IMPORTANT NOTICE

NOT FOR DISTRIBUTION TO ANY PERSON OR ADDRESS IN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"))

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached drawdown offering circular (the "**Drawdown Offering Circular**"). You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached Drawdown Offering Circular. In accessing the attached Drawdown Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES REFERRED TO IN THIS DRAWDOWN OFFERING CIRCULAR HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT OR UNDER ANY SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED OR SOLD DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS DRAWDOWN OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED IN WHOLE OR IN PART TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of Your Representation: In order to be eligible to view the attached Drawdown Offering Circular or make an investment decision with respect to the securities described in the attached Drawdown Offering Circular, investors must not be located in the United States and are not U.S. persons (as defined in Regulation S under the Securities Act). The attached Drawdown Offering Circular is being sent to you at your request and by accepting the e-mail and accessing the attached Drawdown Offering Circular, you shall be deemed to represent to us that you and any of the customers you represent are not in the United States and are not U.S. persons, that the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories or possessions, and you consent to delivery of the attached Drawdown Offering Circular and any amendments or supplements thereto by electronic transmission.

The materials relating to the offering of securities to which the attached Drawdown Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering is made by a licensed broker or dealer and any of the relevant Joint Lead Managers (as defined in the attached Drawdown Offering Circular) or any affiliate of the relevant Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the relevant Branch Issuer (as defined in the attached Drawdown Offering Circular) in such jurisdiction.

The attached Drawdown Offering Circular has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of Industrial and Commercial Bank of China Limited (the "**Bank**"), the relevant Branch Issuer and the relevant Joint Lead Managers in relation to the issuance by the relevant Branch Issuer, or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents and each person who controls any of the relevant Joint Lead Managers accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

You are reminded that you have accessed the attached Drawdown Offering Circular on the basis that you are a person into whose possession the attached Drawdown Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person.

If you have gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached Drawdown Offering Circular.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this document, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Industrial and Commercial Bank of China Limited

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

Industrial and Commercial Bank of China Limited, Hong Kong Branch

U.S.$1,000,000,000 Floating Rate Notes due 2027

(the "USD Notes")

Industrial and Commercial Bank of China Limited, Singapore Branch

CNY3,000,000,000 2.88 per cent. Notes due 2027

(the "CNY Notes")

and

Industrial and Commercial Bank of China Limited, London Branch

EUR300,000,000 3.697 per cent. Notes due 2027

(the "EUR Notes")

each issued under the U.S.$20,000,000,000 Global Medium Term Note Programme

This drawdown offering circular (the "**Drawdown Offering Circular**") is supplemental to the original offering circular dated 16 October 2023 as set out in Annex I of this Drawdown Offering Circular (the "**Original Offering Circular**" and together with this Drawdown Offering Circular, the "**Offering Circular**") and is prepared in connection with the issues of (1) the U.S.$1,000,000,000 Floating Rate Notes due 2027 (the "**USD Notes**") by Industrial and Commercial Bank of China Limited, Hong Kong Branch (the "**Hong Kong Branch Issuer**"), (2) the CNY3,000,000,000 2.88 per cent. Notes due 2027 (the "**CNY Notes**") by Industrial and Commercial Bank of China Limited, Singapore Branch (the "**Singapore Branch Issuer**"), and (3) the EUR300,000,000 3.697 per cent. Notes due 2027 (the "**EUR Notes**") by Industrial and Commercial Bank of China Limited, London Branch (the "**London Branch Issuer**"), each under the U.S.$20,000,000,000 Global Medium Term Note Programme (the "**Programme**") of Industrial and Commercial Bank of China Limited (the "**Bank**").

In this Drawdown Offering Circular, references to a "**Branch Issuer**" are to any of the Hong Kong Branch Issuer, the Singapore Branch Issuer, and the London Branch Issuer (as the case may be), references to "**Notes**" are to any of the USD Notes, the CNY Notes, and the EUR Notes (as the case may be) and references to a "**series of Notes**" or to a "**series**" are to the USD Notes, the CNY Notes, and the EUR Notes, separately. Unless otherwise defined or required, terms defined in the Original Offering Circular shall have the same meaning as when used in this Drawdown Offering Circular. This Drawdown Offering Circular is supplemental to, forms part of and should be read in conjunction with, the Original Offering Circular and any other supplements to the Original Offering Circular. With effect from the date of this Drawdown Offering Circular, in respect of the relevant series of Notes only, the information appearing in the Original Offering Circular shall be amended and/or supplemented by the inclusion of the information set out in this Drawdown Offering Circular to the extent such information is applicable to that series of Notes. To the extent there is any inconsistency between any statement in this Drawdown Offering Circular and any other statement in the Original Offering Circular, the statement in this Drawdown Offering Circular shall prevail.

The Notes are being issued as "Carbon Neutrality" themed international green bonds. For more information, please refer to the section entitled "*Notes being issued as "Carbon Neutrality" themed international green bonds*" of Chapter One of this Drawdown Offering Circular.

Each series of Notes is intended (i) to be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**" or "**HKSE**"), (ii) to be listed on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), and (iii) to be admitted to trading on the International Securities Market (the "**ISM**") of the London Stock Exchange plc (the "**London Stock Exchange**") (hereinafter together referred to as the "**Stock Exchanges**"). Each series of Notes is also intended to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST and displayed on the Sustainable Bond Market (the "**SBM**") of the London Stock Exchange. The listing and/or admission to trading (where applicable) on the Stock Exchanges are expected to become effective on or after 24 May 2024. Further details on the listing of each series of Notes on the Stock Exchanges are set out below.

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: The Bank and each Branch Issuer confirm that each relevant series of Notes are intended for purchase by Professional Investors only and will be listed on the Hong Kong Stock Exchange on that basis. Therefore, the Bank and each Branch Issuer confirm that each relevant series of Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the relevant Branch Issuer, the Bank, the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this document. Admission of the Notes on the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank, their respective subsidiaries, their respective affiliates or the Notes. The Notes will trade on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in foreign currencies) so long as any of the Notes remain listed on the SGX-ST.

Application will be made to the SGX-ST for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the London Stock Exchange's ISM and to be displayed on the London Stock Exchange's SBM. Such admission to trading is expected to be effective on or after 24 May 2024. This Drawdown Offering Circular comprises admission particulars for the purposes of admission to trading of the Notes on the ISM. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**").

The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the Financial Conduct Authority. The London Stock Exchange has not approved or verified the contents of this Drawdown Offering Circular.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act). The Notes are being offered and sold outside of the United States in reliance on Regulation S under the Securities Act. For a description of certain further restrictions on offers and sales of the Notes and the distribution of this Drawdown Offering Circular, see the section entitled "*Subscription and Sale*" on pages 212 to 222 of the Original Offering Circular.

Each series of Notes are expected to be assigned a rating of "A1" by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

See Chapter Two, Chapter Three and Chapter Four of this Drawdown Offering Circular for specific disclosure regarding the relevant Branch Issuer and Notes to be issued by such Branch Issuer. Each of Chapter Two, Chapter Three and Chapter Four of this Drawdown Offering Circular shall only apply to the series of Notes to which such Chapter relates, and each of such Chapters of this Drawdown Offering Circular is separate and independent from each of the other Chapters in this Drawdown Offering Circular, except for Chapter One which shall apply to all series of Notes under this Drawdown Offering Circular. Notwithstanding any other provisions to the contrary, a Joint Lead Manager (as defined below) whose name appears on the front cover page of any of Chapter Two, Chapter Three, and Chapter Four of this Drawdown Offering Circular is a joint lead manager for such relevant series of Notes only and unless stated otherwise in this Drawdown Offering Circular, is not a joint global coordinator, joint bookrunner or joint lead manager of any other series.

See the section entitled "*Risk Factors*" of the Original Offering Circular as amended and supplemented by the section entitled "*Risk Factors*" of Chapter One of this Drawdown Offering Circular for a discussion of certain factors to be considered in connection with an investment in Notes and the section entitled "*Risk Factors*" of each of the other Chapters of this Drawdown Offering Circular for a discussion of certain additional factors to be considered in connection with an investment in the relevant series of the Notes.

Drawdown Offering Circular dated 16 May 2024

IMPORTANT NOTICE

THIS DRAWDOWN OFFERING CIRCULAR DOES NOT CONSTITUTE AN OFFER TO SELL, OR A SOLICITATION OF AN OFFER TO BUY, ANY SECURITIES IN ANY JURISDICTION TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE THE OFFER OR SOLICITATION IN SUCH JURISDICTION. NEITHER THE DELIVERY OF THIS DRAWDOWN OFFERING CIRCULAR NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES IMPLY THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE RELEVANT BRANCH ISSUER, THE BANK OR THE GROUP OR THAT THE INFORMATION SET FORTH IN THIS DRAWDOWN OFFERING CIRCULAR IS CORRECT AS OF ANY DATE SUBSEQUENT TO THE DATE HEREOF.

See Chapter Two, Chapter Three and Chapter Four of this Drawdown Offering Circular for specific disclosure regarding the relevant Branch Issuer and Notes to be issued by such Branch Issuer. Each of Chapter Two, Chapter Three and Chapter Four of this Drawdown Offering Circular shall only apply to the series of Notes to which such Chapter relates, and each of such Chapters of this Drawdown Offering Circular is separate and independent from each of the other Chapters in this Drawdown Offering Circular, except for Chapter One which shall apply to all series of Notes under this Drawdown Offering Circular. Notwithstanding any other provisions to the contrary, a Joint Lead Manager (as defined below) whose name appears on the front cover page of any of Chapter Two, Chapter Three and Chapter Four is a joint lead manager for such relevant series of Notes only and unless stated otherwise in this Drawdown Offering Circular, is not a joint global coordinator, joint bookrunner or joint lead manager of any other series.

This Drawdown Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see the section entitled "*Documents Incorporated by Reference*" of this Drawdown Offering Circular). This Drawdown Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Drawdown Offering Circular.

The Bank and each relevant Branch Issuer, having made all reasonable enquiries, confirms that to the best of its knowledge and belief, the Offering Circular (i) contains all information with respect to the Bank and its subsidiaries (the "**Group**", "**we**" or "**us**"), such Branch Issuer and the series of Notes to be issued by such Branch Issuer and which, according to the particular nature of the Bank, the Group, such Branch Issuer and of such series of Notes, is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Bank, the Group, such Branch Issuer, and of the Group's profit and loss and of the rights attaching to such series of Notes and such information is accurate and complete in all material respects and (ii) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. All expressions of opinion, intention and expectation expressed herein are fair and made after due and careful consideration, are fair and reasonable and based on facts known, or which ought on reasonable enquiry to have been known, to the Bank and/or such Branch Issuer or any of them.

The listing and/or admission to trading of the Notes on any stock exchange or the listing of and/or quotation for the Notes on any stock exchange or any official list of any stock exchange is not to be taken as an indication of the merits of the Bank, any Branch Issuer, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Bank, the relevant Branch Issuer, the Group and the terms of the offering, including the merits and risks involved. See the section entitled "*Risk Factors*" of the Original Offering Circular as amended and supplemented by the section entitled "*Risk Factors*" of Chapter One of this Drawdown Offering Circular for a discussion of certain factors to be considered in connection with an investment in Notes and the section entitled "*Risk Factors*" of each of the other Chapters of this Drawdown Offering Circular for a

discussion of certain additional factors to be considered in connection with an investment in the relevant series of the Notes.

The Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Bank, the Branch Issuers and the Group. The Bank and each relevant Branch Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

The Bank and each relevant Branch Issuer accept responsibility for the information contained in the Offering Circular. Having taken all reasonable care to ensure that such is the case, the information contained in the Offering Circular is, to the best of the Bank's and each relevant Branch Issuer's knowledge, in accordance with the facts and contains no omission likely to affect its import.

Some information contained in the Offering Circular has been derived from information publicly made available by third parties such as the People's Bank of China (the "**PBOC**") (in the case of exchange rate information). Where such third party information has been so sourced, the source is stated where it appears in the Offering Circular. The Bank and each relevant Branch Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The distribution of this Drawdown Offering Circular and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Drawdown Offering Circular comes are required by the relevant Branch Issuer, the Group and the Joint Lead Managers (as defined below), to inform themselves about and to observe any such restrictions. None of the relevant Branch Issuer, the Group, the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents represents that this Drawdown Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the relevant Branch Issuer, the Group, the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents which would permit a public offering of any relevant series of Notes or distribution of this Drawdown Offering Circular in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Drawdown Offering Circular, or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

In this Drawdown Offering Circular:

"**Joint Lead Managers**" means, together, (i) the Joint Lead Managers for the USD Notes, (ii) the Joint Lead Managers for the CNY Notes and (iii) the Joint Lead Managers for the EUR Notes;

"**Joint Lead Managers for the USD Notes**" means Industrial and Commercial Bank of China (Asia) Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, Bank of China Limited, CMB Wing Lung Bank Limited, Crédit Agricole Corporate and Investment Bank, The Hongkong and Shanghai Banking Corporation Limited, Standard Chartered Bank, ICBC International Securities Limited, Industrial and Commercial Bank of China (Macau) Limited, Industrial and Commercial Bank of China Limited, Singapore Branch, ABCI Capital Limited, Agricultural Bank of China Limited Macao Branch, Bank of Communications Co., Ltd. Hong Kong Branch, CCB International Capital Limited, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China Galaxy International Securities (Hong Kong) Co., Limited, China Industrial

Securities International Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Citigroup Global Markets Limited, CLSA Limited, CMBC Securities Company Limited, CNCB (Hong Kong) Capital Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited, Hua Xia Bank Co., Limited Hong Kong Branch, Huatai Financial Holdings (Hong Kong) Limited, Industrial Bank Co., Ltd. Hong Kong Branch, Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch and United Overseas Bank Limited, Hong Kong Branch;

"**Joint Lead Managers for the CNY Notes**" means Industrial and Commercial Bank of China Limited, Singapore Branch, Agricultural Bank of China Limited, Singapore Branch, Bank of China (Hong Kong) Limited, China Construction Bank Corporation Singapore Branch, Crédit Agricole Corporate and Investment Bank, Singapore Branch, Standard Chartered Bank (Singapore) Limited, ICBC International Securities Limited, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Macau) Limited, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, Agricultural Bank of China Limited Macao Branch, Bank of China Limited, Singapore Branch, Bank of Communications Co., Ltd. Hong Kong Branch, BOSC International Securities Limited, China CITIC Bank International Limited, China Construction Bank (Asia) Corporation Limited, China Everbright Bank Co., Ltd., Hong Kong Branch, China Galaxy International Securities (Hong Kong) Co., Limited, China Industrial Securities International Brokerage Limited, China International Capital Corporation Hong Kong Securities Limited, China Merchants Bank Co., Ltd, China Minsheng Banking Corp., Ltd., Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Citigroup Global Markets Limited, CLSA Limited, CMB Wing Lung Bank Limited, CMBC Securities Company Limited, DBS Bank Ltd., Guotai Junan Securities (Hong Kong) Limited, The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch, Huatai Financial Holdings (Hong Kong) Limited, Industrial Bank Co., Ltd. Hong Kong Branch, J.P. Morgan Securities Asia Private Limited, MUFG Securities Asia Limited and Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch; and

"**Joint Lead Managers for the EUR Notes**" means ICBC Standard Bank Plc, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, J.P. Morgan Securities plc, Natixis, Société Générale, Standard Chartered Bank, Industrial and Commercial Bank of China (Asia) Limited, Industrial and Commercial Bank of China (Europe) S.A., Industrial and Commercial Bank of China Limited, Singapore Branch, ABCI Capital Limited, Agricultural Bank of China Limited Hong Kong Branch, Bank of China (Hong Kong) Limited, Bank of China Limited, London Branch, Bank of Communications Co., Ltd. Hong Kong Branch, China CITIC Bank International Limited, China Construction Bank (Europe) S.A., China International Capital Corporation Hong Kong Securities Limited, China Minsheng Banking Corp., Ltd., Hong Kong Branch, China Securities (International) Corporate Finance Company Limited, Citigroup Global Markets Limited, CLSA Limited, CMB Wing Lung Bank Limited, HSBC Bank plc, Hua Xia Bank Co., Limited Hong Kong Branch and Huatai Financial Holdings (Hong Kong) Limited.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States of America, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC and Singapore, and to persons connected therewith. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. Subject to certain exceptions, the Notes may not be offered or sold within the United States or to or for the account or benefit of, U.S. persons. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of the Offering Circular, see the section entitled "*Subscription and Sale*" on pages 212 to 222 of the Original Offering Circular.

