumer rights protection committee) under the Board, the vice president of the Bank and the chief financial officer of the Bank. According to the Company Law of the People's Republic of China and other relevant laws and regulations as well as the Articles of Association of the Bank, the resignation of Mr. LIANG took effect on 9 January 2020. For details, please refer to the announcement of the Bank headed "Resignation of Executive Director and Vice President" dated 9 January 2020.

On 20 March 2020, due to work adjustment, Mr. XIAO Jingxi tendered his resignation to the Board to resign from the position of non-executive director of the Bank and member of the audit committee under the Board. The resignation of Mr. XIAO Jingxi will cause the number of Board members of the Bank to be lower than the minimum number stipulated in our Articles of Association. According to the relevant provisions of the Company Law and our Articles of Association, the Bank will convene a shareholders general meeting to elect a director to fill the vacancy. To ensure the normal operation of the Board, Mr. XIAO Jingxi will continue to perform his duties as a director until the regulatory authority has approved the qualifications of the new director. On 30 June 2020, the qualifications of the new directors were approved by the regulatory authorities. Therefore, Mr. XIAO Jingxi's resignation took effect on 30 June 2020. For details please refer to the announcement of the Bank headed "Change of Non-Executive Director" dated 20 March 2020, the announcements headed "(I) Poll Results of the 2019 Annual General Meeting held on Tuesday, May 12, 2020 and (II) Payment of the Final Dividend" dated 12 May 2020 and the announcement headed "Announcement on Approval of the Qualification of Directorship by the Regulatory Body" dated 30 June 2020.

The shareholders of the Bank approved the appointment of Ms. DONG Guangpei and Mr. WANG Shunlong (collectively the "New Directors") as non-executive directors at the 2019 Annual General Meeting held on 12 May 2020. China Banking and Insurance Regulatory Commission Tianjin Bureau ("Tianjin Banking Regulatory Bureau") has approved the New Directors to serve as directors of the Bank on 30 June 2020. The term of office of the New Directors commenced from 30 June 2020. For details please refer to the announcement of the Bank headed "Change of Non-executive Directors" dated 20 March 2020, the announcements headed "(I) Poll Results of the 2019 Annual General Meeting held on Tuesday, May 12, 2020 and (II) Payment of the Final Dividend" dated 12 May 2020 and the announcement headed "Announcement on Approval of the Qualification of Directorship by the Regulatory Body" dated 30 June 2020.

## Directors, Supervisors, Senior Management and Employees

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

Below are changes in our Directors, Supervisors and senior management members occurred from the end of the Reporting Period to the date of this report.

On 28 July 2020, by reasons of his age, Mr. LI Zongtang has tendered his resignation as the chairman of the Bank, an executive director, the chairman of the Strategic Development Committee, a member of the Nomination and Remuneration Committee and a member of the Inclusive Finance Development and Consumer Rights Protection Committee (former Consumer Rights Protection Committee). Mr. LI Zongtang's resignation took effect on 28 July 2020. On the same date, the Bank convened a Board meeting, and elected Mr. SUN Liguó as the Chairman of the Bank, the chairman of the Strategic Development Committee and a member of the Nomination and Remuneration Committee. The Board approved that Mr. SUN Liguó will perform the duties of the chairman before the approval of his qualification as the chairman is obtained. The qualification of Mr. SUN Liguó as the chairman of the Bank has been approved by Tianjin Bureau of CBIRC on 27 August 2020. For details, please refer to the announcement of the Bank headed "Change of Chairman" published on 28 July 2020 and the announcement of the Bank headed "Announcement on Approval of the Qualification of Chairman" published on 27 August 2020.

On 27 August 2020, Mr. SUN Liguó resigned as the President due to his re-designation. Mr. SUN Liguó's resignation took effect on 27 August 2020. At the same date, as approved by the Board, Mr. SUN Liguó will serve as Acting President before the appointment of the new President. For details, please refer to the announcement of the Bank headed "Announcement on Approval of the Qualification of Chairman" published on 27 August 2020.

### 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 of the bank, each of the Directors and Supervisors has confirmed that they complied with the Model Code during the Reporting Period.

## Directors, Supervisors, Senior Management and Employees

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

As of 30 June 2020, 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	564,645 <sup>(1)</sup>	0.0093%

Note:

- (1) On 22 May 2020, Ms. ZHANG Furong was transferred 86,000 domestic shares from a third party by way of an agreement. As at the end of the Reporting Period, Ms. ZHANG Furong holds 445,045 domestic shares of the Bank and her spouse Mr. ZHOU holds 119,600 domestic shares. According to the Securities and Futures Ordinance, the interest held by Mr. ZHOU is deemed as the interest held by Ms. ZHANG.

## 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 30 June 2020.

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

As of 30 June 2020, we had 6,691 regular employees in total, of which 1,167 employees at our head office and 5,406 employees at our branches and sub-branches, 80 employees at our consolidated county banks and 38 employees at Bank of Tianjin Financial Leasing Co., Ltd. (天銀金融租賃股份有限公司). As of 30 June 2020, we had 5,827 or 87.09% employees who had bachelor's degrees or above, and our staff's average age was 37.

We are gradually building a scientific incentive and restraint mechanism which implements segmental assessment to align our compensation payment with the overall performance of our Bank and individual performance. The Bank contributes to social insurance and other employee benefits for our employees, 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.

## Directors, Supervisors, Senior Management and Employees

In accordance with Regulatory Guidelines for the Stability of Remuneration in Commercial Banks of CBIRC, our Bank has formulated Remuneration Management Policy of Bank of Tianjin Co., Ltd. and Remuneration Management Measures of Bank of Tianjin to regulate our management of remuneration. Our Bank has successfully established a broadband salary management system with diversified composition, standardised management and systematic implementation and adopted a market-oriented and diversified management by region in order to scientifically and effectively motivate our employees and ensure the smooth implementation of our developmental strategies.

Remuneration policies of our Bank are in line with our risk management system and our employee compensation level also match our Bank performance. Based on the principle of combining incentives and restraints, prudent and careful attitude, and being coordinated and sustainable, according to requirements for risk management, we adopt deferred payment to staff whose positions can have significant impact on our risk exposure to mitigate risks. Moreover, to consolidate performance assessment orientation and make remuneration match contribution, employees will be given disciplinary actions or subject to other penalties for violations of rules and dereliction of duty, and their remuneration will be deducted accordingly.

The Bank formulates staff education and training plans with specific focuses on a yearly basis and conducts hierarchically key talents cultivation programs which cover new employees, youth leaders, business professionals and management. At the very first stage, the head office organises training on front-line business operations, promotion of new products and services, customer marketing management, internal control case studies and legal compliance to key business personnel from branches and sub-branches according to their professions and levels. Then some of the trained individuals carry out second round of training in their branches and sub-branches in connection with the real situation. The Bank has implemented a career development program for all our staff which emphasises on qualifications and certificates. The Bank has also regularly organised various types of professional qualifications and competitive examinations, promoting employees' vocational qualification management and encouraging employees to attend external professional qualification courses. As of the date of this interim report, more than 13,579 people passed the relevant examinations 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.

## Important Events

### Shareholders' General Meeting

During the Reporting Period, the Bank held one Shareholders' general meeting, namely the 2019 annual general meeting convened at Geneva Hotel (No.32 Youyi Road, Hexi District, Tianjin, PRC) at 9:30 a.m. on 12 May 2020. The notices and convening and voting procedures of the 2019 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.

### Board of Directors and Special Committees Meetings

During the Reporting Period, the Board of Directors held 3 meetings, at which 34 resolutions were considered and approved. Special committees under the Board of Directors held 12 meetings, including 3 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 inclusive finance development and consumer rights protection committee (formerly known as consumer rights protection committee), at which 51 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 30 resolutions were considered and approved. Special committees under the Board of Supervisors held 5 meetings, including 3 meetings of the supervision committee and 2 meetings of the nomination committee, at which 35 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. All of 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) had been used to strengthen the capital of the Bank to satisfy the need of ongoing growth of its business.

## Important Events

### III. PROFITS AND DIVIDENDS

The Bank's revenue for the six months ended 30 June 2020 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 2019 of the Bank was considered and approved by the Shareholders at the 2019 annual general meeting of the Bank held on 12 May 2020. A final dividend of RMB1.8 (tax inclusive) per ten Shares for the year of 2019, amounting to a total dividend of RMB1,092.7 million (tax inclusive) was distributed to holders of H Shares and Domestic Shares on 30 June 2020.

The Bank will not distribute any interim dividend for the first six months of 2020 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**

From December 2018 to April 2019, the Secondary Intermediate People's Court of Tianjin and the Tianjin High People's Court successively issued the final rulings on the litigation against our Tianbao Sub-branch in relation to customers' deposits occurred in January 2014. The final rulings ruled that, as 9 companies, including Tianjin Sangzidi Enterprise Co., Ltd. (天津桑梓地實業有限公司) (renamed Wuzhou Glory (Tianjin) Group Co. Ltd. (五洲榮耀(天津)集團有限公司) afterwards) and 5 individuals, including Qi Fengcheng (齊鳳城) (changed to Wang Weiqiang (王偉強) afterwards) and Zhang Li (張立) received principal and interest through the "circulation outside of the system" method, they were suspected of committing economic crimes. As those actions involved same legal relationships in civil litigations, the courts dismissed the prosecution against Bank of Tianjin initiated by all the above mentioned companies and individuals and referred the case materials to the public security organs.

Since May 2019, 9 companies, including Wuzhou Glory (Tianjin) Group Co. Ltd. (五洲榮耀(天津)集團有限公司) and 4 individuals, including Wang Weiqiang (王偉強) and Zhang Li (張立) successively submitted an application for civil retrial to Tianjin High People's Court. As of 30 June 2020, Tianjin High People's Court and the Supreme People's Court issued a civil ruling rejecting the retrial submission to 5 companies and approving the withdrawal of retrial submissions of 3 companies and 2 individuals. The Bank has not received any ruling to the remaining 3 companies and individuals from the Supreme People's Court.

The final rulings have taken effect, and there has been no change to the basis of the rulings. 3 companies and individuals were still under retrial process. Under such circumstances, the Bank received a notice of response to action in April 2020, because 5 companies, including Wuzhou Glory (Tianjin) Group Co. Ltd. (五洲榮耀(天津)集團有限公司) and 4 individuals, including Wang Weiqiang (王偉強) and Zhang Li (張立) have, based on the same facts and reasons as proposed before, filed lawsuits against us again in relation to savings deposit contract dispute to the Secondary Intermediate People's Court of Tianjin.

## Important Events

### **Litigation against Zhejiang Chouzhou Commercial Bank Raised by Our Shanghai Branch in Relation to the Bills Held under a Resale Agreement**

In April 2016, our Shanghai Branch filed a lawsuit against Zhejiang Chouzhou Commercial Bank to the Shanghai High People's Court. The litigation involves the bills held under a resale agreement entered into between our Bank and Zhejiang Chouzhou Commercial Bank. On 13 January 2016, the Bank transferred an amount of RMB986 million to Zhejiang Chouzhou Commercial Bank. Upon maturity on 6 April 2016, our Bank failed to receive the payment of RMB786 million.

In May 2018, the Shanghai High People's Court issued a civil ruling on the suspension of the case.

### **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. SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF ASSETS AND BUSINESS MERGER**

During the Reporting Period, the Bank was not engaged in any significant investment, material acquisition or disposal of assets or business merger.

### **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 2020 to hold office until the conclusion of the next annual general meeting of the Bank was considered and approved by the Shareholders at the 2019 annual general meeting of the Bank held on 12 May 2020.

### XII. SUBSEQUENT EVENTS

#### **Change of Chairman and President**

For details, please refer to "Directors, Supervisors, Senior Management and Employees – CHANGES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT DURING THE REPORTING PERIOD".

#### **Redemption of Tier-two Capital Bonds**

The Bank has exercised its redemption rights on 25 August 2020 to redeem all of the tier-two capital bonds of Bank of Tianjin Co., Ltd. in 2015 of RMB5 billion.

Save as disclosed above, no other 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 30 June 2020 prepared by the Bank in accordance with the International Accounting Standard 34 promulgated by the International Accounting Standards Board and the Hong Kong Listing Rules 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 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 83 to 138, which comprise the condensed consolidated statement of financial position as of 30 June 2020 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

27 August 2020

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

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2020 (Unaudited)	2019 (Unaudited)
Interest income	6	<b>15,595,557</b>	15,953,879
Interest expense	6	<b>(9,193,092)</b>	(9,487,780)
Net interest income		<b>6,402,465</b>	6,466,099
Investment income	7	<b>857,315</b>	824,219
Fee and commission income	8	<b>1,386,214</b>	1,064,950
Fee and commission expense		<b>(38,635)</b>	(14,869)
Net fee and commission income		<b>1,347,579</b>	1,050,081
Net trading (losses)/gains	9	<b>(1,590)</b>	358,873
Net gains arising from derecognition of financial assets measured at amortised cost		<b>69,353</b>	83,826
Other income, gains or losses	10	<b>16,282</b>	72,230
Operating income		<b>8,691,404</b>	8,855,328
Operating expenses	11	<b>(1,813,842)</b>	(1,921,770)
Impairment losses under expected credit loss model, net of reversals	12	<b>(3,744,702)</b>	(3,038,529)
Share of results of associates		<b>10,213</b>	8,051
Profit before tax		<b>3,143,073</b>	3,903,080
Income tax expense	13	<b>(470,689)</b>	(759,842)
Profit for the period		<b>2,672,384</b>	3,143,238

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

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	Six months ended 30 June	
		2020 (Unaudited)	2019 (Unaudited)
Other comprehensive expense:			
Items that may be reclassified subsequently to profit or loss:			
Fair value gains/(losses) on:			
– financial assets measured at fair value through other comprehensive income		188,006	(79,599)
Amount reclassified to profit or loss upon disposal of:			
– financial assets measured at fair value through other comprehensive income		(306,510)	(100,797)
Cumulative impairment loss recognised on:			
– financial assets measured at fair value through other comprehensive income		14,786	74,556
Income tax relating to items that may be reclassified to profit or loss		25,929	26,460
Other comprehensive expense for the period, net of tax		(77,789)	(79,380)
Total comprehensive income for the period		2,594,595	3,063,858
Profit for the period attributable to:			
Equity holders of the Bank		2,653,604	3,113,189
Non-controlling interests		18,780	30,049
		2,672,384	3,143,238
Total comprehensive income for the period attributable to:			
Equity holders of the Bank		2,575,815	3,033,809
Non-controlling interests		18,780	30,049
		2,594,595	3,063,858
Earnings per share (Expressed in RMB Yuan per share)			
– Basic	14	0.44	0.51