No person has been authorised by the Branch Issuers or the Group to give any information or to make any representation not contained in or not consistent with this Drawdown Offering Circular or any other document

entered into in relation to the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the Branch Issuers, the Group or the Joint Lead Managers.

None of the relevant Joint Lead Managers, the relevant Branch Issuer, the Group or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the relevant series of Notes should be able to bear the economic risk of an investment in such series of Notes for an indefinite period of time.

Neither the delivery of this Drawdown Offering Circular nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Drawdown Offering Circular is true subsequent to the date hereof or the date upon which this Drawdown Offering Circular has been most recently amended or supplemented or that there has been no adverse change, nor any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Bank, the relevant Branch Issuer or the Group since the date thereof or, if later, the date upon which this Drawdown Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme or the Notes is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

This Drawdown Offering Circular does not constitute an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the relevant Branch Issuer, the Group, the relevant Joint Lead Managers, or any director, officer, employee, representative, adviser, agent or affiliate of any such person or any of them that any recipient of this Drawdown Offering Circular should subscribe for or purchase any Notes. Each recipient of this Drawdown Offering Circular shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank, the relevant Branch Issuer and the Group.

Credit ratings referred to in this Drawdown Offering Circular should not be taken as recommendations to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.

IN CONNECTION WITH THE ISSUE OF ANY SERIES OF NOTES, ANY OF THE JOINT LEAD MANAGERS NAMED AS STABILISATION MANAGER IN THE RELEVANT PRICING SUPPLEMENT (THE "STABILISATION MANAGER") (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) MAY, TO THE EXTENT PERMITTED BY APPLICABLE LAWS AND RULES, OVER-ALLOT THAT RELEVANT SERIES OF NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THAT SERIES OF NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF A STABILISATION MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THAT SERIES OF NOTES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THAT SERIES OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THAT SERIES OF NOTES.

None of the Joint Lead Managers or any Agents (as defined in the section entitled "*Terms and Conditions of the Notes*" of the Original Offering Circular) has separately verified the information contained in this Drawdown Offering Circular. To the fullest extent permitted by law, none of the Joint Lead Managers or any Agent, or any director, officer, employee, representative, adviser, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Drawdown Offering Circular. To the

fullest extent permitted by law, none of the Joint Lead Managers or any Agent, or any director, officer, employee, representative, adviser, agent or affiliate of any such person accepts any responsibility for the contents of this Drawdown Offering Circular or for any other statement made or purported to be made by any Joint Lead Managers or any Agent, or any director, officer, employee, representative, adviser, agent or affiliate of any such person or on its behalf in connection with the Bank, the Branch Issuers, the Group, the Notes, or the issue and offering of the Notes. Each Joint Lead Manager and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Drawdown Offering Circular or any such statement.

This Drawdown Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in the Notes. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for the issue of that series of Notes (included in this Drawdown Offering Circular). The risks and investment considerations identified in this Drawdown Offering Circular and the relevant Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in the relevant series of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Drawdown Offering Circular nor any other information provided or incorporated by reference in connection with any series of Notes are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Branch Issuers, the Group, or the Joint Lead Managers, or any director, officer, employee, representative, adviser, agent or affiliate of any such person that any recipient of this Drawdown Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Branch Issuer, the Bank and the Group. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Drawdown Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Joint Lead Managers nor any director, officer, employee, representative, adviser, agent or affiliate of any such person undertakes to review the financial condition or affairs of the relevant Branch Issuer, the Bank or the Group during the life of the arrangements contemplated by this Drawdown Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers or any of them.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Drawdown Offering Circular. Any representation to the contrary is a criminal offence in the United States. If a jurisdiction requires that the offering of a series of Notes is made by a licensed broker or dealer and any of the relevant Joint Lead Managers or any affiliate of the relevant Joint Lead Managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Joint Lead Manager or such affiliate on behalf of the relevant Branch Issuer in such jurisdiction.

PRESENTATION OF INFORMATION

The section entitled "Presentation of Information" as set out on pages vii to viii of the Original Offering Circular shall be deleted in its entirety and replaced by the following:

Certain monetary amounts set out in the Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be the arithmetic sums of the figures that precede them.

In the Offering Circular, references to "**U.S. dollars**", "**U.S.$**" or "**USD**" are to United States dollars, the lawful currency of the United States, references to "Sterling" and "£" are to the lawful currency of the United Kingdom, references to "**Euro**", "**EUR**" or "**€**" are to the lawful currency of the Eurozone, references to "**RMB**", "**CNY**" or "**Renminbi**" are to the lawful currency of the PRC, references to "**Hong Kong dollars**", "**HKD**" or "**HK$**" are to Hong Kong dollars, the lawful currency of Hong Kong, references to "**MOP**" are to Macau pataca, the lawful currency of Macau, references to "**MXN**" are to Mexican Pesos, the lawful currency of Mexico, references to "**MYR**" are to Malaysian ringgit, the lawful currency of Malaysia, references to "**IDR**" are to Indonesian rupiah, the lawful currency of Indonesia, references to "**THB**" are to Thai baht, the lawful currency of Thailand, references to "**KZT**" are to Kazakhstani tenge, the lawful currency of Kazakhstan, references to "**NZD**" are to New Zealand dollars, the lawful currency of New Zealand, references to "**RUB**" are to Russian rubles, the lawful currency of Russia, references to "**CAD**" are to Canadian dollars, the lawful currency of Canada, references to "**ARS**" are to Argentine pesos, the lawful currency of Argentina, references to "**BRL**" are to Brazilian real, the lawful currency of Brazil, references to "**ZAR**" are to South African rand, the lawful currency of South Africa, references to "**JPY**" or "**Japanese Yen**" are to Japanese yen, the lawful currency of Japan and references to "**TRY**" are to Turkish lira, the lawful currency of Turkey.

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 (the "**Group's 2022 Financial Statements**") and the audited consolidated financial statements of the Group as at and for the year ended 31 December 2023 (the "**Group's 2023 Financial Statements**") incorporated by reference in this Drawdown Offering Circular have been prepared and presented in accordance with the International Financial Reporting Standards ("**IFRS**") and have been audited by Deloitte Touche Tohmatsu ("**Deloitte**"). Deloitte have expressed unqualified opinions in the independent auditor's reports.

The Group has implemented IFRS 17 Insurance Contracts and its amendments (together, the "**New Insurance Contract Standard**") on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. To facilitate smooth transition to the New Insurance Contract Standard, the Group has reassessed the business model for managing its relevant financial assets, reclassified and remeasured certain financial assets and restated the financial statement line items for comparative periods in accordance with the requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2022 included in the Group's 2023 Financial Statements has been restated. Please refer to "*Note 3 Application of new and amendments to IFRSs*" in the Group's 2023 Financial Statements for details. However, as the financial information as at and for the years ended 31 December 2021 and 2022 included in the Group's 2022 Financial Statements has not been restated to reflect the adoption of the New Insurance Contract Standard, such financial information is not directly comparable with the financial information as at and for the years ended 31 December 2022 and 2023 included in the Group's 2023 Financial Statements.

On 29 April 2024, the Bank announced its unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2024 (the "**Group's 2024 First Quarterly Results**"). The Group's 2024 First Quarterly Results are not audited or reviewed by an independent auditor, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation or warranty, express or implied, regarding the sufficiency

of the Group's 2024 First Quarterly Results for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition and results of operations of the Group. In addition, the Group's 2024 First Quarterly Results should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2024.

Unless specified as "original" numbers, financial information as at and for the year ended 31 December 2022 used in this Drawdown Offering Circular derives from the Group's 2023 Financial Statements (which has been restated).

Unless otherwise stated, all financial statements contained herein which are stated as relating to the Bank are referring to the consolidated financial statements of the Group.

In the Offering Circular, references to "**China**", "**Mainland China**" and the "**PRC**" mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to "**PRC Government**" mean the government of the PRC; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; references to "**U.S.**" are to the United States and references to "**UK**" or "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland.

In the Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

DOCUMENTS INCORPORATED BY REFERENCE

This Drawdown Offering Circular should be read and construed in conjunction with the Original Offering Circular, save that any statement contained in the Original Offering Circular shall be modified or superseded for the purpose of this Drawdown Offering Circular to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Drawdown Offering Circular.

The following documents which previously have been filed with the Hong Kong Stock Exchange and published on the website of the Hong Kong Stock Exchange (https://www.hkexnews.hk/) shall be incorporated in, and form part of, this Drawdown Offering Circular:

- the announcement of the Group's first quarterly results of 2024, containing the unaudited and unreviewed consolidated financial results of the Group as at and for the three months ended 31 March 2024 (published on 29 April 2024);
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2023 together with the Independent Auditor's Report thereon, as set out on pages 144 to 283 (inclusive) of the annual report (published on 26 April 2024) of the Bank for the year ended 31 December 2023; and
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 together with the Independent Auditor's Report thereon, as set out on pages 143 to 277 (inclusive) of the annual report (published on 26 April 2023) of the Bank for the year ended 31 December 2022,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Drawdown Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Drawdown Offering Circular.

Unless specified otherwise, any consolidated quarterly financial statements of the Group incorporated by reference in this Drawdown Offering Circular are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers or the Agents makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the Group's financial condition, results of operations and results. Such financial information should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year.

Those parts of the documents incorporated by reference in this Drawdown Offering Circular which are not specifically incorporated by reference in this Drawdown Offering Circular are either not relevant for prospective investors in the Notes or the relevant information is included elsewhere in this Drawdown Offering Circular. Any documents themselves incorporated by reference in the documents incorporated by reference in this Drawdown Offering Circular shall not form part of this Drawdown Offering Circular.

Copies of all such documents which are incorporated by reference in, and to form part of, this Drawdown Offering Circular will be published on the London Stock Exchange website (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html) and will be available

free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the relevant Issuing and Paying Agent.

For the avoidance of doubt, the content of the website of the Hong Kong Stock Exchange, the London Stock Exchange and the SGX-ST do not form part of this Drawdown Offering Circular.

The section entitled "*Documents Incorporated by Reference*" as set out on pages x to xi of the Original Offering Circular shall not form part of this Drawdown Offering Circular.

TABLE OF CONTENTS

Page

IMPORTANT NOTICE i

PRESENTATION OF INFORMATION vi

DOCUMENTS INCORPORATED BY REFERENCE viii

CHAPTER ONE THE BANK 1

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION 2

RISK FACTORS 6

CAPITALISATION AND INDEBTEDNESS 33

DESCRIPTION OF THE BANK 34

GREEN BOND FRAMEWORK 80

USE OF PROCEEDS 85

NOTES BEING ISSUED AS "CARBON NEUTRALITY" THEMED INTERNATIONAL GREEN BONDS 86

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME 90

RECENT DEVELOPMENTS 92

FUNDING AND CAPITAL ADEQUACY 99

RISK MANAGEMENT 103

ASSETS AND LIABILITIES 122

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT 143

PRINCIPAL SHAREHOLDERS 153

TAXATION 155

GENERAL INFORMATION 157

CHAPTER TWO HONG KONG BRANCH ISSUER 159

- DESCRIPTION OF HONG KONG BRANCH ISSUER 161
- RISK FACTORS 163
- PRICING SUPPLEMENT FOR THE USD NOTES 164

CHAPTER THREE SINGAPORE BRANCH ISSUER 175

- DESCRIPTION OF SINGAPORE BRANCH ISSUER 177
- RISK FACTORS 179
- PRICING SUPPLEMENT FOR THE CNY NOTES 180
- SINGAPORE TAXATION 189

CHAPTER FOUR LONDON BRANCH ISSUER 195
DESCRIPTION OF LONDON BRANCH ISSUER 197
RISK FACTORS 199
PRICING SUPPLEMENT FOR THE EUR NOTES 200
UK TAXATION 208
ANNEX 1 – ORIGINAL OFFERING CIRCULAR DATED 16 OCTOBER 2023 211

CHAPTER ONE
THE BANK

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The section entitled "Summary Consolidated Financial and Other Information" as set out on pages 6 to 10 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

The summary consolidated statement of profit or loss data for the years ended 31 December 2021 and 2022 (original) and the summary consolidated statement of financial position data as at 31 December 2021 and 2022 (original) set forth below are extracted or derived from the Group's 2022 Financial Statements incorporated by reference in this Drawdown Offering Circular. The summary consolidated statement of profit or loss data for the years ended 31 December 2022 (restated) and 2023 and the summary consolidated statement of financial position data as at 31 December 2022 (restated) and 2023 set forth below are extracted or derived from the Group's 2023 Financial Statements incorporated by reference in this Drawdown Offering Circular. Prospective investors should read the summary financial information set forth below in conjunction with the relevant financial statements incorporated herein by reference.

*The Group has implemented IFRS 17 Insurance Contracts and its amendments (together, the "**New Insurance Contract Standard**") on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. To facilitate smooth transition to the New Insurance Contract Standard, the Group has reassessed the business model for managing its relevant financial assets, reclassified and remeasured certain financial assets and restated the financial statement line items for comparative periods in accordance with the requirements. As a result, certain comparative financial information as at and for the year ended 31 December 2022 included in the Group's 2023 Financial Statements has been restated. Please refer to "Note 3 Application of new and amendments to IFRSs" in the Group's 2023 Financial Statements for details. However, as the financial information as at and for the years ended 31 December 2021 and 2022 included in the Group's 2022 Financial Statements has not been restated to reflect the adoption of the New Insurance Contract Standard, such financial information is not directly comparable with the financial information as at and for the years ended 31 December 2022 and 2023 included in the Group's 2023 Financial Statements.*

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS DATA

The following table sets forth, for the periods indicated, selected items from the Group's consolidated statement of profit or loss.

	For the year ended 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)			
Net Interest Income	690,680	693,687	691,985	655,013
Net Fee and Commission Income	133,024	129,265	129,325	119,357
Net trading income	8,955	8,610	8,308	14,928
Net gains on financial investments	16,440	6,315	7,906	21,560
Other operating income/(expense), net	11,781	3,564	4,828	(4,400)
Operating Income	860,880	841,441	842,352	806,458
Operating expenses	(236,227)	(240,884)	(239,351)	(238,698)

	For the year ended 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)			
Impairment losses on assets – Loans and advances to customers	(168,267)	(143,173)	(143,173)	(143,422)
Impairment losses on assets – Others	(34,356)	(39,246)	(39,504)	(7,394)
Operating Profit	422,030	418,138	420,324	416,944
Share of results of associates and joint ventures	2,869	4,427	4,396	5,022
Profit before taxation	424,899	422,565	424,720	421,966
Income tax expense	(74,683)	(61,527)	(62,610)	(56,850)
Profit for the year	350,216	361,038	362,110	365,116
Attributable to equity holders of the parent company	348,338	360,483	361,132	363,993
Attributable to non-controlling interests	1,878	555	978	1,123

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

The following table sets forth, as at the dates indicated, selected items from the Group's consolidated statement of financial position.

	As at 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)			
Assets				
Cash and balances with central banks	3,098,438	3,427,892	3,427,892	4,042,293
Due from banks and other financial institutions	827,150	1,042,504	1,192,532	1,116,717
Derivative financial assets	76,140	87,205	87,205	75,339
Reverse repurchase agreements	663,496	864,067	864,122	1,224,257
Loans and advances to customers	20,109,200	22,593,648	22,591,676	25,386,933
Financial investments	9,257,760	10,527,292	10,533,702	11,849,668
Investments in associates and joint ventures	61,782	65,878	65,790	64,778
Property and equipment	290,296	293,887	293,887	298,878
Deferred tax assets	79,259	101,600	101,117	104,669
Other assets	707,862	605,684	452,223	533,547
Total assets	35,171,383	39,609,657	39,610,146	44,697,079
Liabilities				
Due to central banks	39,723	145,781	145,781	231,374

	As at 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)			
Financial liabilities measured at fair value through profit or loss	87,180	64,126	64,287	62,859
Derivative financial liabilities	71,337	96,350	96,350	76,251
Due to banks and other financial institutions	2,921,029	3,185,564	3,187,712	3,369,858
Repurchase agreements	365,943	574,778	574,778	1,018,106
Certificates of deposit	290,342	375,452	375,452	385,198
Due to customers	26,441,774	29,870,491	29,870,491	33,521,174
Income tax payable	92,443	85,581	85,581	63,322
Deferred tax liabilities	5,624	3,800	3,950	3,930
Debt securities issued	791,375	905,953	905,953	1,369,777
Other liabilities	789,355	787,955	784,392	818,642
Total liabilities	31,896,125	36,095,831	36,094,727	40,920,491
Total equity	3,275,258	3,513,826	3,515,419	3,776,588
Total equity and liabilities	35,171,383	39,609,657	39,610,146	44,697,079

SUMMARY OF KEY FINANCIAL AND OPERATING INDICATORS

The following tables set forth a summary of the Group's key financial and operating indicators for the periods or as at the dates indicated.

	For the year ended 31 December			
	2021	2022 (original)	2022 (restated)	2023
Profitability indicators (%)				
Return on average total assets[(1)]	1.02	0.97	0.97	0.87
Return on weighted average equity[(2)]	12.15	11.43	11.45	10.66
Net interest spread[(3)]	1.92	1.73	1.72	1.41
Net interest margin[(4)]	2.11	1.92	1.92	1.61
Return on risk-weighted assets[(5)]	1.68	1.64	1.65	1.56
Ratio of net fee and commission income to operating income	15.45	15.36	15.35	14.80
Cost-to-income ratio[(6)]	26.36	27.43	27.22	28.28

	As at 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)			
Asset quality indicators (%)				
NPL ratio[7]	1.42	1.38	1.38	1.36
Allowance to NPLs[8]	205.84	209.47	209.47	213.97
Allowance to total loans ratio[9]	2.92	2.90	2.90	2.90
Capital adequacy indicators (%)				
Common equity Tier 1 Capital Adequacy Ratio[10]	13.31	14.04	14.04	13.72
Tier 1 Capital Adequacy Ratio[10]	14.94	15.64	15.64	15.17
Capital Adequacy Ratio[10]	18.02	19.26	19.26	19.10
Leverage Ratio[11]	8.69	8.32	8.32	7.95
Total equity to total assets ratio	9.31	8.87	8.88	8.45
Risk-weighted assets to total assets ratio	61.67	56.11	56.11	55.13
Liquidity ratios (%)				
RMB current assets to RMB current liabilities[12]	41.5	42.3	42.3	54.5
Foreign currency current assets to foreign currency current liabilities[12]	88.9	106.1	106.1	88.8

Notes:

(1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.

*(2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the China Securities Regulatory Commission (the "**CSRC**").*

(3) Calculated by the spread between yield on average balance of interest-generating assets and cost on the average balance of interest-bearing liabilities.

(4) Calculated by dividing net interest income by the average balance of interest-generating assets.

(5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.

(6) Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

(7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.

(8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.

(9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.

(10) Calculated in accordance with the Capital Regulation.

(11) Calculated in accordance with the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) (CBRC No. 1, 2015).

*(12) Calculated in accordance with the related regulatory requirements, definitions and accounting standards applicable to the relevant period and based on the financial information prepared in accordance with the Generally Accepted Accounting Principles in the PRC (the "**PRC GAAP**"). The comparative figures are not adjusted or restated.*

RISK FACTORS

The subsections entitled "Risks relating to our Business" and "Risks relating to the Banking Industry" included in the section entitled "Risk Factors" as set out on pages 12 to 31 of the Original Offering Circular shall be deleted in its entirety and replaced with the relevant risk factors below, and the subsection entitled "Risks relating to the Notes issued under the Programme" therein shall be supplemented by the risk factor entitled "Risks relating to Notes being issued as "Carbon Neutrality" themed international green bonds" set out below:

Prior to making any investment decision, prospective investors should consider carefully all of the information in the Offering Circular, including but not limited to the risks and uncertainties described below. The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the relevant Issuer to repay principal, pay interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding the Notes are exhaustive. The following factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Bank or which the Bank currently deems to be immaterial, may affect the Group's business, financial condition or results of operations or the relevant Issuer's ability to fulfil its obligations under the Notes.

RISKS RELATING TO OUR BUSINESS

Risks Relating to Our Loans, Deposits and Investments

Our business is inherently subject to market fluctuations and general economic conditions, particularly in the PRC.

Our business is inherently subject to global capital market fluctuations and general economic conditions. Global market factors, including economic growth rates, inflation, deflation, interest rates, credit spreads, equity prices, real estate markets, energy prices, foreign currency exchange rates, consumer spending, business investment, government spending and the volatility and strength of the capital markets all affect the business and economic environment and, ultimately, the amount and profitability of our business. In particular, uncertain economic conditions, volatility and disruptions in global capital markets, such as those that occurred during the 2008 global financial crisis, the COVID-19 pandemic and rising inflation rates in major economies, can have a material adverse effect on the Group.

The economic recovery since the 2008 global financial crisis has been slow, with economic growth rates in major economies such as Europe, the United States, Japan and the PRC generally remaining persistently lower than pre-crisis levels. Moreover, there are on-going concerns about European sovereign debt levels and the consequences for economic growth and investor confidence in the Eurozone, the prolonged period of uncertainty around the exit of the United Kingdom from the European Union ("**Brexit**"), the China and United States trade tension, the political gridlock in the United States over government spending and debt levels, the consequences for economic growth and investor confidence in the United States, the conflict between Russia and Ukraine, geopolitical tensions and conflicts in various countries in the Middle East including the Israeli-Palestinian conflict, and the sanctions imposed by governments in response. On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement ("**Withdrawal Agreement**") signed in October 2019. As agreed in the Withdrawal Agreement, a transition period was implemented until 31 December 2020, during which time EU laws and regulations continued to apply broadly as before. The UK-EU Trade and Cooperation Agreement ("**TCA**") was signed on 30 December 2020 and came into force from 1 May 2021. The TCA sets out all aspects of the new UK-EU relationship, such as trade, security, areas of ongoing collaboration/cooperation and governance. Given the lack of precedent and uncertainty of the

negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market. The accelerated shift in monetary policy of major economies and the upward shift in interest rate centres will pose challenges to the banking sector in terms of liquidity management, asset allocation and optimisation of the debt structure.

On 12 March 2020, the World Health Organisation declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in travel restrictions, lockdowns, shortage of staff, decrease of cross-border business activities and extended delay or suspension of some business activities in the PRC and globally, and the residual future effects of the COVID-19 pandemic remain uncertain. Despite the easing of travel restrictions and other containment measures related to COVID-19 in the PRC since December 2022, there are uncertainties as to how COVID-19 and related policies will evolve. The risks of subsequent waves of infection, as evidenced by the recently emerged variants of the virus, are still present. Renewed outbreaks emphasise the ongoing threat of COVID-19 even in countries that have recorded lower than average cases so far. In addition, as the COVID-19 pandemic necessitated that governments respond at unprecedented levels to protect public health, local economies and livelihoods, it has affected different countries and regions at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the COVID-19 pandemic have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind the government support measures and restrictions and return to pre COVID-19 economic levels will vary based on the levels of infection, local governmental decisions and access to and ability to roll out vaccines. As such, there can be no assurance that the residual future effects of the COVID-19 pandemic will not have a material and adverse effect on our business, financial condition and results of operations.

Furthermore, other uncertainties in the global economy and the PRC economy may also adversely affect our business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of our customers or counterparties could become delinquent in respect of their loan repayments or other obligations to us, which, in turn, could result in a higher level of non-performing loans ("**NPLs**"), allowances for impairment losses and write-offs;
- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where we operate may restrict our business flexibility and increase our compliance costs;
- the value of our investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;
- our ability to raise additional capital on favourable terms, or at all, could be adversely affected; and
- trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect our business prospects.

Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in the PRC, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. In addition, global economic uncertainty and the slowdown in PRC economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. We cannot predict whether or when such actions may occur, nor can we predict what ultimate impact, if any, such actions or any other governmental actions could have on our business, results of operations and financial condition. There can be no assurance that the PRC's economy or the global economy will continue to improve

or maintain sustainable growth. If further economic downturn occurs or continues, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to maintain effectively the quality of our loan portfolio.

During the three years ended 31 December 2021, 2022 and 2023, we experienced continued growth in our loan balances. Our total loans and advances to customers increased from RMB20,667.2 billion as at 31 December 2021 to RMB23,212.3 billion (original) as at 31 December 2022, and further increased to RMB26,086.5 billion as at 31 December 2023. As at 31 December 2021, 2022 and 2023, our NPLs amounted to RMB293.4 billion, RMB321.2 billion (original) and RMB353.5 billion, respectively, representing NPL ratios of 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively.

We cannot assure you that the quality of our existing or future loans to customers will not deteriorate. Deterioration in the overall quality of our loan portfolio or other assets may occur due to a variety of reasons, including factors beyond our control such as a slowdown in the growth of the PRC or global economies, a recurrence of the global credit crisis, the financial turmoil within the PRC property sector and other adverse macroeconomic trends in the PRC and other parts of the world, including the collapse of mid-sized United States banks and certain global financial institutions in early 2023, and the occurrence of natural disasters, which may adversely affect the businesses, operations or liquidity of our borrowers or their ability to repay their debt. Please refer to the subsection "*Risks relating to the PRC – Turmoil in the financial markets could increase our cost of borrowing and impede access to or increase the cost of financing our operations and investments*" below for further information.

Any significant deterioration in our asset quality may lead to increases in our NPLs and allowances made for NPLs, which may have a material adverse effect on our business, financial condition and results of operations.

We may suffer actual losses on our loan portfolio that exceed our allowances for impairment losses.

We are required to maintain a minimum level of allowances for impairment losses on loans as compared to our total NPLs (known as a "**Bad Loans Coverage Ratio**"). The Administrative Measures for the Loan Loss Reserves of Commercial Banks (the "**Administrative Measures**") issued by the former China Banking Regulatory Commission (the "**CBRC**", which merged with the China Insurance Regulatory Commission in April 2018, forming the China Banking and Insurance Regulatory Commission (the "**CBIRC**"), and which has been replaced by the National Administration of Financial Regulation (the "**NAFR**") since May 2023) on 27 July 2011 set forth a minimum standard for basic Bad Loans Coverage Ratio of 150 per cent. which applied with effect from 1 January 2012. The Administrative Measures also provided that such ratio may be adjusted by the former CBRC in response to the prevailing macroeconomic environment or individually adjusted and applied to a relevant bank depending on such bank's operating conditions. Accordingly, the actual Bad Loans Coverage Ratio applicable to the Bank from time to time may be different from the ratio published under the Administrative Measures. The former CBRC issued the Notice on Adjusting the Regulatory Requirements for the Loan Loss Reserves of Commercial Banks (關於調整商業銀行貸款損失準備監管要求的通知) in 2018, which adjusted the minimum standard for basic Bad Loans Coverage Ratio from 150 per cent. to a range from 120 per cent. to 150 per cent.

As at 31 December 2021, 2022 and 2023, our allowance to NPLs was 205.84 per cent., 209.47 per cent. (original) and 213.97 per cent., respectively. Whilst our current level of allowance to NPLs is above the regulatory requirement applicable to us, there have been instances in the past (for instance, our allowance to NPLs as at 31 December 2016 was 136.69 per cent.) where our allowance to NPLs fell below the then prevailing minimum requirement, as prescribed under the Administrative Measures.

In accordance with the Administrative Measures, a warning can be issued by the NAFR to a relevant bank if such Bad Loans Coverage Ratio is below the applicable level for three consecutive months, requesting for such

bank's rectification; if this persists for at least six consecutive months, the NAFR may impose on the relevant bank administrative and regulatory measures as provided under the Banking Industry Supervision and Administration Law of the PRC. Although as at the date of this Drawdown Offering Circular, we have not received any official warning from the former CBIRC, the NAFR or any other relevant authority in the PRC in relation to the historical level of our Bad Loans Coverage Ratio, there is no assurance that our Bad Loans Coverage Ratio will not fall below the then applicable minimum standard for basic Bad Loans Coverage Ratio applicable to us from time to time or that we will not receive any notification or warning from the NAFR in the future.

The amount of our allowances for impairment losses on loans is determined based on our assessment of factors that may affect the quality of our loans. These factors include, among others, our borrowers' financial conditions, their repayment ability and repayment intention, the current realisable value of any collateral, the ability of the guarantors of our borrowers to fulfil their obligations, the performance of the PRC's economy, the PRC Government's macroeconomic policies, interest rates, exchange rates and the legal and regulatory environment. Most of these factors are beyond our control. The adequacy of our allowances for impairment losses depends on the reliability of, and our skills in applying, our assessment system to estimate these losses, as well as our ability to accurately collect, process and analyse relevant statistical data.

If our assessment of or expectations concerning the impact of these factors on the quality of our loans is different from actual developments or our loan quality deteriorates more than expected, then the allowances for impairment losses on loans provided by us may not be sufficient to cover actual losses. Consequently, we may need to make additional provisions for impairment losses in the future, which could lead to a decrease in our profit and materially and adversely affect our business, financial condition and results of operations.

We have a concentration of loans to certain industries and customers, including loans to small and micro enterprises and medium-sized enterprises.

As at 31 December 2021, 2022 and 2023, our corporate loans represented 59.0 per cent., 59.6 per cent. (original) and 61.9 per cent. of our total loans, respectively. As at 31 December 2023, our domestic branches' corporate loans to the (i) transportation, storage and postal services, (ii) manufacturing, (iii) leasing and commercial services, (iv) water, environment and public utility management, (v) production and supply of electricity, heat, gas and water, (vi) real estate and (vii) wholesale and retail represented approximately 24.1 per cent., 15.8 per cent., 15.5 per cent., 11.6 per cent., 10.7 per cent., 5.1 per cent. and 4.6 per cent., respectively, of our total domestic branches' corporate loans.