## Condensed Consolidated Statement of Financial Position

As at 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Notes	As at 30 June 2020 (Unaudited)	As at 31 December 2019 (Audited)
<b>ASSETS</b>			
Cash and balances with central bank	16	42,020,557	59,303,119
Deposits with banks and other financial institutions	17	6,737,963	6,888,466
Placements with banks and other financial institutions	18	6,944,874	5,413,990
Derivative financial assets		163,786	167,291
Financial assets held under resale agreements	19	2,957,846	8,174,228
Financial assets at fair value through profit or loss	20	72,982,981	59,544,603
Debt instruments at fair value through other comprehensive income	21	45,938,365	46,994,040
Loans and advances to customers	22	291,652,458	281,229,242
Debt instruments at amortised cost	23	203,412,235	188,580,627
Equity instruments at fair value through other comprehensive income	24	1,393,601	1,393,601
Deferred tax assets	25	4,619,446	4,797,646
Other assets	26	3,397,471	3,298,900
Property and equipment	27	2,281,594	2,288,830
Right-of-use assets	27	1,112,836	1,116,131
Interests in associates	28	220,615	210,403
<b>Total assets</b>		<b>685,836,628</b>	669,401,117
<b>LIABILITIES</b>			
Borrowings from central bank	29	45,023,167	36,629,447
Deposits from banks and other financial institutions	30	35,536,316	45,385,064
Placements from banks and other financial institutions	31	22,217,447	21,198,612
Financial liabilities held for trading	32	80,197	412,186
Derivative financial liabilities		12,066	39,787
Financial assets sold under repurchase agreements	33	45,131,014	32,993,996
Income tax payable		646,632	1,693,467
Other liabilities	34	6,141,816	7,138,432
Lease liabilities		1,082,769	1,067,299
Due to customers	35	368,251,178	350,996,365
Debt securities issued	36	109,035,347	120,669,679
<b>Total liabilities</b>		<b>633,157,949</b>	618,224,334

## Condensed Consolidated Statement of Financial Position

As at 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	<b>As at 30 June 2020 (Unaudited)</b>	As at 31 December 2019 (Audited)
<b>EQUITY</b>		
Share capital	<b>6,070,552</b>	6,070,552
Capital reserve	<b>10,731,130</b>	10,731,130
Investment revaluation reserve	<b>10,842</b>	88,631
Surplus reserve	<b>3,352,480</b>	3,352,480
General reserve	<b>9,198,347</b>	9,198,347
Retained earnings	<b>22,514,610</b>	20,953,705
Equity attributable to equity holders of the Bank	<b>51,877,961</b>	50,394,845
Non-controlling interests	<b>800,718</b>	781,938
Total equity	<b>52,678,679</b>	51,176,783
Total equity and liabilities	<b>685,836,628</b>	669,401,117

The condensed consolidated financial statements on pages 83 to 138 were approved and authorised for issue by the Board of Directors on 27 August 2020 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 2020  
(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 2019 (Audited)		6,070,552	10,731,130	88,631	3,352,480	9,198,347	20,953,705	50,394,845	781,938	51,176,783
Profit for the period		-	-	-	-	-	2,653,604	2,653,604	18,780	2,672,384
Other comprehensive expense for the period		-	-	(77,789)	-	-	-	(77,789)	-	(77,789)
Total comprehensive income for the period		-	-	(77,789)	-	-	2,653,604	2,575,815	18,780	2,594,595
Dividend distribution	15	-	-	-	-	-	(1,092,699)	(1,092,699)	-	(1,092,699)
As at 30 June 2020 (Unaudited)		<b>6,070,552</b>	<b>10,731,130</b>	<b>10,842</b>	<b>3,352,480</b>	<b>9,198,347</b>	<b>22,514,610</b>	<b>51,877,961</b>	<b>800,718</b>	<b>52,678,679</b>
As at 31 December 2018 (Audited)		6,070,552	10,731,130	148,547	3,352,480	9,133,134	17,563,646	46,999,489	721,248	47,720,737
Profit for the period		-	-	-	-	-	3,113,189	3,113,189	30,049	3,143,238
Other comprehensive expense for the period		-	-	(79,380)	-	-	-	(79,380)	-	(79,380)
Total comprehensive income for the period		-	-	(79,380)	-	-	3,113,189	3,033,809	30,049	3,063,858
Dividend distribution	15	-	-	-	-	-	(1,092,699)	(1,092,699)	-	(1,092,699)
Appropriation to general reserve		-	-	-	-	63,615	(63,615)	-	-	-
As at 30 June 2019 (Unaudited)		6,070,552	10,731,130	69,167	3,352,480	9,196,749	19,520,521	48,940,599	751,297	49,691,896

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

	<b>Six months ended 30 June</b>	
	<b>2020</b>	2019
	<b>(Unaudited)</b>	(Unaudited)
<b>OPERATING ACTIVITIES</b>		
Profit before tax	<b>3,143,073</b>	3,903,080
Adjustments for:		
Depreciation and amortisation	<b>323,256</b>	256,296
Impairment losses under expected credit loss model, net of reversals	<b>3,744,702</b>	3,038,529
Share of results of associates	<b>(10,213)</b>	(8,051)
Interest income arising from debt instruments at FVTOCI and at amortised costs	<b>(5,124,718)</b>	(5,409,411)
Interest income arising from impaired financial assets	<b>(63,467)</b>	(36,598)
Interest expense arising from debt securities issued	<b>2,025,754</b>	2,890,700
Interest expense arising from leases liabilities	<b>26,113</b>	23,286
Investment income	<b>(857,315)</b>	(824,219)
Net trading (losses)/gains	<b>1,590</b>	(358,873)
Net gains arising from derecognition of financial assets measured at amortised cost	<b>(69,353)</b>	(83,826)
Other income, gains or losses	<b>110</b>	(145,844)
Operating cash flows before movements in working capital	<b>3,139,532</b>	3,245,069
Decrease in balances with central bank and deposits with banks and other financial institutions	<b>3,884,585</b>	4,375,595
Increase in placements with banks and other financial institutions	<b>(1,559,404)</b>	(980,944)
Decrease/(increase) in financial assets held for trading and derivative financial assets	<b>109,003</b>	(2,182,927)
Increase in loans and advances to customers	<b>(13,059,978)</b>	(27,358,212)
Increase in borrowings from central bank	<b>8,090,930</b>	2,985,000
Decrease in deposits from banks and other financial institutions	<b>(10,036,811)</b>	(5,992,628)
Increase in placements from banks and other financial institutions	<b>1,124,215</b>	12,033,718
(Decrease)/increase in financial liabilities held for trading and derivative financial liabilities	<b>(319,910)</b>	1,396,811
Increase in financial assets sold under repurchase agreements	<b>12,182,625</b>	4,806,028
Increase in due to customers	<b>16,959,317</b>	15,778,299
Increase in other operating assets	<b>(1,070,435)</b>	(1,236,594)
Decrease in other operating liabilities	<b>(324,866)</b>	(1,218,223)
Cash generated by operating activities	<b>19,118,803</b>	5,650,992
Income tax paid	<b>(1,313,395)</b>	(1,328,105)
Net cash generated by operating activities	<b>17,805,408</b>	4,322,887

## Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

	Note	Six months ended 30 June	
		2020 (Unaudited)	2019 (Unaudited)
<b>INVESTING ACTIVITIES</b>			
Cash received from disposal and redemption of investment securities		<b>104,643,211</b>	123,507,916
Cash received from disposal of property and equipment and other assets		<b>2,793</b>	1,529
Cash paid for purchases of investment securities		<b>(132,205,801)</b>	(109,137,477)
Cash paid for purchase of property and equipment and other assets		<b>(182,095)</b>	(340,141)
Interest and investment income received from investment securities		<b>5,913,834</b>	7,411,488
Net cash (used in)/generated by investing activities		<b>(21,828,058)</b>	21,443,315
<b>FINANCING ACTIVITIES</b>			
Cash received from debt securities issued		<b>68,207,055</b>	87,469,449
Repayment of debt securities issued		<b>(79,680,000)</b>	(113,910,000)
Repayment of lease liabilities		<b>(158,718)</b>	(125,703)
Interest paid on financing activities		<b>(2,187,142)</b>	(3,233,380)
Dividends paid		<b>(919,063)</b>	(322,005)
Net cash used in financing activities		<b>(14,737,868)</b>	(30,121,639)
Net decrease in cash and cash equivalents		<b>(18,760,518)</b>	(4,355,437)
Cash and cash equivalents at beginning of the period		<b>40,210,874</b>	26,851,195
Effect of foreign exchange rate changes		<b>20,877</b>	1,762
Cash and cash equivalents at end of the period	37	<b>21,471,233</b>	22,497,520
Net cash generated by operating activities include:			
Interest received		<b>11,653,939</b>	11,961,124
Interest paid		<b>(6,668,651)</b>	(6,858,776)
Net interest received from operating activities		<b>4,985,288</b>	5,102,348

# Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(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 stock limited 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 2020, 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 Tianjin Municipality.

The approved business scope of the Bank and its subsidiaries (collectively referred to as the "Group") 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 and financial 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 in foreign currencies; 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 of authorities), and other business activities approved by the CBIRC (certain projects are subject to approval of authorities).

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

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(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 Appendix 16 to 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 2019.

### 3. SIGNIFICANT EVENT IN THE CURRENT INTERIM PERIOD

During the six months ended 30 June 2020, as a result of Covid-19, the global economic downturn accelerated. Certain countries exhibited negative economic growth and it marked the most severe economic recession in recent years. The Bank's operations also faces increasing pressure and challenges. Covid-19 impaired liquidity and financial positions of certain corporate and personal clients, as a consequence, their abilities to repay were reduced and it exerted pressures of the asset quality of the Bank. The Bank increased its impairment on loans and advances to customers during this financial period as set out in Note 22. At the same time, certain new economic measures were instigated to encourage banks and financial institutions to provide credit support to corporate and individuals. These measures includes lower lending rates, rescheduling of repayment terms and to provide credit support to small corporate customers in order to return certain profit to small enterprises. These measures reduced the Bank's net interest income and net interest margin, and to certain extent impacts the operating result of the whole year.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 4. 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 additional accounting policies resulting from application of 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 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 December 2019.

#### Application of amendments to IFRSs

In the current interim period, the Group has applied the following amendments to IFRSs issued by the IASB, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to IAS 1 and IAS 8	Definition of Material
Amendments to IFRS 3	Definition of a Business
Amendments to IFRS 9, IAS 39 and IFRS 7	Interest Rate Benchmark Reform

In addition, the Group has early applied the Amendment to IFRS 16 “Covid-19-Related Rent Concessions”.

Except as described below, the application of the amendments to IFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or the disclosures set out in these condensed consolidated financial statements.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

#### 4.1 Impacts and accounting policies on early application of Amendment to IFRS 16 “Covid-19-Related Rent Concessions”

##### 4.1.1 Accounting policies

###### *Leases*

###### Covid-19-related rent concessions

Rent concessions relating to lease contracts that occurred as a direct consequence of the Covid-19 pandemic, the Group has elected to apply the practical expedient not to assess whether the change is a lease modification if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

A lessee applying the practical expedient accounts for changes in lease payments resulting from rent concessions the same way it would account for the changes applying IFRS 16 “Leases” if the changes were not a lease modification. Forgiveness or waiver of lease payments are accounted for as variable lease payments. The related lease liabilities are adjusted to reflect the amounts forgiven or waived with a corresponding adjustment recognised in the profit or loss in the period in which the event occurs.

##### 4.1.2 Transition and summary of effects

The Group has early applied the amendment in the current interim period. The application has no impact to the opening retained profits at 1 January 2020. The amount of the Group recognised changes in lease payments that resulted from rent concessions in the profit or loss for the current interim period is immaterial.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 5. 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'.