We are also exposed to the real estate sector through our residential mortgage loans and corporate loans in the real estate sector. As at 31 December 2023, our residential mortgages amounted to RMB6,288,468 million, representing a decrease of RMB143,523 million or 2.2 per cent. as compared to 31 December 2022. The PRC Government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating, such as setting minimum down payment requirements and minimum mortgage rates on residential housing purchases, imposing value-added taxes on the transfer of certain residential properties and levying mandatory personal income tax for second home sales. Such measures may adversely affect the growth of our loans related to real estate. In addition, recent widespread defaults by PRC property developers, the financial turmoil within the PRC property sector and the non-payment of mortgage loans on pre-sale properties by a growing number of homebuyers across the PRC have caused growing concern over the sustainability and future direction of the PRC property market and have adversely affected the PRC economy. A downturn in the PRC's real estate market may materially and adversely affect the quality of our existing loans and our ability to generate new loans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Moreover, we grant loans to small and micro enterprises and medium-sized enterprises. The business operations of small and micro enterprises and medium-sized enterprises may be less stable than large enterprises and more vulnerable to adverse changes in the economic environment. Small and micro enterprises and medium-sized enterprises may also be more likely to suffer from inadequate or ineffective internal control or risk management systems. These factors may increase the credit risk of loans to small and micro enterprises and medium-sized enterprises. In particular, the PRC regulators have encouraged financial institutions to increase lending to small and medium-sized enterprises by lowering loan rates and increasing the amounts these enterprises could borrow. However, small and medium-sized enterprises are more vulnerable to fluctuations in the macro-economy and the adverse impact brought by major economic crisis or regulatory changes. In addition, these enterprises may not be able to provide reliable information necessary for us to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, our non-performing loans may be significantly increased if our small and medium-sized enterprise clients are affected by major economic crisis or regulatory changes. As a result, this may have an impact on our overall risk profile and quality of the loan portfolio, which could in turn materially and adversely affect our business, results of operations and financial condition. These measures aim to contain the economic impact of the COVID-19 pandemic, stabilise the global markets and provide liquidity easing to the markets. However, there is no assurance that such measures may be introduced in time or will be sufficient or effective in delivering their policy objectives. As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatility which may adversely affect us, our business and financial condition and prospects.

As at 31 December 2021, 2022 and 2023, the total amount of loans granted to our single largest customer accounted for 3.6 per cent., 3.8 per cent. (original) and 4.5 per cent., respectively, of our net capital, while the total amount of loans granted to our top ten largest customers accounted for 14.2 per cent., 16.0 per cent. (original) and 23.5 per cent., respectively, of our net capital.

Any deterioration in any of the industries in which our loans are concentrated due to an adverse macroeconomic environment, government policies, overcapacity of such industries or otherwise, or any deterioration in the financial condition or results of operations of our major borrowers could materially and adversely affect the quality of our existing loans and our ability to generate new loans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks caused by any deterioration in the debt repayment abilities of local government financing vehicles to which we extend loans or any change in national policy relating to local government financing vehicles.

Loans extended to government financing vehicles in the PRC constitute part of our loan portfolio. According to the Circular of the State Council on Relevant Issues Concerning Strengthening the Management of Local Government Financing Vehicles (國務院關於加強地方政府融資平台公司管理有關問題的通知), local government financing vehicles ("**LGFVs**") refer to economic entities that are established by local governments and the departments and institutions thereof through financial appropriation or injection of land or equity or other assets, which undertake financing functions of government investment projects, and enjoy independent legal person status. Except otherwise provided by laws and the PRC State Council (the "**State Council**"), local governments at all levels and the departments and institutions thereunder and the public institutions that mainly depend on financial appropriation for budget subsidy may not provide guarantee for LGFVs with financial income or the state-owned assets of administrative institutions and other institutions or in other direct or indirect forms.

Our loans to LGFVs are mainly made to the investment and financing vehicles of various development zones, state-owned asset management companies and urban construction investment companies. Most of these loans were made to financing vehicles at a provincial and municipal level. In recent years, with the aim of reinforcing

the risk management of loans to LGFVs, the State Council, the former CBIRC and the PBOC, along with several other PRC regulatory authorities, have promulgated a series of notices, guidelines and other regulatory documents to direct PRC banks and other financial institutions to optimise and strengthen their risk management measures regarding their loans to LGFVs.

Certain factors, such as unfavourable developments in macroeconomic conditions, changes to state policies, deterioration of the financial condition of particular local governments or other factors, may adversely affect the debt repayments of these LGFVs, which may in turn materially and adversely affect our asset quality, financial condition and results of operations.

We may not be able to maintain the growth of our loan portfolio.

Our loans and advances to customers before provision have grown significantly in the past few years, having increased from RMB20,667.2 billion as at 31 December 2021 to RMB23,212.3 billion (original) as at 31 December 2022, and further increased to RMB26,086.5 billion as at 31 December 2023. The growth of our loan portfolio may be affected by various factors, such as the PRC's macroeconomic policies and capital constraints. In the future, the growth rate of our loan portfolio may slow down, or the balance of our loan portfolio may even decline. In addition, in response to constraints on our regulatory capital, we may adopt strategies to reduce our reliance on our loan portfolio and expand our activities in other businesses that require relatively lower capital. Any of the foregoing factors could impact the growth of our loan portfolio and thereby materially and adversely affect our business, financial condition and results of operations.

We may not be able to maintain the growth rate of our retail banking business.

As a leading commercial bank in the PRC, we may not be able to maintain our competitive position or sustain our growth rate due to the increasing market saturation and competition, changes in government regulations in the banking industry in the PRC and other factors, any of which may adversely affect our business, financial condition and results of operations.

For example, on 26 February 2013, the State Council promulgated the Notice of the General Office of the State Council on Continuing Regulation and Control of Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which requires banking institutions to implement differentiated housing credit policies, further implement the policy of down payment ratio and mortgage rate for first-time house buyers and tighten the credit policies for buyers of second or additional homes, and imposes a personal income tax on the profit generated from sale of residential property. Such measures may slow down the development of the residential real estate market in the PRC, hinder an increase in residential mortgages and reduce the average amount of residential mortgages, and thus have a material adverse impact on our retail banking business. Since August 2023, the Ministry of Housing and Urban-Rural Development ("**MOHURD**"), PBOC, and NAFR have promulgated a series of relaxation policies, including the Notice on Optimizing the Criteria for Determining the Number of Housing Units in Individual Housing Loans (住房城鄉建設部、中國人民銀行、金融監管總局關於優化個人住房貸款中住房套數認定標準的通知) and the Notice on Adjusting and Optimizing the Differential Housing Credit Policy (中國人民銀行、國家金融監督管理總局關於調整優化差別化住房信貸政策的通知). These policies have expanded the scope of buyers who qualify for first-time mortgage rates and reduced mortgage rates on existing first-home loans. Notwithstanding, the PRC Government has not abandoned its position that real estate should serve residential purposes instead of speculative investment and as a result, it remains uncertain as to whether the latest relaxation policies will alleviate the slowdown in the PRC's residential market and improve the performance of our housing mortgage business.

The rapid expansion of our retail banking business also increases our exposure to changes in economic conditions affecting PRC consumers. For example, a slowdown in the PRC's economic development could adversely affect the ability of retail borrowers and credit card holders to make payments, thereby increasing the

probability of defaults and reducing the demand for retail loans and credit cards. Such a slowdown may also reduce the demand for our non-interest-based products and services, which could result in a reduction in, among others, our credit card transaction volumes and sales of investment products. Accordingly, economic difficulties in the PRC that have a material adverse effect on PRC consumers could materially and adversely affect our business, financial condition and results of operations.

Our loan classification and provisioning policies may be different in certain respects from those applicable to banks in certain other countries or regions.

We classify our loans using a five-tier classification system in accordance with the guidelines set forth by the PRC regulators. The five tiers are "pass", "special mention", "substandard", "doubtful" and "loss". Our loan classification system may be different in certain respects from those of banks incorporated in certain other countries or regions. As a result, our loan classifications may reflect a different degree of risk from those that would be reported by banks incorporated in those other countries or regions. Since we adopted IFRS 9 on 1 January 2018, we assess our impairment losses on loans and determine a level of allowances for impairment losses based on expected credit loss methodology under IFRS 9 for loans measured at amortised cost and at fair value through other comprehensive income. Our provisioning policies may be different in certain respects from those of banks incorporated in certain other countries or regions which do not assess loans under IFRS 9. As a result, our allowance for impairment losses, as determined under the provisioning policies, may differ from those that would be reported by banks incorporated in those other countries or regions. If our approach to provisioning policies and/or loan classification proves not to be adequate, our business, financial position, results of operations and reputation may be adversely affected.

Investors should be cautious and not place undue reliance on quarterly consolidated financial information of the Group that is not audited or reviewed.

As a company listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, the Bank publishes quarterly consolidated financial information of the Group to satisfy its continuing disclosure obligations. Unless specified otherwise, any quarterly consolidated financial statements of the Group are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. None of the Joint Lead Managers or the Agents makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the Group's financial condition, results of operations and results. Such financial information should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year.

The collateral or guarantees securing our loans may not be sufficient, or we may be unable to realise the full value of the collateral or guarantees in a timely manner or at all.

A significant portion of our loans is secured by collateral or guarantees. As at 31 December 2023, 40.1 per cent. and 11.4 per cent. of our total loans were secured by mortgages and pledges, respectively, and 10.4 per cent. of our total loans were secured by guarantees. The remainder of our loans as at 31 December 2023 was unsecured loans.

The pledged collateral securing our loans includes, among others, bond and equity securities. The mortgages securing our loans primarily comprise real properties and other assets. The value of the collateral securing our loans may significantly fluctuate or decline due to factors beyond our control, including macroeconomic factors affecting the economy of the PRC. For example, a downturn in the PRC's real estate market may result in a decline in the value of the real properties securing our loans to levels significantly below the outstanding principal and interest balances of such loans. Any decline in the value of such collateral may reduce the amounts we can recover from such collateral and increase our impairment losses. We may not have updated valuations

of such collateral, which may adversely affect the accuracy of our assessment of our loans secured by such collateral.

Some of the guarantees securing our loans are provided by the borrowers' affiliates or third parties. Some of such loans and advances are not backed by collateral other than guarantees. A significant deterioration in the financial condition of a guarantor could significantly decrease the amounts we may recover under such guarantees. Moreover, we are subject to the risk that a court or other judicial or government authority may declare a guarantee to be invalid or otherwise decline or fail to enforce such guarantees. We are therefore exposed to the risk that we may not be able to recover all or any part of the amounts guaranteed in respect of our loans.

In the PRC, the procedures for liquidating or otherwise realising the value of non-cash collateral may be protracted, and it may be difficult to enforce claims in respect of such collateral. As a result, it may be difficult and time-consuming for us to take control of or liquidate the collateral securing NPLs. If the value of our collateral decreases to a level that is insufficient to cover the outstanding amounts of loans, or if we are unable to realise the full value of the collateral and guarantees securing our loans on a timely basis, it may materially and adversely affect our asset quality, financial condition and results of operations.

Other Risks Relating to Our Business

We are subject to interest rate risk.

Similar to many other PRC commercial banks, our net interest income contributes significantly to our operating revenue. For the years ended 31 December 2021, 2022 and 2023, our net interest income accounted for 80.2 per cent., 82.4 per cent. (original) and 81.2 per cent. of our operating income, respectively. Our net interest income and net interest margin vary with the changes in the interest term structure of our asset and liability business. When the interest rate fluctuates, due to the different timings for re-pricing of different financial instruments, the timing for debt interest rate re-pricing is earlier than that of the asset interest rate when interest rate increases and *vice versa*. As a result, our net interest rate may decrease or the interest margin may be narrowed. When the pricing benchmark interest rates are different, the inconsistent changes in the benchmark interest rates, the holding of option derivatives or financial instruments with options and the changes in credit spread due to the changes in market's assessment of the credit quality of financial instruments could all give rise to the above-mentioned risks.

In addition, the accelerated shift in monetary policy of major economies and the upward shift in interest rate centres will pose challenges to us and the banking sector in general in terms of liquidity management, asset allocation and optimisation of the debt structure. For example, in 2022, the Federal Open Market Committee ("**FOMC**") has raised the target federal funds rate multiple times in response to the high inflation rate, the COVID-19 pandemic and various other factors, marking the largest increase since 1994. These fluctuations in interest rates may result in continued significant volatility in global capital markets and adversely affect our net interest income or other income.

With the development in the financial market reforms and the marketisation of interest rates, the fluctuations in the deposit and loan business increases and the impact of the interest rate risks on our overall operation increases. In terms of deposit business, the PBOC removed the restriction imposed on the higher limit for the floating interest rate on 24 October 2015. The pressure on controlling costs of liability business increased due to the competition in the PRC banking industry. In terms of loan business, on 17 August 2019, the PBOC issued a bulletin on reforming and improving the loan prime rate ("**LPR**") calculation mechanism and further promoted pricing benchmark conversion of existing loans since 2020. LPR pricing changes more frequently and does not match the changes in benchmark deposit rate, and therefore the impact of the gap risk and benchmark risk on operations increases. In addition, customer behaviours under different interest rate cycles such as prepayment of loan or early withdrawal of deposits will increase the uncertainty in the cashflow of our assets and liabilities

which will change the level of interest income of interest-bearing assets and the cost of interest-bearing liabilities which will give rise to changes in net interest income and net interest margin. For instance, if the LPR pricing decreases, the profits derived from loan business will decrease which will cause customers to prepay their existing loans and reapply for new loans and the level of interest income of asset business will be affected. If the benchmark deposit rate does not decrease accordingly, the cost of liability business will keep increasing which will squeeze the net interest margin. In this case, in order to alleviate the impact of interest risks, mismatch of interest rates on the assets and liabilities needs to be reallocated and the pricing mechanisms need to be optimised. There is however no assurance that such mechanism would be effective to eliminate all or any of the interest risks.

We are also engaged in trading and investment activities involving some financial instruments in the domestic market, which mainly involves primary financial instruments in the currency market and bond market and the scale of our trading and investment in derivatives is small. Since the interest rates in the currency market and bond market are mainly dependent on the supply and demand in the market and expectations, the interest rates fluctuate greatly. The interest income of financial instruments and changes in their value are uncertain. Negative movements in interest rates will cause loss in the interest margin or decrease in value of fixed income products and will have a negative impact on the financial condition and economic value of equity. When holding financial instruments measures at fair value, if the market interest goes up, the value in financial instruments will go down which will cause their equity value or spread to go down.

We may not manage risks associated with the replacement of benchmark indices effectively.

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened national working groups ("**NWGs**") to identify alternative replacement "risk-free" rates ("**RFRs**") for these inter-bank offered rates ("**IBORs**") and, where appropriate, to make recommendations that would facilitate an orderly transition to these RFRs.

Following the FCA Announcement on 27 July 2017 where the United Kingdom Financial Conduct Authority announced that it would no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("**LIBOR**") benchmark after 2021, the NWGs for the impacted currencies were tasked with providing guidance and support to financial and non-financial firms to help them facilitate an orderly transition of the relevant LIBORs to their chosen RFRs.

The discontinuation of certain key IBORs such as LIBOR, the adoption of RFRs by the market, and the development of RFR products by us, introduce a number of risks for us, our clients, and the financial services industry more widely. These include, but are not limited to:

- regulatory compliance, legal and conduct risk, arising from both the continued sale of products referencing IBORs, sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that we are unable to meet regulatory milestones associated with the discontinuance of sale of certain IBOR products, which may result in regulatory investigations or reviews being conducted into our preparation and readiness for the replacement of IBORs with alternative reference rates. Additionally, if our sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;
- legal risks associated with the enforceability of fall-back provisions in IBOR contracts. There is a risk that some contracts will not be transitioned before the relevant IBOR is discontinued and the parties will need to rely on the "fall-back" provisions of those contracts. As these fall-back provisions do not always contemplate the permanent cessation of the relevant IBOR, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes

for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed in the UK, U.S. and EU, market participants will need to consider the impact of any proposals ultimately adopted; and

- financial risks resulting from the discontinuation of IBORs and the development of RFR market liquidity will affect us throughout transition. The differences in IBOR and RFR interest rate levels will create a basis risk that we will need to actively manage through appropriate financial hedging. Basis risk in the trading book and in the banking book may arise out of the asymmetric adoption of RFRs across assets and liabilities and across currencies and products. In addition, this may limit the ability to hedge effectively.

If any of these risks materialise, it could have a material adverse effect on our business, financial condition, results of operations, prospects and customers.

We are subject to currency risk.

We are subject to currency risk arising from losses incurred due to unfavourable exchange rate fluctuations on our foreign exchange exposures resulting from the unmatched currency structure between foreign currency-denominated assets and foreign currency-denominated liabilities. The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other factors, changes in the PRC's and international political and economic conditions.

Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong and U.S. dollars, has been based on rates set by the PBOC. On 21 July 2005, the PRC Government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand and reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately two per cent. against the U.S. dollar. In August 2008, the PRC announced a further change in its exchange regime to a managed floating exchange rate regime based on market supply and demand. Since the Renminbi foreign exchange rate reform beginning on 21 July 2005, the PBOC has adjusted the daily floating band of the Renminbi trading prices against the U.S. dollar in the inter-bank spot foreign exchange market three times: effective from 21 July 2007, the daily floating band of the Renminbi trading prices against the U.S. dollar was expanded from 0.3 per cent. to 0.5 per cent.; effective from 16 April 2012, such floating band was further expanded to 1 per cent.; and effective from 17 March 2014, such floating band was further expanded to 2 per cent. The PRC Government may make further adjustments to the exchange rate system in the future. Any appreciation of Renminbi against the U.S. dollar or any other foreign currency may result in a decrease in the value of our foreign currency-denominated assets. Conversely, any devaluation of Renminbi may adversely affect the value of our assets in Renminbi terms.

We are subject to liquidity risk.

Customer deposits have historically been our main source of funding. As at 31 December 2021, 2022 and 2023, 48.9 per cent., 47.1 per cent. (original) and 40.1 per cent. of our total customer deposits were demand deposits respectively. If a substantial portion of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, we may need to pay higher costs to obtain alternative sources of funding to meet our funding requirements. Our ability to obtain additional sources of funding may be affected by factors such as deterioration of market conditions and disruptions to financial markets. We may not be able to secure required funding on commercially acceptable terms on a timely basis or at all, which could result in liquidity risk and materially and adversely affect our business, financial condition and results of operations.

In addition, we rely on the inter-bank money market to obtain a portion of our funding, including the portion of funds that are used to manage our liquidity. Any fluctuation in liquidity or funding costs on the inter-bank money market, including as a result of a financial or other crisis or changes in the PBOC's policies or practices

affecting the liquidity of other banking institutions, may materially and adversely affect our ability to fund our business and manage our liquidity through the inter-bank money market.

We are subject to risks related to the expansion of our products, services and business scope.

In recent years, we have actively developed a number of new products and expanded the scope of our services, including, among others, investment banking, asset management, insurance and financial leasing. We are exposed to a number of risks in connection with our expansion. For example, we may not be able to develop successfully our new businesses due to our limited experience in a particular product or service; the anticipated market demand for our new products or services may not materialise; we may not successfully hire or retain personnel who have the relevant skills and experience; and regulators may revoke or withhold their approval for any products and services that we have offered or plan to offer. As a result, the return on our new products, services or businesses may be less, or realised later, than expected, which may materially and adversely affect our business, financial condition and results of operations.

We have expanded our business into jurisdictions other than the PRC, which has increased the complexity of the risks that we face.

In recent years, we have taken actions to expand our international operations. As at 31 December 2023, we had established 413 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries as a shareholder of Standard Bank Group Limited. We have also maintained 259 institutions in 30 countries along the "Belt and Road" as at 31 December 2023. Our expansion into jurisdictions outside of the PRC subjects us to new regulatory and operational challenges and risks and has also increased the complexity of our risks in a number of areas, including credit and liquidity risk, interest rate risk, market and country risk, reputational risk and operational risk. The loan portfolio of our international branches includes foreign currency-denominated loans to Chinese companies engaged in international trade. This exposes us to additional risks including default risk resulting from a failure in the performance of the import or export agreements by any party, trade protectionist measures or other factors, and our inexperience in various aspects of the economic and legal framework in overseas markets. Adverse market conditions in these international jurisdictions may result in mark-to-market and realised losses on the investment assets held by our overseas branches and increase their cost of funding.

Furthermore, despite our best efforts to comply with all applicable regulations in the jurisdictions in which we operate, there may be incidences of our failure to comply with the regulations in certain jurisdictions. Regulators in these jurisdictions may have the power to bring administrative or judicial proceedings against us or our employees, representatives, agents and third-party service providers, which could result in, among others, suspension or revocation of one or more of our licences, cease and desist orders, fines, civil penalties, criminal penalties, economic or other sanctions or other disciplinary actions.

In addition, the volatility in the global economic and financial systems in recent years has led and may in the future lead to significant regulatory changes in various jurisdictions, including those in which we have operations. These changes may include those with respect to capital and liquidity ratios, cross-border capital flows and consumer protection. The extent and impact of such changes is difficult to anticipate and estimate, and such changes could have an adverse impact on our growth, capital adequacy and profitability. If we are unable to manage the risks resulting from our international expansion, our business, financial condition and results of operations may be materially and adversely affected.

We have been increasingly focused on the development of wealth management products in recent years, and we are subject to risks relating to adverse developments or changes in regulatory policies relating to these products.

In recent years, growth of deposits in the PRC banking industry has begun to slow down as progress has been made in terms of interest rate liberalisation, financial disintermediation and financing channel expansion. In response to such developments, PRC commercial banks, including the Group, provide wealth management and other financial services through their wealth management businesses. For the years ended 31 December 2021, 2022 and 2023, the net fee and commission income generated from personal wealth management and private banking services amounted to RMB30,001 million, RMB26,253 million (original) and RMB22,582 million, respectively. Additionally, for the years ended 31 December 2021, 2022 and 2023, the net fee and commission income generated from corporate wealth management services amounted to RMB15,165 million, RMB14,172 million (original) and RMB11,770 million, respectively.

Our wealth management products primarily represent investments in, among others, bonds, deposits and highly liquid money market investment instruments, other debt instruments, equity instruments and other types of assets that are compliant with regulatory requirements. As most of the wealth management products issued by us are non-principal protected products, we are not liable for any loss suffered by investors in these products. However, to the extent investors suffer losses on these wealth management products, our reputation may be severely damaged, and we may also suffer a loss of business, customer deposits and net income. Furthermore, we may eventually bear losses for non-principal protected products if the investors bring lawsuits against us and the court decides that we are liable for mis-selling such products or otherwise.

PRC regulatory authorities have introduced regulatory policies to restrict the scale of PRC commercial banks' investments in non-standard debt-based assets with funds raised from wealth management products. If PRC regulatory authorities further restrict the wealth management business of PRC commercial banks, it could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks associated with off-balance sheet credit commitments and guarantees.

Our off-balance sheet credit commitments and financial guarantees primarily consist of, *inter alia*, bank acceptances, loan commitments, guarantees and letters of credit. As at 31 December 2021, 2022 and 2023, our credit risk-weighted assets of credit commitments were RMB1,082.1 billion, RMB1,113.8 billion (original) and RMB1,158.9 billion, respectively, and our credit commitments amounted to RMB2,730.4 billion, RMB2,971.0 billion (original) and RMB3,184.2 billion respectively. We are exposed to credit risk related to such credit commitments and guarantees. If our customers cannot perform their obligations, we will need to fulfil the related commitments and guarantees. In addition, if we cannot obtain compensation from relevant customers, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to risks associated with our risk management and internal control policies and procedures.

We have been proactively implementing our risk management system and improving our risk management and internal control capabilities. Nonetheless, our risk management and internal control capabilities are limited by the information and risk management tools or technologies available to us. Our ability to implement and maintain strict internal control may be affected by our expansion in business scale and business scope. We cannot assure you that all of our employees will always comply with our internal control policies and procedures. If there are any deficiencies in our risk management and internal control policies and procedures, we may be subject to credit risk, liquidity risk, market risk, operational risk or reputational risk, which may materially and adversely affect our business, financial condition and results of operations.

We are subject to risks relating to failure to meet our environmental, social and governance ("ESG") or corporate social responsibility ("CSR") targets.

We publish our CSR reports semi-annually, which sets out our implementation strategies, targets and goals (such as carbon emission reduction goals, energy conservation goals, waste reduction goals and water conservation goals) and proposed business processes and standards, with respect to ESG and CSR. In general, we take corporate social responsibilities seriously and seek to serve the public, promote livelihoods, and become a low-carbon and environmentally friendly bank for sustainable development. In line with this philosophy, we have issued several series of green notes (the "**Green Notes**") under the Programme, and we have continued to increase credit support for key fields including green, inclusive finance and rural revitalization. In respect of our Green Notes and green finance credit and loans, we may also agree to obligations relating to reporting and disclosure, environmental and social targets and specified use of proceeds from time to time.

Any failure by us to meet any of the targets, strategies, goals, processes and standards mentioned above, or any failure by us to satisfy investor or other stakeholder expectations or standards in the execution of our ESG strategies, may bring reputational risks to the Bank and expose us to claims of greenwashing, which may in turn affect the value and/or trading of the Green Notes. In addition, any material damage to our reputation could have a material impact on our future earning capacity through the loss of current and prospective customers, or through damage to key governmental or regulatory relationships. As such, a failure to manage reputational risks effectively could materially and adversely affect our business, financial condition and results of operations.

We are subject to operational risks and risks relating to our information technology systems.

According to the seven categories of operational risks classified by Basel III, we are subject to operational risks such as internal and external fraud, risks related to customers, products and business activities, execution risks, closing and process management risks, employment system and workplace safety, damage to physical assets and risks related to information technology systems.

We have established a series of policies and procedures to identify, assess, monitor, manage and report operational risks according to the Guidance to the Operational Risk Management of Commercial Banks (商業銀行操作風險管理指引) issued by the former CBRC. Operational failures may cause losses to us if these measures are not put in place effectively or do not adequately cover all aspects of our operations.

We depend on our information technology systems to process accurately a large number of transactions on a timely basis and to store and process most of our data regarding our business and operations, which include our financial control, risk management, accounting, customer service and other data processing systems, together with the communication networks between our various branch outlets and our main data processing centre. We have adopted a number of technical measures and management initiatives to ensure the secure and reliable operation of our information systems. We have also proactively developed information security protection initiatives. However, if a portion or all of our information technology systems malfunction due to any defect in software or hardware or any deficiency in our information security protection (including any security breach caused by unauthorised access to information or systems, intentional destruction or loss or corruption of data, software, hardware or other computer equipment, or any cyber-attack), or we fail to effectively improve or upgrade our information technology systems on a timely basis, our business, financial condition and results of operations could be materially and adversely affected.

Our business generates and processes a large amount of data, and any improper use or disclosure of such data could subject us to significant reputational, financial, legal, and operational consequences, and deter current and potential customers from using our services.

Our business generates and processes a large quantity of personal and transaction data. We face risks inherent in handling large volumes of data and in protecting the security of such data. In particular, we face a number of challenges relating to data from transactions and other activities on our platforms, including:

- protecting the data in and hosted on our system, including against attacks on its system by outside parties or fraudulent behaviour by our employees;
- addressing concerns related to privacy and sharing, safety, security, and other factors; and
- complying with applicable laws, rules, and regulations relating to the collection, use, retention, disclosure, or security of personal information, including any requests from regulatory and government authorities relating to such data.

Any systems failure or security breach or lapse that result in the release of user data could harm our reputation and brand and, consequently, our business, in addition to exposing us to potential legal liability. Any failure, or perceived failure, by us to comply with our privacy policies or with any regulatory requirements or privacy protection-related laws, rules, and regulations could result in proceedings or actions against it by governmental entities or others. These proceedings or actions may subject us to significant penalties and negative publicity, require us to change our business practices, increase our costs, and severely disrupt our business.

We are subject to domestic and international laws relating to the collection, use, retention, security, and transfer of personally identifiable information, with respect to our customers and employees. In many cases, these laws do not only apply to third-party transactions, but may also restrict transfers of personally identifiable information among us and our international subsidiaries. Several jurisdictions have passed laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may vary from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause us to incur substantial costs or require us to change our business practices, and failure to comply with any data protection laws could subject us to significant penalties and negative publicity and severely disrupt our operations.

We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities.

We are required to comply with applicable laws and regulations relating to anti-money laundering and anti-terrorism in the PRC and other jurisdictions where we operate. Save as disclosed below, we are not currently aware of any money laundering or other major illegal or improper activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations. However, we cannot assure you that such activities will not take place in the future or that we can completely eradicate money laundering activities, activities carried out by terrorists and terrorist-related organisations or other improper activities carried out by organisations or individuals through the Group and certain entities within the Group have been (and may in the future be) subject to fines and other sanctions in respect of such activities. As we have many branches in the PRC and elsewhere, our employees or third parties that are subject to our policies may from time to time be involved in improper conduct. In such situations where such improper conduct is discovered or known, such activities will be handled in accordance with our internal policies, and if required, by the applicable authorities under the applicable laws, regulations or public policy.

Industrial and Commercial Bank of China (Europe) S.A. ("**ICBC (Europe)**"), a wholly-owned subsidiary of the Bank, together with ICBC (Europe)'s Spain Branch, have cooperated with the Spanish civil department

authorities in investigations directed against ICBC (Europe) and the employees of ICBC (Europe)'s Spain Branch. In January 2020, the National Court of Spain had concluded its criminal investigations of ICBC (Europe) and had dismissed all criminal allegations relating to the alleged money laundering activities of ICBC (Europe). In addition, the New York Branch of the Bank and the Bank itself have cooperated with the Federal Reserve Bank of New York (the "**Federal Reserve**") following the identification by the Federal Reserve of significant deficiencies in the New York Branch's risk management and money-laundering compliance programmes. Due to significant improvements over the past several years, the New York State Department of Financial Services found that the branch had adequate BSA/AML and OFAC compliance programmes in an examination of the New York Branch in 2023. However, the New York Branch has, on separate instances over the recent years, been found to engage in document backdating and reporting failure and disclosure of confidential supervisory information, following which it has entered into a written agreement with the New York State Department of Financial Services (the "**Department**") in January 2024, and has committed and agreed that it will fully cooperate with the Department regarding all terms of its consent orders. We continue to work with all relevant regulatory agencies to ensure compliance with applicable regimes.

If we fail, in a timely manner, to detect and prevent money laundering activities or other illegal or improper activities, relevant regulatory agencies may have the power and authority to impose sanctions on us (including but not limited to fines, revocation of licences and/or other sanctions), which may materially and adversely affect our business, financial condition and results of operations.

We may not be able to detect and prevent all fraud or other misconduct committed by our employees or third parties.

We have continued to strengthen the detection and prevention of fraud or other misconduct committed by our employees or third parties. However, as we have many branches in the PRC and elsewhere, our employees or third parties that are subject to our policies may from time to time be involved in improper conduct. In such situations where such improper conduct is discovered or known, such activities will be handled in accordance with our internal policies, and if required, by the applicable authorities under the applicable laws, regulations or public policies. We also cannot assure you that our internal control policies and procedures will completely and effectively prevent all fraud or other misconduct committed by our employees or third parties. Any fraud or misconduct involving us or our employees may adversely affect our business, financial condition and results of operations.

We are subject to risks related to property title certificates or other licences and certificates.

We own and lease properties in the PRC. For some of the properties we own, we have not obtained building ownership certificates, state-owned land use right certificates or both. For some of the properties we lease, the lessors have not provided us with the relevant title certificates of the property and/or consent letters from the relevant property owners to sublease. Even though we have been provided with written undertakings for some leased properties indicating that the lessors will compensate our potential loss due to defects in relevant property title certificates or the relevant lease agreements contain such undertakings, if we have to relocate our branches or sub-branches due to title defects with regard to properties owned or leased by us, we will incur additional costs relating to such relocation.

In addition, a small number of our branches may be in the process of applying for new financial licences, business licences and/or other licences due to licence renewal requirements, upgrades of branch offices, changes of name, relocation or changes of business nature from time to time. Any failures to receive such licences or delays may have an adverse effect on our business and operations.

We or our customers may be subject to OFAC or other penalties if we are determined to have violated any OFAC regulations or similar sanctions.