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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

#### **Operating Segments**

The Group provides a diversified range of banking and related financial services. The products and services offered to customers are organised 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, foreign exchange, precious metal and derivatives transactions, and debt instruments investments 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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

#### Operating Segments *(Continued)*

	Corporate banking	Personal banking	Treasury operations	Others	Total
<b>Six months ended 30 June 2020</b>					
External interest income	4,759,808	4,926,889	5,908,860	-	15,595,557
External interest expense	(3,909,171)	(958,033)	(4,325,888)	-	(9,193,092)
Inter-segment interest income/(expense)	1,485,998	(1,255,507)	(230,491)	-	-
Net interest income	2,336,635	2,713,349	1,352,481	-	6,402,465
Investment income	-	-	857,315	-	857,315
Fee and commission income	612,251	440,317	333,646	-	1,386,214
Fee and commission expense	(8,872)	(18,508)	(11,255)	-	(38,635)
Net fee and commission income	603,379	421,809	322,391	-	1,347,579
Net trading (losses)/gains	-	-	(1,590)	-	(1,590)
Net gains arising from the derecognition of financial assets measured at amortised cost	-	-	69,353	-	69,353
Other income, gains or losses	-	-	(14,764)	31,046	16,282
Operating income	2,940,014	3,135,158	2,585,186	31,046	8,691,404
Operating expenses	(617,544)	(776,015)	(420,283)	-	(1,813,842)
Impairment losses under expected credit loss model, net of reversals	(1,355,356)	(2,151,111)	(238,235)	-	(3,744,702)
Share of results of associates	-	-	-	10,213	10,213
Profit before tax	967,114	208,032	1,926,668	41,259	3,143,073
Income tax expense					(470,689)
Profit for the period					2,672,384
Depreciation and amortisation	(109,173)	(118,086)	(95,997)	-	(323,256)
Capital expenditure	(55,202)	(71,100)	(20,318)	(35,475)	(182,095)
<b>As at 30 June 2020</b>					
Segment assets	188,448,782	122,933,434	373,116,192	1,338,220	685,836,628
Segment liabilities	(279,422,649)	(76,022,589)	(276,819,983)	(892,728)	(633,157,949)
Supplementary information Credit commitments	62,801,240	8,547,780	-	-	71,349,020

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 5. SEGMENT ANALYSIS (Continued)

#### Operating Segments (Continued)

	Corporate banking	Personal banking	Treasury operations	Others	Total
<b>Six months ended 30 June 2019</b>					
External interest income	5,059,407	4,600,595	6,293,877	–	15,953,879
External interest expense	(4,108,384)	(988,429)	(4,390,967)	–	(9,487,780)
Inter-segment interest income/(expense)	2,044,702	(1,141,573)	(903,129)	–	–
Net interest income	2,995,725	2,470,593	999,781	–	6,466,099
Investment income	–	–	824,219	–	824,219
Fee and commission income	587,659	293,971	183,320	–	1,064,950
Fee and commission expense	(12,125)	(2,213)	(531)	–	(14,869)
Net fee and commission income	575,534	291,758	182,789	–	1,050,081
Net trading (losses)/gains	–	–	358,873	–	358,873
Net gains arising from the derecognition of financial assets measured at amortised cost	–	–	83,826	–	83,826
Other income, gains or losses	145,600	–	(88,958)	15,588	72,230
Operating income	3,716,859	2,762,351	2,360,530	15,588	8,855,328
Operating expenses	(699,182)	(887,152)	(335,436)	–	(1,921,770)
Impairment losses under expected credit loss model, net of reversals	(2,411,925)	(629,093)	2,489	–	(3,038,529)
Share of results of associates	–	–	–	8,051	8,051
Profit before tax	605,752	1,246,106	2,027,583	23,639	3,903,080
Income tax expense	–	–	–	–	(759,842)
Profit for the period	–	–	–	–	3,143,238
Depreciation and amortisation	(104,840)	(82,160)	(69,296)	–	(256,296)
Capital expenditure	(97,134)	(122,971)	(19,009)	(101,027)	(340,141)
<b>As at 30 June 2019</b>					
Segment assets	171,413,494	127,530,913	365,263,429	1,646,114	665,853,950
Segment liabilities	(290,787,928)	(74,497,824)	(249,258,726)	(1,617,576)	(616,162,054)
Supplementary information					
Credit commitments	75,890,201	2,307,159	–	–	78,197,360

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 6. NET INTEREST INCOME

	Six months ended 30 June	
	2020	2019
Interest income:		
Loans and advances to customers, including:		
Corporate loans and advances	<b>4,587,747</b>	4,892,085
Personal loans and advances	<b>4,926,889</b>	4,600,595
Discounted bills	<b>188,307</b>	46,046
Finance lease	<b>156,249</b>	164,582
Balances with central bank	<b>282,676</b>	331,972
Deposits with banks and other financial institutions	<b>29,874</b>	46,230
Placements with banks and other financial institutions	<b>172,907</b>	376,639
Financial assets held under resale agreements	<b>126,190</b>	86,319
Investments, including:		
Debt instruments at FVTOCI	<b>802,912</b>	935,054
Debt instruments at amortised cost	<b>4,321,806</b>	4,474,357
Subtotal	<b>15,595,557</b>	15,953,879
Interest expense:		
Borrowings from central bank	<b>(672,445)</b>	(232,196)
Deposits from banks and other financial institutions	<b>(644,637)</b>	(482,705)
Placements from banks and other financial institutions	<b>(307,973)</b>	(373,121)
Financial assets sold under repurchase agreements	<b>(291,282)</b>	(409,751)
Due to customers	<b>(5,224,888)</b>	(5,076,021)
Debt securities issued	<b>(2,025,754)</b>	(2,890,700)
Lease liabilities	<b>(26,113)</b>	(23,286)
Subtotal	<b>(9,193,092)</b>	(9,487,780)
Net interest income	<b>6,402,465</b>	6,466,099

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 7. INVESTMENT INCOME

	Six months ended 30 June	
	2020	2019
Investment income from financial assets and financial liabilities at fair value through profit or loss	<b>857,315</b>	824,219

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

### 8. FEE AND COMMISSION INCOME

	Six months ended 30 June	
	2020	2019
Fee and commission income		
Wealth management service fees	<b>816,622</b>	621,648
Consultancy fees	<b>87,212</b>	89,040
Acceptance and guarantee commitment fees	<b>31,337</b>	41,894
Agency commission and underwriting service fees	<b>303,944</b>	184,315
Settlement and clearing fees	<b>88,212</b>	96,752
Bank card fees	<b>57,631</b>	30,016
Others	<b>1,256</b>	1,285
Total	<b>1,386,214</b>	1,064,950

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 9. NET TRADING (LOSSES)/GAINS

	Six months ended 30 June	
	2020	2019
Realised and unrealised (losses)/gains from financial assets at fair value through profit or loss	<b>(308,100)</b>	258,076
Net gains on disposal of debt instruments at fair value through other comprehensive income	<b>306,510</b>	100,797
Total	<b>(1,590)</b>	358,873

### 10. OTHER INCOME, GAINS OR LOSSES

	Six months ended 30 June	
	2020	2019
Government subsidies	<b>16,190</b>	10,538
Exchange differences	<b>(29,906)</b>	(88,958)
Reversal of provision related to litigation	–	145,600
Rental income	<b>18,337</b>	16,508
Others	<b>11,661</b>	(11,458)
Total	<b>16,282</b>	72,230

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 11. OPERATING EXPENSES

	Note	Six months ended 30 June	
		2020	2019
Staff costs	(1)	<b>1,114,205</b>	1,212,623
Office expenses		<b>82,471</b>	111,986
Rental and property management expenses		<b>31,378</b>	86,070
Other general and administrative expenses		<b>161,593</b>	152,267
Sundry taxes		<b>100,939</b>	102,528
Depreciation of fixed assets		<b>112,481</b>	85,071
Depreciation of right-of-use assets		<b>152,535</b>	116,287
Amortisation		<b>58,240</b>	54,938
<b>Total</b>		<b>1,813,842</b>	1,921,770

Note:

(1) Staff costs

	Six months ended 30 June	
	2020	2019
Salaries, bonuses and allowances	<b>893,813</b>	928,248
Social insurance	<b>54,322</b>	132,774
Housing funds	<b>58,964</b>	59,431
Staff welfare	<b>22,903</b>	23,120
Labor union fees and staff education expenses	<b>17,860</b>	17,859
Contribution to annuity schemes	<b>66,343</b>	51,191
<b>Total</b>	<b>1,114,205</b>	1,212,623

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 12. IMPAIRMENT LOSSES UNDER EXPECTED CREDIT LOSS MODEL, NET OF REVERSALS

	Six months ended 30 June	
	2020	2019
Deposits with banks and other financial institutions (Note 17)	5,743	2,386
Placements with banks and other financial institutions (Note 18)	1,670	(22)
Financial assets held under resale agreements (Note 19)	(39)	109
Debt instruments at fair value through other comprehensive income (Note 21)	42	73,638
Loans and advances to customers at amortised cost (Note 22)	3,526,798	3,031,875
Loans and advances to customers at fair value through other comprehensive income (Note 22)	14,744	918
Debt instruments at amortised cost (Note 23)	203,704	(79,517)
Credit commitments (Note 34)	(43,536)	8,881
Others	35,576	261
<b>Total</b>	<b>3,744,702</b>	<b>3,038,529</b>

### 13. INCOME TAX EXPENSE

	Six months ended 30 June	
	2020	2019
Income tax expense comprises:		
Current income tax	266,560	1,165,667
Deferred tax (Note 25)	204,129	(405,825)
<b>Total</b>	<b>470,689</b>	<b>759,842</b>

PRC Enterprise Income Tax is calculated at 25% of the estimated assessable profit for the year, except for certain subsidiaries their tax rates are 9%.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 13. 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	
	2020	2019
Profit before tax	<b>3,143,073</b>	3,903,080
Tax calculated at applicable statutory tax rate of 25%	<b>785,768</b>	975,770
Income tax at concessionary rate	<b>(3,145)</b>	(6,052)
Underprovision/(Overprovision) of tax in prior years	<b>2,462</b>	(12,637)
Tax effect of expenses not deductible for tax purpose	<b>10,347</b>	15,475
Tax effect of income not taxable for tax purpose (i)	<b>(324,743)</b>	(212,714)
Income tax expense	<b>470,689</b>	759,842

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

### 14. 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	
	2020	2019
Earnings:		
Profit for the period attributable to equity holders of the Bank for the purpose of basic earnings per share	<b>2,653,604</b>	3,113,189
Numbers of shares:		
Weighted average number of shares in issue for the purpose of basic earnings per share (in thousand)	<b>6,070,552</b>	6,070,552
Basic earnings per share (RMB Yuan)	<b>0.44</b>	0.51

No diluted earnings per share has been presented for the six month ended 30 June 2020 and 2019 as the Group had no potential ordinary shares in issue during the periods.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 15. DIVIDENDS

	Notes	Six months ended 30 June	
		2020	2019
2019 Final Dividend	(1)	1,092,699	–
2018 Final Dividend	(2)	–	1,092,699

Notes:

- (1) A final dividend of RMB18 cents per share (tax inclusive) in respect of the year ended December 31, 2019 amounting in a total of RMB1,093 million was proposed by the board of directors and approved by the 2019 annual general meeting on 12 May, 2020.
- (2) A final dividend of RMB18 cents per share (tax inclusive) in respect of the year ended December 31, 2018 amounting in a total of RMB1,093 million was proposed by the board of directors and approved by the 2018 annual general meeting on 16 May, 2019.

### 16. CASH AND BALANCES WITH CENTRAL BANK

	Notes	As at	As at
		30 June	31 December
		2020	2019
Cash		672,558	567,620
Mandatory reserve deposits	(1)	31,840,032	35,525,668
Surplus reserve deposits	(2)	9,507,389	23,209,146
Other deposits	(3)	578	685
Total		42,020,557	59,303,119

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 the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 17. DEPOSITS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

	<b>As at 30 June 2020</b>	As at 31 December 2019
Deposits with:		
Banks and other financial institutions in Mainland China	<b>5,991,861</b>	5,547,732
Banks outside Mainland China	<b>755,396</b>	1,344,285
Subtotal	<b>6,747,257</b>	6,892,017
Allowance for impairment losses	<b>(9,294)</b>	(3,551)
Total	<b>6,737,963</b>	6,888,466

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

	<b>As at 30 June 2020</b>
Loss allowance as at 1 January 2020	<b>3,551</b>
Charge for the period (Note 12)	<b>5,743</b>
Loss allowance as at 30 June 2020	<b>9,294</b>

  

	As at 31 December 2019
Loss allowance as at 1 January 2019	928
Charge for the year	2,623
Loss allowance as at 31 December 2019	3,551

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Placements with:		
Banks in Mainland China	–	800,040
Other financial institutions in Mainland China	<b>7,010,444</b>	4,594,204
Overseas banks	–	83,646
Subtotal	<b>7,010,444</b>	5,477,890
Allowance for impairment losses	<b>(65,570)</b>	(63,900)
Total	<b>6,944,874</b>	5,413,990

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

	<b>As at 30 June 2020</b>
Loss allowance as at 1 January 2020	<b>63,900</b>
Charge for the period (Note 12)	<b>1,670</b>
Loss allowance as at 30 June 2020	<b>65,570</b>

  

	As at 31 December 2019
Loss allowance as at 1 January 2019	2,477
Charge for the year	61,423
Loss allowance as at 31 December 2019	63,900

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 19. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS

Analysed by counterparties:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Banks in Mainland China	<b>1,493,531</b>	3,056,108
Other financial institutions in Mainland China	<b>1,857,588</b>	5,511,432
Subtotal	<b>3,351,119</b>	8,567,540
Allowance for impairment losses	<b>(393,273)</b>	(393,312)
Total	<b>2,957,846</b>	8,174,228

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

	<b>As at 30 June 2020</b>
Loss allowance as at 1 January 2020	<b>393,312</b>
Reversal for the period (Note 12)	<b>(39)</b>
Loss allowance as at 30 June 2020	<b>393,273</b>

  

	As at 31 December 2019
Loss allowance as at 1 January 2019	314,620
Charge for the year	78,692
Loss allowance as at 31 December 2019	393,312

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 19. FINANCIAL ASSETS HELD UNDER RESALE AGREEMENTS *(Continued)*

(2) Analysed by collateral type:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Bills	<b>600,210</b>	600,210
Bonds	<b>2,357,636</b>	7,574,018
Total	<b>2,957,846</b>	8,174,228

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Investment securities:		
Government bonds	<b>1,149,654</b>	766,221
Financial institution bonds		
– Policy banks bonds	<b>199,866</b>	291,555
– Commercial banks and other financial institutions bonds	<b>344,866</b>	–
Asset-backed securities	<b>357,672</b>	217,716
Corporate bonds	<b>2,526,015</b>	698,367
Wealth management products	<b>4,836,206</b>	–
Asset management plans	<b>19,682,590</b>	19,402,483
Trust beneficiary rights	<b>14,638,799</b>	14,803,416
Funds	<b>28,886,754</b>	23,306,245
Listed equity instruments	<b>91,644</b>	–
Unlisted equity instruments	<b>268,915</b>	58,600
Total	<b>72,982,981</b>	59,544,603

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Debt securities issued by:		
Government	<b>18,891,030</b>	17,658,830
Financial institutions		
– Policy banks	<b>20,049,406</b>	19,741,726
– Commercial banks and other financial institutions	<b>1,004,619</b>	1,431,396
Corporations	<b>5,993,310</b>	8,162,088
Total	<b>45,938,365</b>	46,994,040