The United States imposes a range of economic sanctions against certain foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction. The U.S. sanctions are intended to advance certain U.S. foreign policy and national interests, such as discouraging certain countries from acquiring weapons of mass destruction or engaging in human rights abuses. The U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") is the principal government agency charged with administering and enforcing U.S. economic sanctions programmes. These economic sanctions, as administered by OFAC, generally apply to U.S. entities and, in certain cases, to foreign affiliates of U.S. entities, or to transactions that involve, in some manner, U.S. products or otherwise come within the jurisdiction of the United States. The United Nations Security Council, the European Union, the United Kingdom, the PRC and other governments and international or regional organisations also administer similar economic sanctions. In addition, our Group may from time to time engage in business activities in countries or with entities or involving specific sectors of certain countries that are the subject of certain sanctions. Notwithstanding that such business activities may not themselves be subject to sanctions, our Group may face secondary sanctions if it is determined to be providing material support to countries or entities that are the subject of sanctions. If our Group engages in any prohibited transactions by any means, or if it is otherwise determined that any of our transactions violated OFAC-administered or other sanctions regulations, we could be subject to penalties, and our reputation and ability to conduct future business in the United States or with U.S. entities, or in other affected jurisdictions, could be affected, which may materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks in relation to the bonds issued by Huarong in connection with an extraordinary disposal of certain NPLs.

During the period from 1999 to 2001, we disposed of non-performing assets with a book value of RMB407.7 billion to China Huarong Asset Management Corporation (now known as China Huarong Asset Management Co., Ltd., "**Huarong**") and received 10-year non-transferrable bonds issued by Huarong with a nominal value of RMB313.0 billion (the "**Huarong Bonds**") as well as RMB94.7 billion in cash as consideration. Huarong is a state-owned non-bank financial institution that has been approved by the State Council and was established in October 1999 primarily to acquire and manage non-performing assets from us. The Huarong Bonds have a fixed interest rate of 2.25 per cent. per annum. Huarong has paid interest on the bonds to us in a timely manner in the past pursuant to the terms of the bonds. In addition, MOF issued a notice on 14 June 2005 to the effect that: (1) with effect from 1 July 2005, in the event of any failure of Huarong to pay for the interest on the bonds in full to us, MOF will provide financial support; and (2) if necessary, MOF will provide support for the payment of the principal of the bonds issued by Huarong.

During the period from 2010 to 2011, the Huarong Bonds held by us matured. In accordance with the Letter from MOF in Respect of the Bonds Issued by Huarong held by Industrial and Commercial Bank of China (Cai Jin Han [2010] No. 105), MOF agreed that the term of the Huarong Bonds held by us would be extended for 10 years after their expiration, the terms of the bonds such as the interest rate would remain unchanged and MOF would continue its support for the principal and interest payments in relation to the Huarong Bonds held by us. After the first extension expired, we received a further notice from MOF that the term of the Huarong Bonds would be extended for another 10 years to 12 December 2031. In 2020, we received a further notice from MOF to adjust the interest rate of the Huarong Bonds, which will be determined on a yearly basis with reference to the average level of five-year government bond yields in the previous year. As at 31 December 2023, we received accumulated early repayments of RMB222,687 million under the Huarong Bonds.

In consideration of the various investment channels and market returns currently available in the market, there is a certain level of opportunity cost borne by our holding the Huarong Bonds. However, given the large

investment size and long investment term of the bonds, if the principal of the Huarong Bonds were to be reallocated, it would be difficult to allocate all the capital to long-term loans. We would only be able to allocate to non-credit exposure assets, with the investment returns limited by the size of the Renminbi bond market. Therefore, we believe the opportunity cost of holding the Huarong Bonds has a relatively small impact on our operations.

The Huarong Bonds are financial bonds placed to us with the approval of the PBOC and were specifically issued for Huarong's acquisition of certain of our non-performing assets. There are no similar bonds in the open bond market, and there is no active market for such bonds. In accordance with the accounting standards applicable to us, due to the lack of available valuation information and an active market and the fixed repayment amounts, we classify the Huarong Bonds as receivables relating to bonds investment and measure them at amortised cost using the effective interest method. Given that the interest on each payment term of the Huarong Bonds has been paid in full and in a timely manner, and that MOF has provided its support for the principal and interest payment in relation to the Huarong Bonds, there is no event of impairment of financial assets under the applicable accounting standards. As such, we are of the view that the determination of the fair value of the renewed Huarong Bonds at initial recognition met the relevant requirements under the applicable accounting standards. The replacement of the original Huarong Bonds by the renewed Huarong Bonds did not result in a loss on derecognition or an impairment in our financial statements.

We expect that MOF will perform its obligations as set out in the notices when necessary. However, due to the absence of any precedent for requesting the fulfilment of, or otherwise resorting to other legal procedures to seek the enforcement of, similar undertakings by MOF or other PRC Government authorities, we cannot guarantee any enforcement of such notices by operation of law. In the event of any failure of Huarong to discharge any of its payment obligations relating to such bonds or of the obligations of MOF in such notices to be enforced by operation of law, our business, financial condition and results of operations may be materially and adversely affected.

We are exposed to risks relating to bonds issued by Huijin.

As at 31 December 2023, Central Huijin Investment Limited ("**Huijin**") directly held 34.79 per cent. of our total combined H Shares and domestic-listed shares (the A Shares, and together with the H Shares and any other ordinary shares of the Bank in issue from time to time, the "**Ordinary Shares**"), which increased from 34.71 per cent. as at 31 December 2022. Huijin issued the Central Huijin Investment Ltd. bonds (the "**Huijin Bonds**") in the national inter-bank bond market. The former CBRC (now the NAFR) issued the Letter of Approval from the CBRC on Matters in respect of the Issuance of Renminbi Bonds by Central Huijin Investment Ltd. (Yin Jian Han [2010] No. 285), pursuant to which the CBRC confirmed its treatment of the Huijin Bonds as policy financial bonds, and the risk weight associated with the investment in such bonds by commercial banks is zero. Huijin, on behalf of the State, will use the proceeds raised from such issuance for the purpose of making capital contributions to The Export-Import Bank of China and China Export & Credit Insurance Corporation and supplementing our capital and the capital of Bank of China Limited and China Construction Bank Corporation.

We subscribed for the Huijin Bonds by way of tender in the open market. As at 31 December 2023, we held an amount of RMB40.43 billion face value of the Huijin Bonds, with terms ranging from one to thirty years and coupon rates ranging from 2.44 per cent. to 4.20 per cent. per annum. In the event of any failure of Huijin to discharge any of its payment obligations relating to such bonds or of the obligations in such letter to be enforced by operation of law, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to reputational risks related to our business operations.

With the rapid development of the financial industry and changes in media communication, the public is paying increasing attention to the banking industry, resulting in easier and more frequent access to rumours related to

banks' services quality, their operations and management and compliance issues. Such coverage may lead to negative feedback from depositors, investors and other shareholders, which may adversely affect our normal operations and management, and could adversely affect our liquidity if such negative coverage leads to depositors and other banks withdrawing their funds or refusing to lend to us. Within the banking industry, the banks have close interbank relationships with one another, and interbank deposits and lending are relatively common. If a bank does not operate properly or becomes insolvent, a chain reaction may occur, which may trigger a confidence crisis towards the whole banking industry, and materially and adversely affect our financial condition and results of operations.

We are subject to counterparty risks in our derivative transactions.

We act primarily as an intermediary in domestic and international foreign exchange and derivative markets, and we currently have exchange rate contracts, interest rate contracts and commodity derivatives contracts with a number of domestic and international banks, financial institutions and other entities. As a result, we are subject to credit risk from our various counterparties. As at 31 December 2023, the notional amount of our outstanding derivative financial instruments amounted to RMB11,249,693 million, gross derivative assets and gross derivative liabilities which meet the criteria for offsetting were RMB71,381 million and RMB72,958 million, respectively, and the net derivative assets and net derivative liabilities were RMB24,048 million and RMB26,884 million, respectively. Although we cautiously evaluate the credit risks from our counterparties in our derivative transactions and believe that the overall credit quality of our counterparties is adequate, there can be no assurance that parties with significant risk exposure will not have difficulty in fulfilling derivative contracts that may cause losses for us.

Due to restrictions in certain PRC regulations, our investments are concentrated in certain types of investment products, we may experience significant decreases in the value of a particular type of investment.

As a result of current PRC regulatory restrictions, substantially all of our RMB-denominated investment assets are concentrated in a limited number of investments permitted for PRC commercial banks, such as PRC government bonds, bills and open market instruments issued by the PBOC, bonds issued by PRC policy banks and credit products issued by PRC financial and non-financial institutions (including bonds and subordinated notes issued by PRC commercial banks and insurance companies). These restrictions limit our ability to diversify our investment portfolio and seek higher returns by making investments comparable with those of banks in other countries as well as our ability to manage our liquidity in the same manner as banks in other countries. In addition, we are exposed to a certain level of risk as a result of the concentration of our RMB-denominated fixed income securities investments. For example, fluctuation in interest rates or deterioration of the financial condition of the issuers of such fixed income securities may cause their value to decrease. A decrease in the value of any of these types of investments could have a material adverse effect on our business, financial condition and results of operations.

The banking industry is subject to extensive regulation, which is undergoing major changes that will impact our business.

Like other major banks, we are subject to extensive regulation by regulators and exchanges in each of the major markets where we conduct our business. These laws and regulations significantly affect the way we do business and can restrict the scope of our existing businesses and limit our ability to expand our product offerings and pursue certain investments.

In response to the financial crisis, legislators and regulators around the world have adopted, continue to propose and are in the process of adopting, finalising and implementing a wide range of financial market reforms that are resulting in major changes to the way our global operations are regulated and conducted. In particular, as a result of these reforms, we are, or will become, subject to (among other things) significantly revised and

expanded regulation and supervision, more intensive scrutiny of our businesses and any plans for expansion of those businesses, new activities limitations, a systemic risk regime that imposes heightened capital and liquidity requirements and other enhanced prudential standards, new resolution regimes and resolution planning requirements, new restrictions on activities and investments imposed by Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"), and comprehensive new derivatives regulation. While certain portions of these reforms are effective, others are still subject to final rulemaking or transition periods. Many of the changes required by these reforms could materially impact the profitability of our businesses and the value of assets we hold, expose us to additional costs, require changes to business practices or force us to discontinue businesses, adversely affect our ability to pay dividends and repurchase our stock, or require us to raise capital, including in ways that may adversely impact our shareholders or creditors. While there continues to be uncertainty about the full impact of these changes, we are and will continue to be subject to a more complex regulatory framework and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

RISKS RELATING TO THE BANKING INDUSTRY

The Financial Institutions (Resolution) Ordinance may adversely affect the Bank.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include the Bank, Hong Kong branch of the Bank, Industrial and Commercial Bank of China (Asia) Limited ("**ICBC (Asia)**") and other licensed institutions of the Bank in Hong Kong (a "**FIRO Group Entity**"). The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, in the context of a resolution of any FIRO Group Entity, the relevant resolution authority will have the ability to resolve other entities within the Group as if they were themselves a within scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. Any such actions could potentially affect contractual and property rights relating to the Group. In addition, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution.

The implementation of FIRO remains untested and certain details relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, the Bank is unable to assess the full impact of FIRO on the financial system generally, the Bank's counterparties, the Bank, any of its consolidated subsidiaries or other Group entities, the Group's operations and/or its financial position.

We face increasingly intense competition in the PRC banking industry and competition from other investment and financing channels.

The banking industry in the PRC is becoming increasingly competitive. We face competition from commercial banks in all of our principal areas of business where we have operations. On 1 July 2013, the General Office of the State Council of the PRC issued the Guidance Letter regarding Financial Support for Promoting Economic Restructuring and Transformation (國務院辦公廳關於金融支持經濟結構調整和轉型升級的指導意見) (the "**Guidance Letter**"). The Guidance Letter, among others, encourages investment by private-sector capital in financial institutions and the establishment of privately-owned banks. The Guidance Letter provides a policy direction to the increasing involvement of private-sector capital in the financial industry in the PRC. We may face increasing competition from privately owned banks in the future.

We compete with our competitors for substantially the same loan, deposit and fee and commission-based products and services customers. Such competition may materially and adversely affect our business and future prospects by, for example, reducing our market share in our principal products and services, reducing our fee and commission income, affecting the growth of our loan or deposit portfolios and their related products and services and increasing competition for soliciting senior management talent and qualified professional personnel.

In addition, we may face competition from direct corporate financing, such as the issuance of securities in the domestic and international capital markets. The domestic securities markets have experienced, and are expected to continue to experience, expansion and growth. If a substantial number of our customers choose alternative ways of financing to fund their capital needs, this may adversely affect our interest income, which could in turn materially and adversely affect our business, financial condition and results of operations.

In addition to competition from other banks and financial institutions, we also face competition from other forms of investment alternatives in the PRC. In recent years, financial disintermediation, which involves the movement of funds by investors from intermediary financial institutions such as savings and deposit-taking banks to direct investments, has increased in the PRC. Our deposit customers may elect to convert their funds into stocks, bonds and wealth management products, which may result in a decrease in our customer deposits, therefore further affecting the level of funds available to us for our lending business to generate net interest income. Meanwhile, financial disintermediation may result in a decrease in the enterprise demand for loans, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks related to uncertain changes in the regulatory environment of the PRC banking industry.

Our businesses are directly affected by changes in the PRC banking regulatory policies, laws and regulations. The regulatory system and the laws and regulations governing the banking sector are subject to future changes, and we cannot assure you that such changes will not materially and adversely affect our business, financial condition and results of operations.

In addition, our overseas branches, subsidiaries and representative offices have to comply with the local laws and regulations of the relevant jurisdiction and are subject to regulation and approval by the local regulatory authorities in the relevant jurisdiction. We cannot assure you that our overseas branches, subsidiaries and representative offices can always satisfy applicable laws and regulatory requirements. If we do not meet such requirements, our business in the relevant jurisdiction may be affected, which may materially and adversely affect our business, financial condition and results of operations.

We are subject to risks related to changes in monetary policy.

PRC monetary policy is set by the PBOC in accordance with the macroeconomic environment. In addition, the PBOC controls monetary supply through open market operations and adjustments to the deposit reserve ratio and rediscount rate in order to achieve targeted control over the economy. As commercial banks are a major means to implement monetary policy, changes in monetary policy will affect their operations and profitability. If we cannot timely adjust our operating strategies in response to the changes in monetary policy, our business, financial condition and results of operations may be materially and adversely affected.

We cannot provide assurance that we will be able to satisfy the capital adequacy requirements of the NAFR or as a G-SIB pursuant to Basel III or the proposed total loss-absorbing capacity requirements of the PBOC and the NAFR, and we are subject to risks related to potential Capital Adequacy Ratio fluctuations.

On 16 December 2010 and on 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued the final text and guidance on a number of fundamental reforms to the regulatory capital

framework (such reforms being commonly referred to as "**Basel III**"). In accordance with Basel III, the minimum tier 1 capital adequacy ratio has been raised to six per cent., while the minimum core tier 1 capital has been raised to 4.5 per cent. (with the former CBIRC (now the NAFR) requiring PRC banks to maintain a higher minimum core tier 1 capital of five per cent.), and the minimum total capital adequacy ratio has been raised to eight per cent. together with an additional 2.5 per cent. capital conservation buffer and a zero to 2.5 per cent. counter-cyclical capital buffer.

Following the issuance of Basel III, on 27 April 2011, the former CBRC issued new guidelines setting more stringent capital adequacy, leverage, liquidity and loan loss provisioning requirements for PRC banks in accordance with the reform of the PRC banking industry and the related regulatory framework. On 7 June 2012, the CBRC further issued the Regulation Governing Capital of Commercial Banks (Provisional Regulation) (the "**Capital Regulation**") which established a unified and comprehensive regulatory system for capital adequacy, re-defined the term "capital", expanded the scope of capital risk coverage and set forth different regulatory requirements for commercial banks with different capital adequacy levels, including the categorisation of regulatory requirements on capital into four levels. The first level requirements set out minimum thresholds, under which the requirements for core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio are set at five per cent., six per cent. and eight per cent., respectively; the second level requirements set out the requirements for reserve capital and counter-cyclical capital at 2.5 per cent. and zero – 2.5 per cent., respectively; the third level requirements set out the requirement for globally or domestically systemically important institutions at least one per cent; and the fourth level requirements is in relation to the criteria for the second pillar capital. The Capital Regulation has set higher requirements for both the quality and quantity of banks' capital and after the implementation of these measures, the definition of capital is more stringent and the regulatory standards for capital instruments are further improved. In addition, the Capital Regulation set forth a new method for calculating the capital adequacy ratio and provided a transition period for PRC commercial banks to meet their capital adequacy requirements. The Capital Regulation became effective on 1 January 2013 and it requires commercial banks to meet the regulatory capital adequacy requirements before the end of 2018.

Furthermore, the Financial Stability Board identified us as a globally systemically important bank ("**G-SIB**") on 11 November 2013. As a G-SIB, we are required to satisfy heightened capital adequacy ratios pursuant to Basel III as well as the Provisions on the Additional Regulation of Systemically Important Banks (for Trial Implementation) issued by the PBOC and CBRC on 30 September 2021.

In November 2017, the Basel Committee on Banking Supervision further issued new rules on how banks calculate risk-weighted assets, which were expected to be implemented in 2022. The new regulations focus on enhancing the robustness of standard risk-weighted asset calculation models and limiting the scope of use of banks' internal capital models.

On 26 October 2023, the NAFR published the Regulation Governing Capital of Commercial Banks (the "**New Capital Regulation**") which became effective on 1 January 2024 and the Capital Regulation ceased to have effect on the same day. Based on the current situation of China's banking industry and the latest international regulatory reform, the NAFR made a number of amendments to the Capital Regulation, including the elimination of specific quantitative requirements for counter-cyclical capital and globally or domestically systemically important institutions, which would be separately stipulated by the PBOC and the NAFR. The New Capital Regulation focuses on five aspects, including building a differentiated capital supervision system, comprehensively revising the rules for measuring risk-weighted assets, ensuring the applicability and prudence of risk weights, strengthening supervision and inspection, and improving the information disclosure standards, so as to further improve the rules for capital supervision of commercial banks, strengthen the risk management level of banks, and enhance the quality and efficiency of their services.

As at 31 December 2023, our common equity (core) tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio, as calculated in accordance with the Capital Regulation, was 13.72 per cent., 15.17 per cent. and 19.10 per cent., respectively, and satisfied the applicable legal and regulatory requirements and exceeded substantially the relevant requirements. Our capital adequacy ratios are able to support the stable development of our business currently.

We aim to maintain a stable and reasonable capital adequacy level in order to support the implementation of our business development and strategic planning. However, certain adverse changes may lead to fluctuations in our capital adequacy ratio. Such adverse changes include, but are not limited to, an increase of risk weighted assets due to rapid business expansion, an increase of capital-deducting equity acquisitions and investments, potential deterioration in our asset quality, a decline in the value of our investments and an increase in the minimum capital adequacy ratio requirement by the NAFR, as well as changes in the computational method for capital adequacy ratio applied by the NAFR. We may be required to raise additional core or supplementary capital in the future in order to meet the minimum NAFR capital adequacy requirements. To raise additional capital in order to meet the minimum NAFR capital adequacy requirements, we may need to issue additional equity securities that qualify as core capital or other qualifying instruments. However, our ability to obtain additional capital may be restricted by a number of factors, including (i) our future business, financial condition, results of operations and cash flows; (ii) necessary government regulatory approvals; (iii) our credit rating; general market conditions for capital-raising activities by commercial banks and other financial institutions; and (iv) economic, political and other conditions both within and outside the PRC. We cannot assure you that we will be able to obtain additional capital on commercially acceptable terms in a timely manner or at all. As such, there can be no assurance that we will continue to be able to comply with our capital adequacy requirements.

Furthermore, the NAFR may increase the minimum capital adequacy requirements or change the methodology for calculating regulatory capital or capital adequacy ratio, or we may otherwise be subject to new or more stringent capital adequacy requirements. If our capital adequacy ratio does not meet the regulatory requirements, the regulatory authorities may adopt certain corrective measures including, but not limited to, restricting the growth of our risk-bearing assets, suspending all of our operation activities other than low-risk business, as well as restricting our dividend payment, which may materially and adversely affect our business, financial condition and results of operations.

In addition, in 2021, the PBOC, the former CBIRC and MOF released the Administrative Measures on Total Loss-Absorbing Capacity of Global Systemically Important Banks (全球系統重要性銀行總損失吸收能力管理辦法), setting out the requirements for the ratio, composition, and deduction items of Total Loss-Absorbing Capacity of G-SIBs, etc. which are applicable to us. We cannot assure you that we will be able to satisfy all such total loss-absorbing capacity requirements.

The Group's results of operations may be materially and adversely affected if PBOC further deregulates interest rates.

PBOC has adopted reform measures to liberalise the PRC's interest rate regime. For example, in October 2004, PBOC eliminated restrictions in respect of the maximum interest rate for Renminbi-denominated loans and the minimum interest rate for Renminbi-denominated deposits. Thereafter, PBOC continued to lower the minimum interest rate for loans on repeated occasions. In June 2012, PBOC adjusted the maximum interest rate for deposits to 110 per cent. of the relevant benchmark deposit rate and the minimum interest rate for loans to 80 per cent. of the relevant benchmark lending rate. In July of the same year, PBOC again adjusted the minimum interest rate for loans to 70 per cent. of the relevant benchmark lending rate. On 20 July 2013, PBOC entirely removed lending rate control by eliminating the minimum interest rate for loans (except for individual residential mortgage loans) and removing controls on bill discount rates. On 25 October 2013, PBOC introduced

a new prime lending rate, officially known as the LPR, which is based on a weighted average of lending rates from nine commercial banks. In recent years, the PBOC has adjusted the benchmark interest rates several times. On 22 November 2014, PBOC lowered the one-year Renminbi benchmark loan interest rate by 0.4 percentage point to 5.6 per cent. and raised the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.75 per cent. On 1 March 2015, PBOC further lowered the one-year Renminbi benchmark loan interest rate by 0.25 percentage points to 5.35 per cent. and lowered the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.5 per cent. On 11 May 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 5.1 per cent. and 2.25 per cent. respectively. On 24 October 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 4.35 per cent. and 1.5 per cent., respectively. Moreover, the upper limit of the interest rate floating range of the Renminbi-denominated deposits in commercial banks was removed by PBOC on 24 October 2015. Deposit interest rate upper limits were replaced by a market pricing self-regulatory and coordination mechanism comprised of PRC financial institutions, known as the Self-Regulatory Mechanism for the Pricing of Market-Oriented Interest Rates (市場利率定價自律機制). In August 2019, PBOC deepened the interest rate liberalisation reform by reforming and improving the formation mechanism of LPR. It required PRC commercial banks to mainly refer to the LPR as the benchmark in determining the rates of new bank loans. As the existing regulations are substantially liberalised, competition in the PRC banking industry will likely intensify as the PRC commercial banks seek to offer more attractive interest rates to customers. Further liberalisation by PBOC may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, thereby materially and adversely affecting our business, financial condition and results of operations.

The growth rate of the banking industry in the PRC may not be sustainable.

We expect the banking industry in the PRC to expand as a result of anticipated growth in the PRC's economy, increases in household income, further social welfare reforms, demographic changes and the opening of the PRC banking industry to foreign participants. However, it is not clear how certain trends and events, such as the pace of the PRC's economic growth, the development of the domestic capital and insurance markets and the ongoing reform of the social welfare system, will affect the PRC banking industry. In addition, the banking industry in the PRC may be affected by systemic risks. Consequently, there can be no assurance that the growth and development of the PRC banking industry will be sustainable.

The PRC regulations impose limitations on the types of investments we may make and, as a result, we have limited ability to seek optimal investment returns to diversify our investment portfolio and to hedge the risks of its Renminbi-denominated assets.

The PRC Government has imposed limitations on what a commercial bank may invest in. These permitted investments by issuers mainly include debt securities of:

- the government;
- public sector and quasi-government;
- policy banks;
- financial institutions; and
- corporates.

These investment restrictions limit our ability to seek optimal returns on our investments. The restrictions may also expose us to significantly greater risk of investment loss in the event that a particular type of investment we hold suffers a decrease in value. In addition, due to the limited hedging tools available to us, our ability to

manage market and credit risks relating to our Renminbi-denominated assets is limited and any resulting decline in the value of our Renminbi-denominated assets may materially and adversely affect our business, financial condition and results of operations.

The effectiveness of our credit risk management is affected by the quality and scope of information available in the PRC.

National credit information databases developed by the PBOC have been operational only since 2006. Due to the short operational history, such databases are not able to provide complete credit information on many of our credit applicants. Therefore, our assessment of the credit risk associated with a particular customer may not be based on complete, accurate or reliable information. As a result, our ability to manage effectively our credit risk may be adversely affected, which may materially and adversely affect our business, financial condition and results of operations.

The PRC regulators have implemented measures relating to lending to small and medium-sized enterprises and we may be affected by future regulatory changes.

The former CBIRC (now the NAFR) has promulgated a series of measures to encourage banking institutions to implement the PRC Government's macroeconomic policies, and, in particular, to proactively support continued healthy economic growth by increasing lending activities to small and medium-sized enterprises while effectively controlling risk. However, small and medium-sized enterprises are more vulnerable to fluctuation in the macro-economy as compared to large enterprises due to relatively limited capital, management or other resources required to cope with the adverse impact of major economic or regulatory changes. In addition, small and medium-sized enterprises may not be able to provide reliable information necessary for us to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, our NPLs may be significantly increased if our small and medium-sized enterprise clients are affected by economic or regulatory changes, which could materially and adversely affect our business, results of operations and financial condition.

In addition, there can be no assurance that the policies, laws and regulations governing the PRC banking industry, in particular, those relating to lending to small and medium-sized enterprises (e.g. incentive policies to encourage lending to small and medium-sized enterprises), will not change in the future or that any such changes will not materially and adversely affect our business, financial condition and results of operations.

Certain facts and statistics and information relating to us are derived from publications not independently verified by us, the Joint Lead Managers or any of our or their respective directors, employees, representatives, affiliates or advisers.

Certain facts and statistics in this Drawdown Offering Circular relating to the PRC, its economy and its banking industry are derived from various official and publicly available sources generally believed to be reliable. While reasonable care has been taken to ensure that the facts and statistics or information relating to us presented in this Drawdown Offering Circular have been accurately extracted from such sources, such facts, statistics and information have not been independently verified by us, the Joint Lead Managers or any of our or their respective directors, employees, representatives, affiliates or advisers. Therefore, none of them makes any representation as to the accuracy of such facts and statistics or information, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice or other reasons, the statistics herein may be inaccurate or may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon.

RISKS RELATING TO NOTES BEING ISSUED AS "CARBON NEUTRALITY" THEMED INTERNATIONAL GREEN BONDS

The Notes being issued as "Carbon Neutrality" themed international green bonds may not be a suitable investment for all investors seeking exposure to "green", "carbon-neutral" or other equivalently-labelled assets.

In relation to the Green Bond Framework (as defined in the section entitled "*Green Bond Framework*" of this Drawdown Offering Circular), the Bank has engaged Sustainalytics to provide an independent second-party opinion (the "**Sustainalytics Second-Party Opinion**"), and the criteria for Sustainalytics' procedures are the Green Bond Principles 2021 (the "**Green Bond Principles**") published by the International Capital Market Association. The Bank has also engaged Beijing Zhongcai Green Financing Consultant Ltd. to provide an independent assessment report (the "**Zhongcai Green Financing Assessment Report**", and together with the Sustainalytics Second-Party Opinion, the "**Second-Party Opinions**"), and the criteria for Beijing Zhongcai Green Financing Consultant Ltd.'s procedures are the Chinese Green Bond Standards (the "**Chinese Green Bond Standards**") which include (i) the "Green Bond Endorsed Projects Catalogue (2021 Edition)" (the "**Green Bond Endorsed Projects Catalogue**") jointly announced by the PBOC, the National Development and Reform Commission (the "**NDRC**") and CSRC; (ii) the PBOC Announcement No. 39 [2015] for the "Issuances of green financial bonds in the interbank bond market" (the "**PBOC Announcement No. 39 [2015]**"); and (iii) the PBOC Announcement No. 29 [2018] for "Strengthening the supervision and management of green financial bonds during their duration".

In addition, in connection with the issue of each series of Notes, each Branch Issuer has requested the Hong Kong Quality Assurance Agency (the "**HKQAA**") to issue independent certification (a "**HKQAA Pre-issuance Stage Certificates**") confirming that each series of Notes is in compliance with the requirements of the Green and Sustainable Finance Certification Scheme operated by the HKQAA (the "**HKQAA Green and Sustainable Finance Certification Scheme**"). The HKQAA Green and Sustainable Finance Certification Scheme is a set of voluntary guidelines that aims to facilitate the development of green finance and the green industry. The HKQAA Pre-issuance Stage Certificates have been obtained for each series of Notes. Please refer to the section entitled "*The HKQAA Green and Sustainable Finance Certification Scheme*" of this Drawdown Offering Circular for more details.

In connection with the issue of the Notes, the Bank has also engaged Beijing Zhongcai Green Financing Consultant Ltd. to provide a third-party verification statement titled "ICBC 2024 Green Bond (Carbon Neutrality Bond) Third Party Verification Statement" (the "**Carbon Neutrality Bond Verification Statement**") on the underlying eligible green asset pool of the Notes in accordance with the requirements of the PBOC Announcement No.39 [2015] for "Issuances of green financial bonds in the interbank bond market", the PBOC, the NDRC and the CSRC Announcement No.96 [2021] for "Green Bonds Endorsed Projects Catalogue (2021 Edition)", the Notice by NAFMII on "Clarifying Mechanisms in Relation to Carbon Neutrality Bonds", and the "Green Bond Framework for Industrial and Commercial Bank of China (2021 Edition)".

There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green", "carbon neutral" or other equivalent labels, and therefore no assurance can be provided to potential investors that the relevant Eligible Green Assets will continue to meet the relevant eligibility criteria. Although the relevant Eligible Green Assets are expected to be selected in accordance with the categories recognised by the HKQAA Green and Sustainable Finance Certification Scheme and the Chinese Green Bond Standards and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such "green", "carbon neutral" or other equivalently-labelled projects. Where any negative impacts are insufficiently mitigated, such "green", "carbon neutral" or other equivalently-

labelled projects may become controversial, and/or may be criticised by activist groups or other stakeholders. In addition, while the Branch Issuers intend to apply an amount equivalent to the proceeds from the issue of the relevant series of Notes towards Eligible Green Assets that exclude, among others, fossil fuel related assets and assets in sectors or activities which will decrease carbon pools in soil (see the section entitled "*Use of Proceeds*" of this Drawdown Offering Circular), investors should note that the Bank has previously provided, currently provides and may in the future provide financing to borrowers which are active in industries which may not be categorised as "green", "carbon neutral", "sustainable" or other equivalent labels, including without limitation those in the mining sector.