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

	<b>As at 30 June 2020</b>
Loss allowance as at 1 January 2020	<b>83,583</b>
Charge for the period (Note 12)	<b>462</b>
Reversal for the period (Note 12)	<b>(420)</b>
Loss allowance as at 30 June 2020	<b>83,625</b>
	As at 31 December 2019
Loss allowance as at 1 January 2019	7,706
Charge for the year	80,894
Reversal for the year	(5,017)
Loss allowance as at 31 December 2019	83,583

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 22. LOANS AND ADVANCES TO CUSTOMERS

	Notes	As at 30 June 2020	As at 31 December 2019
Loans and advances to customers at amortised cost	(i)	<b>277,958,160</b>	281,264,132
Allowance for impairment losses	(ii)	<b>(13,820,926)</b>	(12,716,442)
Subtotal		<b>264,137,234</b>	268,547,690
Loans and advances to customers at FVTOCI		<b>27,515,224</b>	12,681,552
Total loans and advances to customers		<b>291,652,458</b>	281,229,242

Notes:

- (i) Loans and advances to customers at amortised cost

	As at 30 June 2020	As at 31 December 2019
Corporate loans and advances		
– Loans	<b>148,814,556</b>	148,463,716
– Discounted bills	<b>748,753</b>	792,615
– Finance lease receivable	<b>3,595,177</b>	4,865,541
Subtotal	<b>153,158,486</b>	154,121,872
Retail loans and advances		
– Personal loans for consumption	<b>86,222,994</b>	91,660,169
– Residential mortgage loans	<b>22,686,653</b>	22,352,181
– Personal loans for business purposes	<b>13,941,048</b>	11,382,926
– Credit card	<b>1,948,979</b>	1,746,984
Subtotal	<b>124,799,674</b>	127,142,260
Gross loans and advances to customers	<b>277,958,160</b>	281,264,132
Allowance for impairment losses	<b>(13,820,926)</b>	(12,716,442)
Including: 12m ECL	<b>(3,636,431)</b>	(3,455,602)
Lifetime ECL	<b>(10,184,495)</b>	(9,260,840)
Loans and advances to customers, net	<b>264,137,234</b>	268,547,690

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

Notes: *(Continued)*

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

	<b>Total</b>
Loss allowance as at 1 January 2020	<b>12,716,442</b>
Charge for the period (Note 12)	<b>5,179,142</b>
Reversal for the period (Note 12)	<b>(1,652,344)</b>
Write-off	<b>(2,441,614)</b>
Recovery after write-off	<b>82,767</b>
Unwinding of discount on allowance	<b>(63,467)</b>
Loss allowance as at 30 June 2020	<b>13,820,926</b>
	Total
Loss allowance as at 1 January 2019	11,845,720
Charge for the year	7,102,636
Reversal for the year	(2,019,581)
Write-off	(4,171,950)
Recovery after write-off	70,874
Unwinding of discount on allowance	(111,257)
Loss allowance as at 31 December 2019	12,716,442

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

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

Notes: *(Continued)*

(iii) Movements of allowance on loans and advances to customers at FVTOCI are as follows:

	<b>Total</b>
Loss allowance as at 1 January 2020	<b>13,789</b>
Charge for the period (Note 12)	<b>17,110</b>
Reversal for the period (Note 12)	<b>(2,366)</b>
Loss allowance as at 30 June 2020	<b>28,533</b>
	Total
Loss allowance as at 1 January 2019	1,690
Charge for the period	13,789
Reversal for the period	(1,690)
Loss allowance as at 31 Dec 2019	13,789

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 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 2020		As at 31 December 2019	
	Gross Amount	% of total	Gross Amount	% of total
Corporate loans and advances				
A- Farming, forestry, animal husbandry and fishery	681,700	0.2	610,513	0.2
B- Mining	567,454	0.2	657,791	0.2
C- Manufacturing	25,976,420	8.5	26,373,165	8.9
D- Production and supply of electricity, gas and water	2,836,399	0.9	2,952,456	1.0
E- Construction	19,002,543	6.2	17,205,726	5.9
F- Retail and wholesale	24,076,800	7.9	23,834,437	8.1
G- Transportation, logistics and postal services	3,424,347	1.1	3,608,914	1.2
H- Accommodation and food services	814,475	0.3	742,702	0.3
I - Information transmission, computer services and software	651,125	0.2	609,307	0.2
J- Financial services	1,669,184	0.5	2,662,618	0.9
K- Real estate	32,963,089	10.8	35,254,466	12.0
L- Leasing and commercial services	23,565,780	7.7	22,454,922	7.6
M- Scientific research, technical services	369,357	0.1	272,727	0.1
N- Water, environment and public utilities management	13,320,102	4.4	13,145,136	4.5
O- Resident services and other services	1,138,307	0.4	1,821,953	0.6
P- Education	75,052	-	40,359	-
Q- Health, social security and welfare	364,569	0.1	257,301	0.1
R- Culture, sports and entertainment	913,030	0.3	671,401	0.2
S- Public administration and social organisations	-	-	153,363	0.1
Discounted bills	28,263,977	9.3	13,474,167	4.6
Subtotal	180,673,710	59.1	166,803,424	56.7
Personal loans and advances	124,799,674	40.9	127,142,260	43.3
Gross amount of loans and advances to customers	305,473,384	100.0	293,945,684	100.0

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 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 2020		As at 31 December 2019	
	Gross amount of loans and advances to customers	%	Gross amount of loans and advances to customers	%
Tianjin	127,863,621	41.9	116,763,491	39.7
Beijing	17,806,778	5.8	24,837,606	8.4
Shandong	34,797,351	11.4	34,117,384	11.6
Shanghai	79,189,487	25.9	72,280,011	24.6
Hebei	23,422,484	7.7	23,104,140	7.9
Sichuan	21,475,416	7.0	21,916,789	7.5
Ningxia	918,247	0.3	926,263	0.3
Total	305,473,384	100.0	293,945,684	100.0

**(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 2020			
	Up to 1 year	1 to 5 years	Over 5 years	Total
Unsecured	91,623,509	13,138,253	3,116,112	107,877,874
Guaranteed	58,094,118	36,137,871	12,040,278	106,272,267
Collateralised	9,503,956	24,431,776	33,235,280	67,171,012
Pledged	5,494,619	9,018,178	9,639,434	24,152,231
Total	164,716,202	82,726,078	58,031,104	305,473,384

  

	As at 31 December 2019			
	Up to 1 year	1 to 5 years	Over 5 years	Total
Unsecured	83,814,306	22,267,981	3,445,029	109,527,316
Guaranteed	54,891,811	29,457,780	13,325,093	97,674,684
Collateralised	9,004,444	26,102,997	33,341,687	68,449,128
Pledged	6,277,632	7,122,731	4,894,193	18,294,556
Total	153,988,193	84,951,489	55,006,002	293,945,684

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 23. DEBT INSTRUMENTS AT AMORTISED COST

	<b>As at 30 June 2020</b>	As at 31 December 2019
Government bonds	<b>38,482,130</b>	30,101,762
Certificate government bonds	<b>218,437</b>	243,610
Financial institution bonds		
– Policy banks bonds	<b>48,524,084</b>	32,309,274
– Commercial banks and other financial institutions	<b>463,946</b>	470,615
Asset-backed securities	<b>21,782,686</b>	21,939,974
Corporate bonds	<b>27,053,004</b>	21,798,630
Asset management plans	<b>36,392,662</b>	50,516,589
Trust beneficiary rights	<b>34,132,775</b>	34,633,958
Subtotal	<b>207,049,724</b>	192,014,412
Allowance for impairment losses	<b>(3,637,489)</b>	(3,433,785)
Including: 12m ECL	<b>(1,243,266)</b>	(1,128,396)
Lifetime ECL	<b>(2,394,223)</b>	(2,305,389)
Total	<b>203,412,235</b>	188,580,627

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

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

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

	<b>As at 30 June 2020</b>
Loss allowance as at 1 January 2020	<b>3,433,785</b>
Charge for the period (Note 12)	<b>591,678</b>
Reversal for the period (Note 12)	<b>(387,974)</b>
Loss allowance as at 30 June 2020	<b>3,637,489</b>
	As at 31 December 2019
Loss allowance as at 1 January 2019	1,790,250
Charge for the year	2,467,272
Reversal for the year	(541,799)
Write-off for the period	(281,938)
Loss allowance as at 31 December 2019	3,433,785

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 24. EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>As at 30 June 2020</b>	As at 31 December 2019
Unlisted equity	<b>1,393,601</b>	1,393,601

Note: This unlisted equity was converted from loans and advances to customers.

### 25. DEFERRED TAXATION

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

	<b>Allowance for impairment losses</b>	<b>Accrued salaries, bonuses and allowances</b>	<b>Provision related to credit commitments and litigation</b>	<b>Fair value changes and ECL of FVTOCI</b>	<b>Fair value changes of FVTPL</b>	<b>Others</b>	<b>Total</b>
As at 1 January 2019	2,788,325	197,283	119,654	(47,167)	90,038	17,705	3,165,838
Credit/(charge) to profit or loss	1,525,200	66,010	(24,014)	21,995	70,282	(47,637)	1,611,836
Charge to other comprehensive income	-	-	-	19,972	-	-	19,972
As at 31 December 2019	4,313,525	263,293	95,640	(5,200)	160,320	(29,932)	4,797,646
Credit/(charge) to profit or loss (Note 13)	<b>(261,613)</b>	<b>5,347</b>	<b>(10,884)</b>	<b>3,697</b>	<b>75,563</b>	<b>(16,239)</b>	<b>(204,129)</b>
Charge to other comprehensive income	-	-	-	<b>25,929</b>	-	-	<b>25,929</b>
As at 30 June 2020	<b>4,051,912</b>	<b>268,640</b>	<b>84,756</b>	<b>24,426</b>	<b>235,883</b>	<b>(46,171)</b>	<b>4,619,446</b>

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 26. OTHER ASSETS

	<b>As at 30 June 2020</b>	As at 31 December 2019
Repossessed assets	<b>1,560,161</b>	1,405,836
Other receivables	<b>1,149,808</b>	1,035,334
Continued involvement in assets transferred	<b>320,200</b>	488,329
Prepaid expenses	<b>187,089</b>	183,317
Intangible assets	<b>180,213</b>	186,084
Total	<b>3,397,471</b>	3,298,900

### 27. PROPERTY AND EQUIPMENT, RIGHT-OF-USE ASSETS

During the six months ended 30 June 2020, the Group paid RMB82 million (six months ended 30 June 2019: RMB170 million) for new construction in progress, acquired equipment of RMB69 million (six months ended 30 June 2019: RMB108 million) and right-of-use assets of RMB155 million (six months ended 30 June 2019: RMB92 million).

### 28. INTERESTS IN ASSOCIATES

The balance of interests in associates is as follows:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Unlisted shares, at cost	<b>223,000</b>	223,000
Share of post-acquisition losses and other comprehensive income	<b>(2,385)</b>	(12,597)
Total	<b>220,615</b>	210,403

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 29. BORROWINGS FROM CENTRAL BANK

	<b>As at 30 June 2020</b>	As at 31 December 2019
Medium-term lending facilities	<b>40,322,411</b>	36,629,447
Rediscount	<b>2,707,782</b>	–
Small enterprises support re-lending facilities	<b>1,984,953</b>	–
Agricultural re-lending facilities	<b>8,021</b>	–
<b>Total</b>	<b>45,023,167</b>	36,629,447

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Banks in Mainland China	<b>17,031,428</b>	24,818,254
Other financial institutions in Mainland China	<b>18,504,888</b>	20,566,810
<b>Total</b>	<b>35,536,316</b>	45,385,064

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Banks in Mainland China	<b>16,129,249</b>	11,488,595
Other financial institutions in Mainland China	–	2,100,174
Banks outside Mainland China	<b>6,088,198</b>	7,609,843
<b>Total</b>	<b>22,217,447</b>	21,198,612

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 32. FINANCIAL LIABILITIES HELD FOR TRADING

	<b>As at 30 June 2020</b>	As at 31 December 2019
Financial liabilities related to precious metal	<b>80,197</b>	412,186

Financial liabilities held for trading arose from short-selling of claims on precious metals borrowed from other banking institutions.

### 33. FINANCIAL ASSETS SOLD UNDER REPURCHASE AGREEMENTS

Analysed by counterparties:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Banks in Mainland China	<b>44,131,353</b>	32,174,249
Other financial institutions in Mainland China	<b>999,661</b>	819,747
<b>Total</b>	<b>45,131,014</b>	32,993,996

Analysed by collateral type:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Bonds	<b>30,764,725</b>	28,501,815
Bills	<b>14,366,289</b>	4,492,181
<b>Total</b>	<b>45,131,014</b>	32,993,996

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 34. OTHER LIABILITIES

	Notes	As at 30 June 2020	As at 31 December 2019
Other payables	(1)	<b>1,978,016</b>	2,500,431
Settlement payable		<b>1,842,564</b>	2,284,329
Salaries and benefits payable	(2)	<b>1,161,429</b>	1,150,488
Provision related to credit commitments	(3)	<b>339,022</b>	382,558
Proceeds from financial assets transferred		<b>320,200</b>	488,329
Sundry taxes payable		<b>270,076</b>	275,424
Dividends payable		<b>230,509</b>	56,873
<b>Total</b>		<b>6,141,816</b>	7,138,432

Notes:

- (1) Other payables included funds received for non-principal-guaranteed wealth management products sponsored by the Bank and commenced after period end date. These funds amounted to RMB1,568 million (31 December 2019: RMB1,793 million) as at 30 June 2020. It also included refundable rental deposits received, which amounted to RMB81 million (31 December 2019: RMB102 million), as at 30 June 2020.
- (2) Salaries and benefits payables included the Group's obligations in respect of the early retirement benefits amounting to RMB68 million (31 December 2019: RMB75 million) as at 30 June 2020, estimated based on the projected unit credit actuarial cost method.
- (3) Movement of provision related to credit commitments are as follows:

	As at 30 June 2020	As at 31 December 2019
At beginning of the period	<b>382,558</b>	478,614
Charge for the period (Note 12)	<b>182,326</b>	330,802
Reversal for the period (Note 12)	<b>(225,862)</b>	(426,858)
At end of the period	<b>339,022</b>	382,558

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 35. DUE TO CUSTOMERS

	<b>As at 30 June 2020</b>	As at 31 December 2019
Demand deposits		
Corporate customers	<b>185,825,287</b>	180,183,979
Individual customers	<b>19,791,360</b>	21,692,767
Time deposits		
Corporate customers	<b>85,683,927</b>	79,839,079
Individual customers	<b>60,790,194</b>	51,473,876
Pledged deposits <sup>(1)</sup>	<b>16,049,118</b>	17,776,054
Others	<b>111,292</b>	30,610
<b>Total</b>	<b>368,251,178</b>	350,996,365

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Acceptances	<b>8,157,536</b>	8,333,790
Guarantees	<b>287,746</b>	275,424
Letters of guarantee	<b>112,608</b>	135,203
Letters of credit	<b>1,844,848</b>	2,610,264
Others	<b>5,646,380</b>	6,421,373
<b>Total</b>	<b>16,049,118</b>	17,776,054

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 36. DEBT SECURITIES ISSUED

	Notes	As at 30 June 2020	As at 31 December 2019
12 Tianjin Bank bonds 01		<b>1,544,129</b>	1,500,000
12 Tianjin Bank bonds 02		<b>1,235,693</b>	1,199,948
15 Tianjin Bank bonds	(1)	<b>5,211,269</b>	5,086,093
18 Tianjin Bank bonds		<b>10,201,931</b>	10,443,125
18 Tianjin Bank bonds 01		<b>10,081,748</b>	10,315,350
18 Tianjin Bank bonds 02		<b>6,006,708</b>	6,152,979
18 Tianjin Bank bonds 03		<b>4,102,769</b>	4,020,548
19 Tianjin Bank bonds		<b>5,096,963</b>	4,999,346
20 Tianjin Bank bonds 01	(2)	<b>5,079,735</b>	–
Tianjin Bank 1 – month negotiable certificates of deposit	(3)	<b>2,156,813</b>	2,297,176
Tianjin Bank 3 – month negotiable certificates of deposit	(4)	<b>10,499,774</b>	29,739,742
Tianjin Bank 6 – month negotiable certificates of deposit	(5)	<b>15,616,305</b>	18,275,577
Tianjin Bank 9 – month negotiable certificates of deposit	(6)	<b>2,860,243</b>	4,338,208
Tianjin Bank 1 – year negotiable certificates of deposit	(7)	<b>29,341,267</b>	22,301,587
<b>Total</b>		<b>109,035,347</b>	120,669,679

Notes:

- (1) 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 5.00% per annum, payable annually. Subsequent to the reporting period end, the Bank early redeemed all of the tier-two capital bonds at face value on 25 August 2020.
- (2) The 3 year fixed-rate financial bonds were issued on 20 January 2020 by the Bank at a face value of RMB5.0 billion with a fixed coupon rate of 3.73% per annum, payable annually.
- (3) The Bank issued a series of 1-month negotiable certificates of deposit (“CD”) at a discount. As at 30 June 2020, the face value of outstanding CD amounted to RMB2.2 billion, with a reference interest rate of 1.80%-2.38% (31 December 2019: 3.05%-3.30%) per annum, payable at maturity.
- (4) The Bank issued a series of 3-month CD at a discount. As at 30 June 2020, the face value of outstanding CD amounted to RMB10.5 billion, with a reference interest rate of 1.40%-2.35% (31 December 2019: 2.90%-3.35%) per annum, payable at maturity.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 36. DEBT SECURITIES ISSUED *(Continued)*

Note: *(Continued)*

- (5) The Bank issued a series of 6-month CD at a discount. As at 30 June 2020, the face value of outstanding CD amounted to RMB15.7 billion, with a reference interest rate of 1.50%-2.83% (31 December 2019: 2.98%-3.38%) per annum, payable at maturity.
- (6) The Bank issued a series of 9-month CD at a discount. As at 30 June 2020, the face value of outstanding CD amounted to RMB2.9 billion, with a reference interest rate of 1.80%-3.32% (31 December 2019: 3.00%-3.39%) per annum, payable at maturity.
- (7) The Bank issued a series of 1-year CD at a discount. As at 30 June 2020, the face value of outstanding CD amounted to RMB29.8 billion, with a reference interest rate of 1.80%-3.40% (31 December 2019: 3.10%-3.60%) per annum, payable at maturity.

### 37. CASH AND CASH EQUIVALENTS

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

	<b>As at 30 June 2020</b>	As at 30 June 2019
Cash	<b>672,558</b>	669,564
Balances with central bank	<b>9,507,389</b>	8,593,782
Deposits with banks and other financial institutions	<b>6,433,826</b>	6,012,584
Placements with banks and other financial institutions	<b>2,500,000</b>	900,000
Financial assets held under resale agreements	<b>2,357,460</b>	6,321,590
<b>Total</b>	<b>21,471,233</b>	22,497,520

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 38. STRUCTURED ENTITIES

#### Consolidated structured entities

Certain structured entities, which were used for the purpose of securitisation of the financial assets held by the Group, were consolidated.

#### Unconsolidated structured entities

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

The Group 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 Group does not consolidate these structured entities. Such structured entities include asset-backed securities, wealth management products issued by financial institutions, asset management plans, trust beneficiary rights and funds.

The following table set out an analysis of the gross carrying amounts of interests held by the Group as at 30 June 2020 in the structured entities sponsored by third party institutions.

	<b>As at 30 June 2020</b>	As at 31 December 2019
Asset-backed securities	<b>21,714,208</b>	21,562,959
Wealth management products	<b>4,836,206</b>	–
Asset management plans	<b>56,075,252</b>	69,919,072
Trust beneficiary rights	<b>48,771,574</b>	49,437,374
Funds	<b>28,886,754</b>	23,306,245
<b>Total</b>	<b>160,283,994</b>	164,225,650

All of these unconsolidated structured entities are recorded in financial assets at fair value through profit or loss and debt investments at amortised.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

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

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

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

The types of unconsolidated structured entities sponsored by the Group mainly include non-principal-guaranteed wealth management products with expected returns and net value-based products. The purpose of sponsoring these structured entities is to generate fees from managing assets on behalf of investors. Interests held by the Group includes fees charged by providing management services to these structured entities as disclosure in Note 8.

As at 30 June 2020, the amount of assets held by the unconsolidated structured entities sponsored by the Group amounted to RMB89,834 million (31 December 2019: RMB97,392 million).

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

### 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 2020	As at 31 December 2019
Tianjin Bonded Zone Investment Co., Ltd.	<b>15.92%</b>	15.92%
Australia and New Zealand Banking Group Limited	<b>11.95%</b>	11.95%
Tianjin Bohai Chemical Industry Group Co., Ltd. and its subsidiaries	<b>8.07%</b>	8.07%
Tianjin Pharmaceutical Holdings Ltd. and its subsidiaries	<b>8.06%</b>	8.06%

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 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**

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.

	<b>As at 30 June 2020</b>	As at 31 December 2019
Balances at the end of the period/year:		
<b>Assets</b>		
Deposits with banks and other financial institutions	<b>9,621</b>	7,443
Debt instruments at fair value through other comprehensive income	–	100,000
Total	<b>9,621</b>	107,443
<b>Liabilities</b>		
Due to customers	<b>2,138</b>	1,014
Total	<b>2,138</b>	1,014
<b>Six months ended 30 June</b>		
	<b>2020</b>	2019
Transactions during the period:		
Interest income	<b>1,167</b>	2,800
Interest expense	<b>35</b>	44
Interest rate ranges during the period:		
Deposits with banks and other financial institutions	–	–
Debt instruments at fair value through other comprehensive income	<b>5.60%</b>	5.60%
Due to customers	<b>0.35%~1.38%</b>	0.35%~1.38%

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

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

#### (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.

	<b>As at 30 June 2020</b>	As at 31 December 2019
<b>Liabilities</b>		
Deposits from banks and other financial institutions	<b>1,284,620</b>	1,390,058
	<b>Six months ended 30 June 2020</b>	2019
Transactions during the period:		
Interest expense	<b>17,481</b>	11,538
Interest rate range during the period:		
Deposit from banks and other financial institutions	<b>1.80%~3.60%</b>	0.72%~3.42%

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 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 2020 other than the emoluments paid to them (being the key management personnel compensation).

	Six months ended 30 June	
	2020	2019
Fees	719	722
Basic salaries, bonuses and allowances	1,439	1,535
Contribution to pension schemes	520	648
Total	2,678	2,905

#### (4) Annuity schemes

Contribution to annuity schemes are disclosed in Note 11 to the condensed consolidated financial statements.

### 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 2020, the Group has assessed and measured the impact of those pending lawsuits, and no provision related to these lawsuits has been recognised.

#### Capital commitments

	As at	As at
	30 June	31 December
	2020	2019
Contracted but not provided for – commitments for the acquisition of property and equipment	766,196	498,018

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

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

#### Credit commitments

	<b>As at</b> <b>30 June</b> <b>2020</b>	As at 31 December 2019
Acceptances	<b>30,317,593</b>	32,085,773
Letters of credit issued	<b>7,341,860</b>	8,642,521
Letters of guarantee	<b>1,107,158</b>	1,248,572
Undrawn corporate loans limit	<b>24,034,629</b>	23,471,584
Undrawn credit card limit	<b>8,547,780</b>	6,924,578
Total	<b>71,349,020</b>	72,373,028

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 authorised 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 2020, the principal balance of certificate government bonds which the Bank had an obligation to pay in advance amounted to RMB2,393 million (31 December 2019: RMB2,657 million), and the principal balance of e-saving bonds amounted to RMB2,408 million (31 December 2019: RMB2,800 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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 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 2020, the entrusted loans balance of the Group amounted to RMB20,860 million (31 December 2019: RMB24,778 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 RMB47,225 million as at 30 June 2020 (31 December 2019, RMB34,275 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 RMB45,131 million (31 December 2019: RMB32,994 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. 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.

#### Asset securitisation

The Group enters into securitisation transactions in the normal course of business by which it transfers credit assets to special purpose vehicles which in turn issue structured products to investors.

During the period, the Group did not transfer any loans to any special purpose vehicles. During the year ended 31 December 2019, the Group transferred loans amounting to RMB3,000 million to these special purpose vehicles. A balance of RMB2,360 million was derecognised accordingly. However, a balance of RMB640 million did not meet the derecognition criteria on the dates of transfer as the Group retained an interests in subordinate tranches of these special purposes vehicles. No gain or loss was recognised by these transfers of financial assets, the Group acted as service agent and charged service fee amounting to RMB4 million for the six months ended 30 June 2020 (For the year ended 31 December 2019: RMB1 million). The carrying amount of these retained interests was RMB426 million as at 30 June 2020 (31 December 2019: RMB595 million) and it represented the Group's maximum exposure.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(Amounts in thousands of Renminbi, unless otherwise stated)

### 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.

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, market risk, liquidity risk and operational risk. The risk management committee is in charge of the Group's overall risk management structure, policies and tools, and monitors the risk management.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(Amounts in thousands of Renminbi, unless otherwise stated)

### 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 categorised 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.

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(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 measured at fair value on a recurring basis

	As at 30 June 2020			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Government bonds	-	1,149,654	-	1,149,654
Financial institution bonds	-	544,732	-	544,732
Asset-backed securities	-	357,672	-	357,672
Corporate bonds	-	2,526,015	-	2,526,015
Wealth management products	-	-	4,836,206	4,836,206
Asset management plans	-	-	19,682,590	19,682,590
Trust beneficiary rights	-	-	14,638,799	14,638,799
Funds	22,000,928	6,885,826	-	28,886,754
Listed equity instruments	91,644	-	-	91,644
Unlisted equity instruments	-	-	268,915	268,915
Subtotal	22,092,572	11,463,899	39,426,510	72,982,981
Debt instruments at FVTOCI				
Government bonds	-	18,891,030	-	18,891,030
Financial institution bonds	-	21,054,025	-	21,054,025
Corporate bonds	-	3,038,397	2,954,913	5,993,310
Subtotal	-	42,983,452	2,954,913	45,938,365
Equity instruments at FVTOCI				
Unlisted equity	-	-	1,393,601	1,393,601
Loans and advances to customers at FVTOCI	-	-	27,515,224	27,515,224
Derivative financial assets	-	163,786	-	163,786
Derivative financial liabilities	-	(12,066)	-	(12,066)
Financial liabilities held for trading	-	(80,197)	-	(80,197)
Total	22,092,572	54,518,874	71,290,248	147,901,694

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(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 measured at fair value on a recurring basis (Continued)

	As at 31 December 2019			Total
	Level 1	Level 2	Level 3	
Financial assets at FVTPL				
Government bonds	–	766,221	–	766,221
Financial institution bonds	–	291,555	–	291,555
Asset-backed securities	–	217,716	–	217,716
Corporate bonds	–	698,367	–	698,367
Wealth management products	–	–	–	–
Asset management plans	–	–	19,402,483	19,402,483
Trust beneficiary rights	–	–	14,803,416	14,803,416
Funds	16,230,081	7,076,164	–	23,306,245
Others	–	–	58,600	58,600
Subtotal	16,230,081	9,050,023	34,264,499	59,544,603
Debt instruments at FVTOCI				
Government bonds	–	17,658,830	–	17,658,830
Financial institution bonds	–	21,173,122	–	21,173,122
Corporate bonds	–	3,891,664	4,270,424	8,162,088
Subtotal	–	42,723,616	4,270,424	46,994,040
Equity instruments at FVTOCI				
Unlisted equity	–	–	1,393,601	1,393,601
Loans and advances to customers at FVTOCI				
Loans and advances to customers at FVTOCI	–	–	12,681,552	12,681,552
Derivative financial assets	–	167,291	–	167,291
Derivative financial liabilities	–	(39,787)	–	(39,787)
Financial liabilities held for trading	–	(412,186)	–	(412,186)
Total	16,230,081	51,488,957	52,610,076	120,329,114

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(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

Asset	Investments mandatorily measured at FVTPL	Debt instruments measured at FVTOCI	Equity instruments measured at FVTOCI	Loans and advances to customers at FVTOCI
Balance at 31 December, 2019	34,264,499	4,270,424	1,393,601	12,681,552
Total gains				
– in profit or loss	59,568	(133,769)	–	(298,343)
– in OCI	–	4,167	–	26,638
Acquisitions	6,915,315	–	–	20,700,372
Disposals and settlements	(1,812,872)	(1,185,909)	–	(5,594,995)
Balance at 30 June, 2020	<b>39,426,510</b>	<b>2,954,913</b>	<b>1,393,601</b>	<b>27,515,224</b>
Asset	Investments mandatorily measured at FVTPL	Debt instruments measured at FVTOCI	Equity instruments measured at FVTOCI	Loans and advances to customers at FVTOCI
Balance at January 1, 2019	53,070,093	10,096,901	–	1,927,338
Total gains				
– in profit or loss	(1,238,414)	772	–	(141,319)
– in OCI	–	(94,207)	–	(916)
Acquisitions	8,664,949	–	1,393,601	14,783,784
Disposals and settlements	(26,232,129)	(5,733,042)	–	(3,887,335)
Balance at December 31, 2019	34,264,499	4,270,424	1,393,601	12,681,552

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020  
(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 *(Continued)*

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 are contractual cash flows and yield curves reflecting credit risks of counterparties. The fair valuation measurement of these categorised Level 2 or Level 3, depending whether the relevant yield curves are observable (for debt securities traded on China Inter-Bank Bond Market and fair values are provided by China Central Depository & Clearing Co., Ltd.) or not. Level 3 valuations are usually performed by respective business departments which manage the financial instruments. The discount rates used in Level 3 valuations ranges from 1.77% to 8.27% (31 December 2019: 1.08% to 8.13%).

Of the total gains or losses for the period included in profit or loss RMB4.6 million relates to unrealised losses arising from financial assets mandatorily measured at Level 3 fair value held at the end of current reporting period (six months ended 30 June 2019: a gain of RMB102.3 million). Such fair value gains or losses are included in “net trading (losses)/gains” and “investment income”.

Included in other comprehensive income is a gain of an amount of RMB7.7 million related to debt instruments at FVTOCI held at the end of current report period (six months ended 30 June 2019: a loss of RMB17.1 million) and are reported as changes of investment revaluation reserve.

A 100-basis point increase/decrease in the discount rate holding other variables constant will result in a decrease/increase in carrying amount of financial assets measured at Level 3 fair values as at 30 June 2020, by RMB286.4 million/RMB 310.8 million, respectively (31 December 2019: RMB527.7 million/RMB 497.3 million).

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

	As at 30 June 2020		As at 31 December 2019	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Debt instruments at amortised cost	203,412,235	203,686,874	188,580,627	188,995,243
<b>Financial liabilities</b>				
Debt securities issued	109,035,347	109,901,230	120,669,679	121,219,907

## Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2020

(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)*

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

Other financial assets and financial liabilities include balances with central bank, deposits and placements with banks and other financial institutions, financial assets held under resale agreements, loans and advances to customers at amortised costs, borrowing from central bank, deposits and placements from banks, financial assets sold under repurchase agreements and due to customers. 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 27 August 2020.

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB 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 RATIOS, LIQUIDITY COVERAGE RATIOS, NET STABLE FUNDING RATIO AND LEVERAGE RATIO

(Expressed in percentage)

#### Liquidity ratios

	<b>As at 30 June 2020</b>	As at 31 December 2019
RMB current assets to RMB current liabilities	<b>56.6%</b>	50.0%
Foreign currency current assets to foreign currency current liabilities	<b>63.5%</b>	152.7%

#### Average for the six months ended 30 June

	<b>2020</b>	2019
RMB current assets to RMB current liabilities	<b>56.8%</b>	47.5%
Foreign currency current assets to foreign currency current liabilities	<b>135.6%</b>	37.9%

#### Liquidity Coverage Ratios

	<b>As at 30 June 2020</b>	As at 31 December 2019
Qualified high-quality liquid assets	<b>93,859,739.4</b>	93,029,996.9
Net cash outflows in the next 30 days	<b>48,731,230.0</b>	58,419,356.2
Liquidity Coverage Ratios	<b>192.61%</b>	159.25%

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB unless otherwise stated)

### Net Stable Funding Ratio

	<b>As at 30 June 2020</b>	As at 31 March 2020
Total stable funding available	<b>398,501,388.4</b>	386,954,870.2
Total stable funding required	<b>307,116,200.7</b>	300,541,795.7
Net stable funding ratio	<b>129.76%</b>	128.75%

Pursuant to the Disclosure of Net Stable Funding Ratio Information of Commercial Bank issued by the CBIRC (YinBao JianFa [2019] No.11), the Bank shall disclose relevant information on the net stable funding ratio for the latest two quarters.

### Leverage Ratio

(Expressed in percentage)

	<b>As at 30 June 2020</b>	As at 31 December 2019
Leverage ratio	<b>7.18%</b>	7.12%

Pursuant to the Leverage Ratio Management of Commercial Bank (Amended) issued by the CBIRC (No. 1 Order of CBRC in 2015), 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 CBIRC.

Pursuant to the Leverage Ratio Management of Commercial Bank (Amended) issued by the CBIRC (No. 1 Order of CBRC in 2015), information on leverage ratio of our Bank as of 30 June 2020 is disclosed on the official website of the Bank at <http://www.bankoftianjin.com/tzzgxEN/Inford/CA/index.shtml>.

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB unless otherwise stated)

### CURRENCY CONCENTRATIONS

	Equivalent in Renminbi			Total
	US Dollars	Hong Kong Dollars	Others	
As at 30 June 2020				
Spot assets	<b>14,497,313</b>	<b>92,049</b>	<b>101,776</b>	<b>14,691,138</b>
Spot liabilities	<b>(24,230,546)</b>	<b>(85,399)</b>	<b>(65,239)</b>	<b>(24,381,184)</b>
Net position	<b>(9,733,233)</b>	<b>6,650</b>	<b>36,537</b>	<b>(9,690,046)</b>
As at 31 December 2019				
Spot assets	14,999,850	259,751	78,156	15,337,757
Spot liabilities	(22,747,175)	(246,082)	(36,877)	(23,030,134)
Net position	(7,747,325)	13,669	41,279	(7,692,377)

The above information is computed in accordance with the provisions of the CBIRC. 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 deposits with banks and placements 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.

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB unless otherwise stated)

	<b>As at 30 June 2020</b>	As at 31 December 2019
International claims		
Asia Pacific excluding mainland China	<b>25,860</b>	103,134
– of which attributed to Hong Kong	<b>7,835</b>	93,369
Europe	<b>42,701</b>	44,890
North America	<b>686,835</b>	1,279,569
<b>Total</b>	<b>755,396</b>	1,427,593

Note: As of 30 June 2020, there is no balance of placements with banks in the international claims of the Bank.

## OVERDUE ASSETS

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

	<b>As at 30 June 2020</b>	As at 31 December 2019
Below 3 months (inclusive)	<b>4,694,832</b>	3,689,078
Between 3 and 6 months (inclusive)	<b>1,857,114</b>	964,414
Between 6 and 12 months (inclusive)	<b>700,011</b>	937,588
Over 12 months	<b>3,931,702</b>	3,786,117
<b>Total</b>	<b>11,183,659</b>	9,377,197
As a percentage of gross loans and advances to customers		
Below 3 months (inclusive)	<b>1.53%</b>	1.25%
Between 3 and 6 months (inclusive)	<b>0.61%</b>	0.33%
Between 6 and 12 months (inclusive)	<b>0.23%</b>	0.32%
Over 12 months	<b>1.29%</b>	1.29%
<b>Total</b>	<b>3.66%</b>	3.19%

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

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB unless otherwise stated)

Debt instruments measured at amortised cost which have been overdue are set out as follows:

	<b>As at 30 June 2020</b>	As at 31 December 2019
Below 3 months (inclusive)	<b>95,828</b>	–
Between 3 and 6 months (inclusive)	<b>1,019,497</b>	–
Between 6 and 12 months (inclusive)	–	–
Over 12 months	<b>689,085</b>	630,052
<b>Total</b>	<b>1,804,410</b>	630,052

As a percentage of gross debt instruments measured at amortised cost

	<b>As at 30 June 2020</b>	As at 31 December 2019
Below 3 months (inclusive)	<b>0.05%</b>	–
Between 3 and 6 months (inclusive)	<b>0.49%</b>	–
Between 6 and 12 months (inclusive)	–	–
Over 12 months	<b>0.33%</b>	0.33%
<b>Total</b>	<b>0.87%</b>	0.33%

Debt instruments measured at amortised cost with a specific repayment date are classified as overdue when the principal or interest is overdue.

## Unaudited Supplementary Financial Information

(Amounts in thousands of RMB unless otherwise stated)

### EXPOSURES TO MAINLAND CHINA NON-BANK ENTITIES

	<b>As at 30 June 2020</b>	As at 31 December 2019
On-balance sheet exposure	<b>291,652,458</b>	281,229,242
Off-balance sheet exposure	<b>71,349,020</b>	72,373,028

### DISCLOSURE REQUIREMENTS FOR COMPOSITION OF CAPITAL

In accordance with the disclosures required in Annex 2 – Notice on Enhancing Disclosure Requirements for Composition of Capital (《關於商業銀行資本構成信息披露的監管要求》) of the CBIRC Notice on Issuing Regulatory Documents on Capital Regulation for Commercial Banks (《關於印發商業銀行資本監管配套政策文件的通知》) (Yin Jianfa [2013] No.33) promulgated by the CBIRC, the Bank's composition of capital as of 30 June 2020 is disclosed on the official website of the Bank at <http://www.bankoftianjin.com/tzzgxEN/Inford/CA/index.shtml>.

## List of Branches

As at 30 June 2020, details of the branches of the Bank are set out as below:

No.	Name of Branch	Address	Postcode
1	Bank of Tianjin, Sales Department	No. 5, Youyi Road, Hexi District, Tianjin	300201
2	Bank of Tianjin, Dongli sub-branch	No. 77, Yuejin Road, Dongli District, Tianjin	300300
3	Bank of Tianjin, Yijing Road sub-branch	2/F, Extension No. 3, Yijing Road, Dongli Development Zone, Tianjin	300300
4	Bank of Tianjin, Junliang City sub-branch	No. 1-7, Block 29, Junhua Yard, Xinshi Town, Junliang City, Xingnong Road, Dongli District, Tianjin	300301
5	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
6	Bank of Tianjin, Lushui Road sub-branch	No. 15 & 16, Ground Floor Store, Block 10, Baojujiayuan, Southern side of the Wushui Road, Jinnan District, Tianjin	300000
7	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
8	Bank of Tianjin, Xiqing sub-branch	Junction of Guangming Road and Xinhua Road, Yangliuqing, Xiqing District, Tianjin	300380
9	Bank of Tianjin, Zhangjiawo sub-branch	No. 60, Yutai Road, Xiqing District, Tianjin	300380
10	Bank of Tianjin, Zhongbei Town sub-branch	1-A-2-01-05, 1/F, New City Center I-A, 3 Wanhui Road, Zhongbei Town, Xiqing District, Tianjin	300393
11	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
12	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
13	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
14	Bank of Tianjin, Xinyibai Avenue sub-branch	North side of Xinyibai Avenue, Beichen District, Tianjin	300420
15	Bank of Tianjin, Wuqing sub-branch	No. 143, Quanwang Road, Wuqing District, Tianjin	301799
16	Bank of Tianjin, Jinghu sub-branch	Ground Floor, Scientific Research Service Building, Huidareli Group, Jianing Road, Xiazhuzhuang Street, Wuqing District, Tianjin	301700
17	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
18	Bank of Tianjin, Yongyangxi Road sub-branch	Ground Floor, No. 12-2, Shengshixinyuan, Southern side of Yongyangxi Road, Xincheng, Wuqing District, Tianjin	301799

## List of Branches

No.	Name of Branch	Address	Postcode
19	Bank of Tianjin, Baodi sub-branch	No. 52, Nancheng Road, Baodi District, Tianjin	301800
20	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
21	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
22	Bank of Tianjin, Jizhou sub-branch	No. 1 (south side of the first and third floors), People's West Road, North Bus Station, west side of Zhongchang Road, Jizhou District, Tianjin	301900
23	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, Jizhou District, Tianjin	301900
24	Bank of Tianjin, Zhouhewan sub-branch	Extension No. 8, No. 5, Qingchi West Street, Zhouhewan, Xincheng, Jizhou District, Tianjin	301900
25	Bank of Tianjin, Jinghai sub-branch	105 & 106, Building 7, Jinxiujiayuan (location of original Jinghai County Party Committee), Jinghai District, Tianjin	301600
26	Bank of Tianjin, Dongfanghong Road sub-branch	Commercial Area B, Haixinyuan, Dongfanghong Road, Jinghai District, Tianjin	301600
27	Bank of Tianjin, Ninghe sub-branch	No. 66, Guangming Road, Lutai Town, Ninghe District, Tianjin	301500
28	Bank of Tianjin, Panzhuang sub-branch	Panzhuang Village, Panzhuang Town, Ninghe District, Tianjin	301508
29	Bank of Tianjin, First central sub-branch	Kangning Building, Junction of Xikang Road and Hanyang Road, Heping District, Tianjin	300070
30	Bank of Tianjin, Rongsheng sub-branch	No. 179 & 181, Chengdu Road, Heping District, Tianjin	300070
31	Bank of Tianjin, Kaifeng sub-branch	No. 11, Nanma Road, Heping District, Tianjin	300022
32	Bank of Tianjin, Jianye sub-branch	No. 33, Qixiangtai Road, Heping District, Tianjin	300070
33	Bank of Tianjin, Baoli sub-branch	Block B, No. 18, Guizhou Road, Heping District, Tianjin	300051
34	Bank of Tianjin, Hongtong sub-branch	No. 75, Yingkou Road, Heping District, Tianjin	300040
35	Bank of Tianjin, Laolian sub-branch	No. 95, Jianshe Road, Heping District, Tianjin	300041
36	Bank of Tianjin, Huafeng sub-branch	No. 74, Jianshe Road, Heping District, Tianjin	300040
37	Bank of Tianjin, Jianshe Road sub-branch	No. 82, Jianshe Road, Heping District, Tianjin	300042
38	Bank of Tianjin, Xiangsheng sub-branch	Ground Floor, Block B, Building 5, Changshou Apartment, Rongye Street, Heping District, Tianjin	300021
39	Bank of Tianjin, Jinsheng sub-branch	No. 32, Xinxing Road, Heping District, Tianjin	300070
40	Bank of Tianjin, Jingong sub-branch	No. 72, Jiefang North Road, Heping District, Tianjin	300041
41	Bank of Tianjin, Shiye sub-branch	No. 157, Dagu North Road, Heping District, Tianjin	300040
42	Bank of Tianjin, Dali Road sub-branch	No. 86, Dali Road, Heping District, Tianjin	300050

## List of Branches

No.	Name of Branch	Address	Postcode
43	Bank of Tianjin, Small Business Financial Services Center	2/F, No. 86, Dali Road, Heping District, Tianjin	300050
44	Bank of Tianjin, Baoding Road sub-branch	No. 01, Ground Floor, 1/F & No. 01, Ground Floor, 2/F, Tower A, Xinhua Building, No. 33-39, Baoding Road, Heping District, Tianjin	300040
45	Bank of Tianjin, Jinmao Plaza sub-branch	5-5 & 5-6, Jinmao Plaza, Northwest side at the junction of Qingshan Street and Fuan Street, Heping District, Tianjin	300041
46	Bank of Tianjin, Haihe East Road sub-branch	No. 52, Haihe East Road, Hebei District, Tianjin	300010
47	Bank of Tianjin, Second central sub-branch	Zhonghao International Automobile Building, No. 62, Longchang Road, Hexi District, Tianjin	300201
48	Bank of Tianjin, Jinhe sub-branch	No. 676, Dagu South Road, Hexi District, Tianjin	300200
49	Bank of Tianjin, Jincui sub-branch	Donglou Bridge, Dagu South Road, Hexi District, Tianjin	300200
50	Bank of Tianjin, Dagu South Road sub-branch	No. 04-05, Ground Floor, Building 1, Liuyuan Apartment, Dagu South Road, Hexi District, Tianjin	300222
51	Bank of Tianjin, Ruide sub-branch	Ground Floor, Taidayuan, No. 68, Jiulong Road, Hexi District, Tianjin	300204
52	Bank of Tianjin, Jinxi sub-branch	No. 28, Xiamen Road, Hexi District, Tianjin	300203
53	Bank of Tianjin, Xilian sub-branch	Ground Floor, Tianjin Library, Tianjin Culture Center, Pingjiang Road, Hexi District, Tianjin	300201
54	Bank of Tianjin, Shaoxing Road sub-branch	No. 105, Ground Floor Store, Senmiao Apartment, Pingshan Road, Hexi District, Tianjin	300074
55	Bank of Tianjin, Chentang Park sub-branch	106 Chentang Science and Technology Business Service Center, No. 20, Dongting Road, Hexi District, Tianjin	300220
56	Bank of Tianjin, Jinhua sub-branch	Extension No. 14, No. 16, Heiniucheng Road, Hexi District, Tianjin	300210
57	Bank of Tianjin, Rongcheng sub-branch	No. 75, Heiniucheng Road, Hexi District, Tianjin	300061
58	Bank of Tianjin, Heiniucheng Road sub-branch	202-203, Extension No. 1, Lidabolan, Heiniucheng Road, Hexi District, Tianjin	300381
59	Bank of Tianjin, Donghai sub-branch	No. 33, Huanhu Middle Road, Hexi District, Tianjin	300060
60	Bank of Tianjin, Yinlian sub-branch	No. 26 & 28, Shuangshui Road, Hexi District, Tianjin	300222
61	Bank of Tianjin, Xietong sub-branch	1/F Jinhuang Building, No.20, Nanjing Road, Hexi District, Tianjin	300042
62	Bank of Tianjin, Huiyuan sub-branch	South Ground Floor, Building 1, Huaxiafuyu Plaza, Jiefang South Road, Hexi District, Tianjin	300202
63	Bank of Tianjin, Guhai Road sub-branch	No. 423, Jiefang South Road, Hexi District, Tianjin	300210

## List of Branches

No.	Name of Branch	Address	Postcode
64	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
65	Bank of Tianjin, Tianma sub-branch	No. 12, Xiyuan Street, Youyi Road, Hexi District, Tianjin	300061
66	Bank of Tianjin, Tanjiang Road sub-branch	Unit 17, Ground Floor, Chuanshuiyuan Estate (Public Building III), Suijiang Street, Hexi District, Tianjin	300221
67	Bank of Tianjin, Zhujiang Road sub-branch	Junction of Zhujiang Road and Xueyuan Road, Hexi District, Tianjin	300222
68	Bank of Tianjin, Limin Road sub-branch	No. 89, Xinanlou Weidi Road, Hexi District, Tianjin	300201
69	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
70	Bank of Tianjin, Qixiangtai Road sub-branch	Extension No. 11, No. 89, Fenghuangcheng, Junction of Qixiangtai Road and Pingquan Road, Hexi District, Tianjin	300074
71	Bank of Tianjin, Third central sub-branch	Area A2, Shengxinyuan, Nanmenwai Street, Nankai District, Tianjin	300100
72	Bank of Tianjin, Jinhui sub-branch	No. 248, Baidi Road, Nankai District, Tianjin	300192
73	Bank of Tianjin, Xingke sub-branch	No. 200, Anshan West Road, 1895 Tianjin University Architecture and Creation Building, Nankai District, Tianjin	300073
74	Bank of Tianjin, Kemaos Street sub-branch	No. 428, Anshan West Road, Nankai District, Tianjin	300193
75	Bank of Tianjin, Xinyuan sub-branch	No. 23, Changjiang Road, Nankai District, Tianjin	300190
76	Bank of Tianjin, Changkang sub-branch	Extension No. 18, No. 628, Changjiang Road, Nankai District, Tianjin	300111
77	Bank of Tianjin, Yinshan sub-branch	Ground Floor, Xingtai Apartment, No. 66, Nanfeng Road, Nankai District, Tianjin	300192
78	Bank of Tianjin, Jinshan sub-branch	102-103, No. 1289, Nanma Road, Nankai District, Tianjin	300100
79	Bank of Tianjin, Rongyuan sub-branch	No. 467, Huanghe Road, Nankai District, Tianjin	300110
80	Bank of Tianjin, Guangkaiwuma Road sub-branch	No. 294, Huanghe Road, Nankai District, Tianjin	300110
81	Bank of Tianjin, Nankaierwei Road sub-branch	No. 43, Huanghe Road, Nankai District, Tianjin	300102
82	Bank of Tianjin, Xingnan sub-branch	No. 14, 16 & 18, Huaianhuan Road, Nankai District, Tianjin	300193
83	Bank of Tianjin, Lingbin Road sub-branch	No. 96-98, Lingbin Road, Nankai District, Tianjin	300381
84	Bank of Tianjin, Xianyang Road sub-branch	Ground Floor, Door 3, Building 9, Jialingbeili, Xianyang Road, Nankai District, Tianjin	300122
85	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 Branch	Address	Postcode
86	Bank of Tianjin, Shuishang Gongyuan Road sub-branch	No. 46, Shuishang Gongyuan West Road, Nankai District, Tianjin	300191
87	Bank of Tianjin, Huayuan sub-branch	No. 25 & 27, Yashi Road, Nankai District, Tianjin	300380
88	Bank of Tianjin, Weijin South Road sub-branch	No. 70, Weijin South Road, Nankai District, Tianjin	300381
89	Bank of Tianjin, Tianda 1st sub-branch	Siji Village, Tianjin University, Nankai District, Tianjin	300072
90	Bank of Tianjin, Xima Road sub-branch	No. 140 & 142, Nankaisanma Road, Nankai District, Tianjin	300101
91	Bank of Tianjin, Yuanyin Road sub-branch	Ground Floor, Building 8, Yuanyinbeili, Yuanyin Road, Wangdingdi, Nankai District, Tianjin	300191
92	Bank of Tianjin, Chengjiang Road sub-branch	Ground Floor, Building 16, Huaningbeili, Chengjiang Road, Nankai District, Tianjin	300190
93	Bank of Tianjin, Keji sub-branch	No. 6, Meiyuan Road, Huayuan Industrial Park, Nankai District, Tianjin	300384
94	Bank of Tianjin, Wanhua sub-branch	No. 148-1, Yingshui Road, Huayuan Industrial Park, New Industrial Park, Tianjin	300384
95	Bank of Tianjin, Haitai Road sub-branch	Room 101, Door 3, Block F, Haitai Green Industry Base, No. 6, Haitai Fazhan 6th Road, Huayuan Industrial Park, Binhai Hi-tech Zone, Tianjin	300384
96	Bank of Tianjin, Haihe Education Park (Beiyang Zone) sub-branch	No.104, Xinyuan South Road, Tianjin University, Haihe Education Park, Tianjin	300350
97	Bank of Tianjin, Fourth central sub-branch	Ground Floor, 1-3/F, Fujian Building, Huaxing Road, Hedong District, Tianjin	300011
98	Bank of Tianjin, Donglian sub-branch	Tianshan Road, Wanxin Village, Hedong District, Tianjin	300162
99	Bank of Tianjin, Dongxin sub-branch	Extension No. 1, No. 2, No. 40, Jintang Road, Hedong District, Tianjin	300182
100	Bank of Tianjin, Dongyin sub-branch	Extension No. 3, No. 80, Jintang Road, Hedong District, Tianjin	300170
101	Bank of Tianjin, Daqiao Road sub-branch	Outpatient hall, the 3rd Central Hospital, No. 83, Jintang Road, Hedong District, Tianjin	300170
102	Bank of Tianjin, Jintang Road sub-branch	Ground Floor, No. 2, Door 1, Building 2, Youainanli, Zhongshanmen, Jintang Road, Hedong District, Tianjin	300180
103	Bank of Tianjin, Hedong sub-branch	101 & 102, Yitingyuan, Liuwei Road, Hedong District, Tianjin	300012
104	Bank of Tianjin, Jiahua sub-branch	No. 17-5, Jiahuali, Chenglinzhuang Road, Hedong District, Tianjin	300161
105	Bank of Tianjin, Taixing South Road sub-branch	Ground Floor, No. 3, Building 1, Jinwan Apartment, No. 100, Chenglinzhuang Road, Hedong District, Tianjin	300160
106	Bank of Tianjin, Weiguo Road sub-branch	No. 163, Weiguo Road, Hedong District, Tianjin	300250

## List of Branches

No.	Name of Branch	Address	Postcode
107	Bank of Tianjin, Chengguang Road sub-branch	No. 71, Taixing South Road, Hedong District, Tianjin	300162
108	Bank of Tianjin, Zhongxin North Road sub-branch	No. 41, Zhongxin North Road, Hedong District, Tianjin	300181
109	Bank of Tianjin, Zile Plaza sub-branch	No. 148, Gate 4, 5, 6, Building 2, Zile Plaza, Hedong District, Tianjin	300180
110	Bank of Tianjin, Changzhou Road sub-branch	No. 22, Changzhou Road, Hedong District, Tianjin	300250
111	Bank of Tianjin, Fifth central sub-branch	Ground Floor, Hongji Garden, Shizilin Street, Hebei District, Tianjin	300143
112	Bank of Tianjin, Bada Road sub-branch	No. 23, Minzu Road, Hebei District, Tianjin	300010
113	Bank of Tianjin, Xingbei sub-branch	Ground Floor, Building 1, Huiyingli Community, No. 10, Zengchan Road, Hebei District, Tianjin	300250
114	Bank of Tianjin, Zhenbei sub-branch	Building 2, Shuyuanli, Zhongshan North Road, Hebei District, Tianjin	300241
115	Bank of Tianjin, Zhongshan Road sub-branch	Ground Floor, Zerenli Building, Zhongshan Road, Hebei District, Tianjin	300142
116	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
117	Bank of Tianjin, Jincheng sub-branch	Ground Floor, Fangjingmingju, Junction of Jinzhonghe Street and Zengchan Road, Hebei District, Tianjin	300150
118	Bank of Tianjin, Wuhao Road sub-branch	No. 24, Wangchuanchang 5th Road, Hebei District, Tianjin	300150
119	Bank of Tianjin, Beiningwan sub-branch	No. 179, No. 177-183 (odd No.), Yingxian Road, Hebei District, Tianjin	300402
120	Bank of Tianjin, Yuguan Road sub-branch	1/F, No. 376, Yuguan Road, Hebei District, Tianjin	300232
121	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
122	Bank of Tianjin, Sixth central sub-branch	No. 187, Qinjian Road, Hongqiao District, Tianjin	300130
123	Bank of Tianjin, Hongxin sub-branch	No. 84, Xiqing Road, Hongqiao District, Tianjin	300122
124	Bank of Tianjin, Hongyin sub-branch	Room 101, Gate 61, Xiangju Apartment, Guangrong Road, Hongqiao District, Tianjin	300130
125	Bank of Tianjin, Xiangtan Road sub-branch	No. 11, Xiangtan Road, Hongqiao District, Tianjin	300133

## List of Branches

No.	Name of Branch	Address	Postcode
126	Bank of Tianjin, Jieyuan Road sub-branch	Ground Floor, 7-102, Minghuali, Jieyuan Road, Hongqiao District, Tianjin	300121
127	Bank of Tianjin, Fuxing Road sub-branch	Ground Floor, No. 16, Kanghuali, Fuxing Road, Hongqiao District, Tianjin	300121
128	Bank of Tianjin, Guanyinhao sub-branch	No. 5, Dongma Road, Nankai District, Tianjin	300090
129	Bank of Tianjin, Binhai branch	E2ABC, No. 20, Plaza East Road, Binhai Finance Street, the Third Street, Economic and Technology Development District, Tianjin	300457
130	Bank of Tianjin, Haibin sub-branch	No. 2048, Shanghai Road, Tanggu District, Tianjin	300450
131	Bank of Tianjin, Hangzhou Road sub-branch	No. 8, Zhongxin North Road, Tanggu District, Tianjin	300451
132	Bank of Tianjin, Tanggu sub-branch	No. 289, 295 & 301, Yingkou Road, Tanggu District, Tianjin	300450
133	Bank of Tianjin, Heping Road sub-branch	No. 9, Heping Road, Tanggu District, Tianjin	300450
134	Bank of Tianjin, Oil North Road sub-branch	No. 79, Dongyan Road, Tanggu District, Tianjin	300452
135	Bank of Tianjin, Chunguang Road sub-branch	No. 617, Xingfujiayuan, Chunguang Road, Tanggu District, Tianjin	300456
136	Bank of Tianjin, Hebei Road sub-branch	No. 25, Hebei Road, Tanggu District, Tianjin	300451
137	Bank of Tianjin, Road No. 3 sub-branch	Door 2, Building 24, Ziyunyuan, No. 3462, Xingang Road No. 3, Tanggu District, Tianjin	300456
138	Bank of Tianjin, Station North Road sub-branch	No. 830 & 836, Station North Road, Tanggu District, Tianjin	300451
139	Bank of Tianjin, Jinzhou Road sub-branch	No. 1024, Jinzhou Road, Tanggu District, Tianjin	300451
140	Bank of Tianjin, Hebin Road sub-branch	No. 228, Hebin Road, Binhai New Village, Bohai Oil, Tanggu District, Tianjin	300452
141	Bank of Tianjin, Hekou Road sub-branch	No. 2-37, Hekou Road, Tanggu District, Tianjin	300452
142	Bank of Tianjin, Zhejiang Road sub-branch	Ground Floor, Door 1, Building 7, Huianli, Tanggu District, Tianjin	300450
143	Bank of Tianjin, Gangkou Road sub-branch	No. 25, Xingangerhao Road, Tanggu District, Tianjin	300450
144	Bank of Tianjin, Baoshan Road sub-branch	No. 3807, Tangguxin North Road, Binhai New Area, Tianjin	300451

## List of Branches

No.	Name of Branch	Address	Postcode
145	Bank of Tianjin, Yuanyang City sub-branch	No. 138, Yuanyang Central Road, Tanggu, Binhai New Area, Tianjin	300450
146	Bank of Tianjin, Guangzhou Road sub-branch	No. 1156, Fuzhou Road, Tanggu, Binhai New Area, Tianjin	300450
147	Bank of Tianjin, Hangu sub-branch	No. 77, Xinkai Middle Road, Hangu, Binhai New Area, Tianjin	300480
148	Bank of Tianjin, Dagang sub-branch	No. 75, Yingbin Street, Dagang District, Tianjin	300270
149	Bank of Tianjin, Xingfu Road sub-branch	East No. 1, No. 666, Xingfu Avenue, Dagangyoutian, Dagang District, Tianjin	300280
150	Bank of Tianjin, Yingxin Street sub-branch	No. 96, Yingxin Street, Dagang, Binhai New Area, Tianjin	300270
151	Bank of Tianjin, Shengli Road sub-branch	Binhai House Trading Center of Dagang District, Junction of Guangming Avenue and Chuangye Road, Dagangyoutian, Tianjin	300280
152	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
153	Bank of Tianjin, Development Area sub-branch	No. 76, Dongting Road, Economic Development Zone, Tianjin	300457
154	Bank of Tianjin, Tianbao sub-branch	Room 101 & 201, Block B, No. 27, the Second Street, Economic and Technology Development District, Tianjin	300457
155	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	300457
156	Bank of Tianjin, the Third Avenue sub-branch	No. 31-6, Building 1, No. 31, the Third Avenue, Tianjin Economic- Technological Development Area	300457
157	Bank of Tianjin, Huanghai Road sub-branch	No. 21-9, the Second Street, Development District, Tianjin	300457
158	Bank of Tianjin, Binhai Hi-tech Zone sub-branch	No. 188, Rixin Road, Binhai Science Park, Binhai Hi-tech Zone, No. 13888, Jinhan Road, Tianjin	300301
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, Tianjin Free-Trade Zone branch	Building 2, Finance Center, No. 158, West 3rd Road, Tianjin Airport Logistics Processing Zone	300308
161	Bank of Tianjin, Beijing branch	Xuanwumen Building, No. 73, Dongheyan Hutong, Xicheng District, Beijing	100052
162	Bank of Tianjin, Beijing Finance Street sub-branch	Building A33, Erlong Road, Xicheng District, Beijing	100032

## List of Branches

No.	Name of Branch	Address	Postcode
163	Bank of Tianjin, Beijing Guangqumen sub-branch	101-02, 1/F, Floor 3, Guangqujiayuan, Dongcheng District, Beijing	100022
164	Bank of Tianjin, Beijing Dongzhimen sub-branch	101, 1/F & 201, 2/F, Building 1, No. 46, Dongzhimenwai Street, Dongcheng District, Beijing	100027
165	Bank of Tianjin, Beijing Dongcheng sub-branch	Ground Floor, No. 8, Chaoyangmennei Street, Dongcheng District, Beijing	100010
166	Bank of Tianjin, Beijing Chaowai sub-branch	No. 0185, Ground Floor & No. 1133 Office, Chaowai SOHO, B6 Chaowai Street, Chaoyang District, Beijing	100020
167	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
168	Bank of Tianjin, Beijing Xinxingqiao sub-branch	Ground Floor, No. 21 and Office, 10/F, Fuxing Road, Haidian District, Beijing	100036
169	Bank of Tianjin, Beijing Zhongguancun sub-branch	Ground Floor, 1-E & 1-F, Yuanzhongyuelai, No. 15, Haidian Middle Street, Haidian District, Beijing	100080
170	Bank of Tianjin, Beijing Xizhimen sub-branch	No. 52, North Street, Xizhimen, Haidian District, Beijing	100082
171	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
172	Bank of Tianjin, Beijing Fengtai sub-branch	Unit 01, F1 and F2, Commercial Building, No. 232 West Shiliuzhuang Street, Fengtai District, Beijing	100070
173	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
174	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
175	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
176	Bank of Tianjin, Beijing Shunyi sub-branch	Unit 103 and Unit 203, F1 and F2, No. 1 Building, No.1 Court, Zhanqian Street, Shunyi District, Beijing	101300
177	Bank of Tianjin, Beijing Changping sub-branch	West side of 1/F and Northwest side of 2/F, Building 2, No. 12, Longshui Road, Changping District, Beijing	102200
178	Bank of Tianjin, Shijiazhuang branch	No. 49, Yuhua East Road, Qiaoxi District, Shijiazhuang, Hebei Province	050000
179	Bank of Tianjin, Shijiazhuang Zhongshan Road sub-branch	No. 151, Zhongshan West Road, Qiaoxi District, Shijiazhuang, Hebei Province	050000
180	Bank of Tianjin, Baoding branch	No. 3108, Fuxing Middle Road, Baoding, Hebei Province	071000

## List of Branches

No.	Name of Branch	Address	Postcode
181	Bank of Tianjin, Baoding Zhuozhou sub-branch	No. 293, Fanyang Middle Road, Zhuozhou, Hebei Province	072750
182	Bank of Tianjin, Tangshan branch	No. 99, Xinhua West Road, Lubei District, Tangshan, Hebei	063000
183	Bank of Tianjin, Tangshan Fenghuangxincheng sub-branch	No. 131 & 133, Xingyuan Road, Lubei District, Tangshan, Hebei	063000
184	Bank of Tianjin, Tangshan Xinhua sub-branch	No. 517, Yuhua West Road, Lubei District, Tangshan, Hebei	063000
185	Bank of Tianjin, Tangshan Hi-tech District sub-branch	No. 110, Jianshe North Road, Hi-tech Development Zone, Tangshan, Hebei	063020
186	Bank of Tianjin, Tangshan Fengnan sub-branch	No. 82, 84 & 86, Jiaoyu Street, Fengnan District, Tangshan, Hebei	063000
187	Bank of Tianjin, Tangshan Caofeidian sub-branch	No. 198 & 200, Jianshe Avenue, Caofeidian District, Tangshan, Hebei	063299
188	Bank of Tianjin, Tangshan Laoting sub-branch	No. 8, Dazhao Road, Laoting County, Tangshan, Hebei	063000
189	Bank of Tianjin, Tangshan Qianan sub-branch	103, Building 1, Junfuyuan, Huiquan Street, Qianan, Hebei	064000
190	Bank of Tianjin, Tangshan Zunhua sub-branch	No. 1 & 2, Ground Floor, Kaiyuanjiezuo, Wenbai Road, Zunhua, Hebei	064200
191	Bank of Tianjin, Shanghai branch	Baojing Business Building No.1859 Expo Avenue, Pudong District, Shanghai	200002
192	Bank of Tianjin, Shanghai Huangpu sub-branch	Room 1B, Hi-Tech King World West Building Area F, No. 666 Beijing East Road, Huangpu District, Shanghai	200001
193	Bank of Tianjin, Shanghai Xuhui sub-branch	1 & 3/F, No. 2119, Xietu Road, Xuhui District, Shanghai	200032
194	Bank of Tianjin, Shanghai Changning sub-branch	Part of west side of 1/F, No. 2111, Yanan West Road, Changning District, Shanghai	200051
195	Bank of Tianjin, Shanghai Jing'an sub-branch	Street Front Shop, 1-2/F, No. 1056, Changde Road, Jing'an District, Shanghai	200040
196	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
197	Bank of Tianjin, Shanghai Putuo sub-branch	1 & 2/F, No. 108, Guangxin Road, Putuo District, Shanghai	200061
198	Bank of Tianjin, Shanghai Hongkou sub-branch	Room 101, No. 843, Room 102, No. 845-847 & Room 103-104, No. 851, Room 604-606, No. 1, Lane 839, Dalian Road, Hongkou District, Shanghai	200086

## List of Branches

No.	Name of Branch	Address	Postcode
199	Bank of Tianjin, Shanghai Lujiazui sub-branch	Room 101 & 1201, China Shipbuilding Tower, No. 1, Pudong Avenue, Pudong New Area, Shanghai	200120
200	Bank of Tianjin, Shanghai Fushan sub-branch	Room 1A, 1/F, No. 450, Fushan Road, Pudong New Area, Shanghai	200122
201	Bank of Tianjin, Shanghai Minhang sub-branch	1/F, No. 1058, Caobao Road, Minhang District, Shanghai	201101
202	Bank of Tianjin, Jinan branch	1-109, Building 2 & 5, Area 1 Sanjianruifuyuan, No. 20999, Jingshi Road, Shizhong District, Jinan	250001
203	Bank of Tianjin, Jinan Shizhong sub-branch	3F, No. 2666, Shop B2-002, No. 2688, Erhuannan Road, Shizhong District, Jinan City	250022
204	Bank of Tianjin, Jinan Lixia sub-branch	Yanjie Building, No. 14958, Courtyard 14966, Jingshi Road, Jinan	250014
205	Bank of Tianjin, Jinan Quancheng sub-branch	Jiefangge Business Center, No. 187, Heihuquan North Road, Lixia District, Jinan	250001
206	Bank of Tianjin, Jinan Dianliu sub-branch	No. 5006-9, Erhuan East Road, Lixia District, Jinan City	250014
207	Bank of Tianjin, Jinan Licheng sub-branch	Building 27, No. 47, Huayuan Road, Licheng District, Jinan	250199
208	Bank of Tianjin, Jinan Dongcheng sub-branch	1 & 2/F, Auxiliary Building of Geological Technology Building, No. 521, Jingde Street, northwest corner of the intersection of Tangye Middle Road and Jingde Street, Licheng District, Jinan, Shandong	250109
209	Bank of Tianjin, Jinan Huaiyin sub-branch	Building 1 & 2, east side, Ground Floor, Shunchengyuan Community, No. 24916, Jingshi Road, Huaiyin District, Jinan	250022
210	Bank of Tianjin, Jinan Xicheng sub-branch	Financial Service Hall, northeast corner, 1/F, Jinan Baoye Building, southwest corner of the intersection of Lashanhe West Road and Rizhao Road, Huaiyin District, Jinan, Shandong	250117
211	Bank of Tianjin, Jinan Tianqiao sub-branch	No. 965, 975 & 985, Minghu West Road, Jinan	250000
212	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
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 Hi-tech District sub-branch	No. 5006, Aoti Middle Road, Hi-tech District, Jinan	250101
215	Bank of Tianjin, Jinan Zhangqiu sub-branch	Shop 104, Building 16, Qilujianqiao Community, No. 35, Mingshuishuangshan Street, Zhangqiu District, Jinan	250299

## List of Branches

No.	Name of Branch	Address	Postcode
216	Bank of Tianjin, Dongying branch	No. 55, Fuqian Street, Dongying District, Dongying	257000
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, Taian branch	No. 483, Dongyue Street, Taian, Shandong	271000
219	Bank of Tianjin, Yantai branch	No. 16 Hengshan Road, Economic and Technological Development District, Yantai, Shandong Province	264006
220	Bank of Tianjin, Chengdu branch	No. 688, Tianfu Avenue Middle, Hi-tech District, Chengdu, Sichuan	610041
221	Bank of Tianjin, Chengdu Jingjiang sub-branch	No. 318 & 328, Tongying Street, Jinjiang District, Chengdu, Sichuan	610065
222	Bank of Tianjin, Chengdu Binjiang sub-branch	No. 10, Binjiang West Road, Jinjiang District, Chengdu, Sichuan Province	610021
223	Bank of Tianjin, Chengdu Qingyang sub-branch	No. 53 & Attachment No. 1-2, No. 53, Jinyang Road, Qingyang District, Chengdu, Sichuan	610072
224	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
225	Bank of Tianjin, Chengdu Wuhou sub-branch	No. 1, 1/F, Building 1, No. 518, Lidu Road, Wuhou District, Chengdu, Sichuan	610047
226	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
227	Bank of Tianjin, Luzhou branch	No. 189, Chunjingxia Road, Jiangyang District, Luzhou, Sichuan Province	646000



No. 15 Youyi Road Tianjin China

P.C: 300201

Hotline: 956056

[www.bankoftianjin.com](http://www.bankoftianjin.com)