None of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement are a recommendation to buy, sell or hold securities and each Second-Party Opinion, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement is only current as of its date of issue and is subject to certain disclaimers set out therein and may be updated, suspended or withdrawn at any time. The Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates and the Carbon Neutrality Bond Verification Statement may not reflect the potential impact of all risks related to the relevant series of Notes, their marketability, trading price or liquidity or any other factors that may affect the price or value of that series of Notes. Furthermore, the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement are for information purposes only and none of the relevant Branch Issuer, the Bank, the Group, the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents accepts any form of liability for the substance of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement and/or any liability for loss arising from the use of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement and/or the information provided in them. The Second-Party Opinions have been made available to investors on the Bank's website (www.icbc-ltd.com) but are not incorporated into, and do not form part of, the Original Offering Circular or this Drawdown Offering Circular. The HKQAA Pre-issuance Stage Certificates and the Carbon Neutrality Bond Verification Statement are also not incorporated into, and do not form part of, the Original Offering Circular or this Drawdown Offering Circular.

Any second-party opinion provider and providers of similar opinions, certifications and validations are not currently subject to any specific regulatory or other regime or oversight. Any such opinion, certification or validation is not, nor should be deemed to be, a recommendation by the relevant Branch Issuer, the Bank, the Group, the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents in relation to the relevant series of Notes, any second-party opinion provider or any other person to buy, sell or hold the relevant series of Notes. Noteholders have no recourse against the relevant Branch Issuer, the Bank, the Group, any of the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers, agents or the provider of any such opinion, certification or validation for the contents of any such opinion, certification or validation, which is only current as at the date it was initially issued. Prospective investors must determine for themselves the relevance of any such opinion, certification or validation and/or the information contained therein and/or the provider of such opinion, certification or validation for the purpose of any investment in the Notes. Any withdrawal of any such opinion, certification or validation or any such opinion, certification or validation attesting that the Group or the relevant Branch Issuer is not complying in whole or in part with any matters for which such opinion, certification or validation is opining on or certifying on may have a material adverse effect on the value of the relevant series of Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Whilst the relevant Branch Issuer and the Bank have agreed to certain obligations relating to reporting and use of proceeds as described under the sections headed "*Use of Proceeds*", "*Green Bond Framework*" and "*Notes being issued as "Carbon Neutrality" themed international green bonds*" of this Drawdown Offering Circular,

if (i) the relevant Branch Issuer or the Bank were to fail to comply with such obligations or were to fail to use the proceeds of the issue of the relevant series of Notes in the manner specified in this Drawdown Offering Circular (as further described in the sections entitled "*Use of Proceeds*" and "*Green Bond Framework*" of this Drawdown Offering Circular) and/or (ii) any Second-Party Opinion, the HKQAA Pre-issuance Stage Certificate and/or the Carbon Neutrality Bond Verification Statement issued in connection with such Notes were to be withdrawn, it would not (x) be an Event of Default under the Terms and Conditions of the relevant series of Notes; (y) lead to an early redemption right of any Noteholder or obligation of the relevant Branch Issuer to redeem such Notes; or (z) result in any increased payments of interest, principal or any other amounts under the Terms and Conditions of the relevant series of Notes. Any failure to use an amount equivalent to the net proceeds of the issue of the relevant series of Notes in connection with the relevant Eligible Green Assets, and/or any failure to meet, or to continue to meet, the investment requirements of certain investors with environmental and/or social concerns with respect to such Notes, may affect the value and/or trading price of such Notes, and/or may have consequences for certain investors with portfolio mandates to invest in "green", "carbon neutral" or other equivalently-labelled projects. In the event that the Notes are included in any dedicated "green", "carbon neutral", "environmental", "social", "sustainable" or other equivalently-labelled index, no representation or assurance is given by any Branch Issuer or the Bank or any Joint Lead Manager, any of their respective affiliates, directors, officers, employees, representatives, advisers or agents or any other person that such listing or admission, or inclusion in such index, satisfies any present or future investor expectations or requirements as regards to any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own constitutive documents or other governing rules or investment portfolio mandates.

None of the relevant Branch Issuer, the Bank, the Group, the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents makes any representation as to (i) the suitability for any purpose of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates and/or the Carbon Neutrality Bond Verification Statement, (ii) whether the relevant series of Notes will meet investor criteria and expectations regarding environmental impact and sustainability performance for any investors, and (iii) the characteristics of Eligible Green Assets, including their relevant environmental and sustainability criteria. None of the relevant Joint Lead Managers or any of their respective affiliates, directors, officers, employees, representatives, advisers or agents makes any representation as to whether an amount equivalent to the net proceeds will be used to finance and/or refinance Eligible Green Assets (as further described in the sections entitled "*Use of Proceeds*", "*Green Bond Framework*", "*Notes being issued as "Carbon Neutrality" themed international green bonds*" of this Drawdown Offering Circular). The Joint Lead Managers have not undertaken, nor are responsible for, any assessment or verification of the eligibility of the assets within the definition of Eligible Green Assets or the impact or monitoring of the use or allocation of proceeds from the offering of the Notes. None of the Joint Lead Managers nor any of their respective affiliates, directors, officers, employees, representatives, advisers or agents accepts any responsibility for any environmental assessment of any Notes issued as "Carbon Neutrality" themed international green bonds or makes any representation or warranty or gives any assurance as to whether such Notes will meet any investor expectations or requirements regarding such "green", "carbon neutral" or similar labels. Each potential purchaser of the Notes should have regard to the relevant assets and eligibility criteria described under the sections headed "*Green Bond Framework*" and "*Notes being issued as "Carbon Neutrality" themed international green bonds*" of this Drawdown Offering Circular and determine for itself the relevance of the information contained in this Drawdown Offering Circular regarding the use of proceeds, and its purchase of any Notes should be based upon such investigation as it deems necessary. Therefore, the Notes may not be a suitable investment for all investors seeking exposure to green, carbon neutrality or other equivalently-labelled assets. The description of Eligible Green Assets provided elsewhere in this Drawdown Offering Circular is for illustrative purposes only and no assurance can be provided that investment in assets with these specific characteristics will be made by the relevant Branch Issuer during the term of the relevant series of Notes.

CAPITALISATION AND INDEBTEDNESS

The section entitled "Capitalisation and Indebtedness" as set out on page 112 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

The following table sets forth the Group's unaudited capitalisation as at 31 December 2023. Please read this table in conjunction with the Group's 2023 Financial Statements and the accompanying notes thereto, which are incorporated by reference in this Drawdown Offering Circular as described under "*Documents Incorporated by Reference*".

	As at 31 December 2023
	(RMB millions)
Liability[(1)]	
Debt securities issued[(2)]	1,369,777
Equity	
Equity attributable to equity holders of the parent company	
Share capital	356,407
Other equity instruments	354,331
Reserves	1,134,082
Retained profits	1,912,067
	3,756,887
Non-controlling interests	19,701
Total equity	3,776,588
Total capitalisation[(3)]	5,146,365

Notes:

(1) As at 31 December 2023, we had due to customers, due to banks and other financial institutions, repurchase agreements, debt securities issued and other liabilities.

(2) Since 31 December 2023, we have issued additional debt securities and redeemed certain debt securities in the ordinary course of business. See "Recent Developments".

(3) Total capitalisation equals the sum of debt securities issued and total equity.

Save as disclosed in this Drawdown Offering Circular, there has not been any material change in the capitalisation of the Group since 31 December 2023.

DESCRIPTION OF THE BANK

The section entitled "Description of the Bank" as set out on pages 113 to 153 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

OVERVIEW

We continue to lead the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits. In 2023, we ranked first place among the "Top 1000 World Banks" by The Banker and ranked first in the list of commercial banks of the "Global 500" by Fortune for the eleventh year in a row. We also ranked first among the "Top 500 Banking Brands" by Brand Finance for the seventh consecutive year.

Established on 1 January 1984, we were restructured to become a joint-stock limited company on 28 October 2005. On 27 October 2006, we were successfully listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

We have developed into the leading listed bank in the world, possessing a wide customer base, a diversified business structure, strong innovation capabilities and market competitiveness. As at 31 December 2023, we had established 413 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries as a shareholder of Standard Bank Group Limited. As at 31 December 2023, we have provided comprehensive financial products and services to over 12 million corporate customers and approximately 740 million personal customers via our distribution channels domestically, internationally and as well as through our E-banking network comprising a range of internet and telephone banking services and self-service banking centres, forming a diversified and internationalised operating structure focusing on commercial banking business and maintaining a leading position in the domestic market in the commercial banking sector. As one of the leading commercial banks in terms of global presence and asset size, we implemented the "Belt and Road Initiative". We have also maintained 259 institutions in 30 countries along the "Belt and Road" as at 31 December 2023.

We provide customers with a wide range of financial products and services and have formed a cross-market, internationalised and integrated business model with a focus on commercial banking. We have maintained a leading position among PRC commercial banks in most of our core and emerging businesses.

We believe that "Industrial and Commercial Bank of China" is one of the most recognised financial service brand names in the PRC with significant international influence. We have won numerous awards over the years, including, among others:

- the first place among the "Top 1000 World Banks" for the eleventh consecutive year in 2023 by *The Banker*;
- the first place in the list of commercial banks of the Global 500 for the eleventh consecutive year in 2023 by *Fortune*;
- the first place among the Top 500 Banking Brands for the eighth consecutive year in 2023 by *Brand Finance*;
- the first place among the "Corporate Brand Value List" for the eighth consecutive year in 2023 by *China Council for Brand Development*;
- the first place among national commercial banks in the Gyroscope evaluation system for the third consecutive year in 2023 by *China Banking Association*;

- "Best Bank in China", "Best Corporate Bank in China" for the third consecutive year in 2023 and "Best Bank for Belt and Road in China" in 2023 by *Global Finance*;
- "Best Wealth Management Bank in Asia Pacific", "Green and Sustainable Bank of the Year in China " and "Best International Cash Management Bank in China " in 2023 by *The Asian Banker*;
- "Digital Bank of the Year, China ", "Best Private Bank, China " and "Best Custodian Bank, China" in 2023 by *The Asset*;
- the first place among the "Global 2000" for the ninth consecutive year in 2021 by *Forbes*; and
- "Best Bank in China" in 2021 by *FinanceAsia*.

We strive to duly implement the organic unification of economic and social responsibilities, gaining wide social recognition for supporting economic and social development, protecting environment and resources, and participating in community services. In recent years, we have won awards from various institutions including "Green and Sustainable Bank of the Year in China" in 2023 by *The Asian Banker*; "Best Inclusive Financial Service Bank of the Year" in 2023 and "Best Green Finance Service Bank of the Year" in 2023 by *Financial News* (China); "Market Leader in Corporate Banking, SME Banking, Corporate and Social Responsibility (CSR), Environmental, Social and Governance (ESG) and Digital Solutions in China" in 2022 by *Euromoney*; "Best ESG Practice Case of Listed Companies" in 2022 by China Association for Public Companies and "Outstanding Responsible Enterprise 2021" by *Southern Weekly*. In 2023, we ranked first among national commercial banks for the third consecutive year in the Gyroscope evaluation system by the China Banking Association.

For the years ended 31 December 2021, 2022 and 2023, we achieved profit for the year of RMB350,216 million, RMB361,038 million (original) and RMB365,116 million, respectively. As at 31 December 2021, 2022 and 2023, we had total assets of RMB35,171,383 million, RMB39,609,657 million (original) and RMB44,697,079 million, respectively, and our net loans and advances to customers totalled RMB20,109,200 million, RMB22,593,648 million (original) and RMB25,386,933 million, respectively.

OUR COMPETITIVE STRENGTHS

We possess a leading market position in the PRC with growing international influence.

We have set our vision to build a world-class modern financial institution with Chinese characteristics in all aspects, and strive to be a long-lasting and ever-prosperous bank. We believe that "Industrial and Commercial Bank of China" has become one of the PRC's best-known brand names in the financial services industry, and our international influence is also expanding rapidly.

We continue to lead the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits, and we benefit from the scale of our operations. As at 31 December 2023, we had RMB44,697,079 million in total assets. As at 31 December 2023, the number of our corporate customers reached over 12 million, and we were the first of the industry to have acquired more than 12 million corporate customers. We are also the first commercial bank to break the RMB10 trillion mark of RMB corporate loans and one of the industry leaders in terms of the size of personal loans. As at 31 December 2023, the balance of our corporate loans reached RMB16,145,204 million, representing an increase of RMB2,318,238 million or 16.77 per cent. as compared to the end of 2022. As at 31 December 2023, the balance of our corporate deposits reached RMB16,209,928 million, representing an increase of RMB1,538,774 million or 10.5 per cent. as compared to the end of 2022.

We are one of the highest-rated domestic Chinese commercial banks in terms of international credit ratings. Currently, we have a rating of "A" with a stable outlook by S&P and a rating of "A1" with a negative outlook

by Moody's. On 6 December 2023, Moody's affirmed our rating and changed the rating outlook to negative from stable following its recent affirmation of the PRC Government's issuer rating at A1 and change in the sovereign rating outlook to negative from stable. With respect to our traditional banking business, we have further strengthened our competitive advantages and leading position, and our corporate loans and deposits and personal loans and deposits businesses have been growing steadily in recent years. We accelerated the formation of a diversified customer structure that coordinated large, medium, small, micro and personal customers, which drove the balance of RMB deposits to RMB31.84 trillion as at 31 December 2023 and the increment compared with the end of 2022 being RMB3.7 trillion. With respect to our emerging businesses and intermediary businesses, we have maintained a high level of growth and development in these areas and further expanded our competitive advantages. In 2023, we built a digital inclusive centre and boosted the development of small and micro enterprises relying on the three core online businesses "Online Revolving Loan, Quick Lending for Operation and Digital Supply Chain", our inclusive loans grew by 43.7 per cent. to over RMB2.2 trillion, leading the industry in growth rate.

Leveraging on the growth of the PRC economy, we have enhanced our global influence. In recent years, with our strong corporate culture, management capability and operating performance, we have received numerous industry awards from various well-known international media publications and other institutions. Please refer to the subsection "*Description of the Bank – Overview*" above for further information.

We have transformed our business operations successfully and have created a leading business model in the PRC banking industry.

We have transformed our business and optimised our business structure to create a business model that we believe balances risks and benefits and has strong sustainability. We have optimised our asset and liability structure. With respect to assets, our returns on loans have stayed strong, while maintaining a low proportion of high-risk assets. As at 31 December 2023, our risk-weighted assets to total assets ratio was 55.13 per cent. At the same time, we actively contributed to the construction of a modern industrial system, continued to strengthen our support for manufacturing, strategic emerging industries, green finance, inclusive finance, rural revitalization and other key fields, and actively supported the construction of major projects in roads, railways, airports, urban rail transit, new urbanization and other fields. We also supported the reasonable financing needs of real estate enterprises, and increased the financial support for rental housing. As a result, our corporate loans in key strategic areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing economic circle continued to grow in 2023. As at 31 December 2023, our domestic RMB loans increased by RMB2.91 trillion from 31 December 2022, with the increment increasing by RMB355.5 billion year-on-year, ranking first in the market in terms of balance and growth. In addition, we advanced the construction of a "leading financial service provider for manufacturing", and initiated the Special Plan for Supporting the Development of Advanced Manufacturing Cluster through Financing. As at 31 December 2023, the amount of loans we granted to the manufacturing industry exceeded RMB3.8 trillion, representing an increase of over RMB800.0 billion over the end of 2022, maintaining a leading position in the industry in terms of both total amount and growth. We also comprehensively enhanced infrastructure service capabilities in 2023, and increased loans to key projects such as transportation, water conservancy and energy. As at 31 December 2023, our domestic corporate loans increased by RMB2.3 trillion, representing an increase of RMB690.1 billion as compared with the end of 2022. In the meantime, we carried out special services such as "Chunmiao Action", targeting high-tech and Specialisation, Refinement, Differentiation and Innovation ("**SRDI**") key customer groups. As at 31 December 2023, our loans to strategic emerging industries rose by nearly RMB950.0 billion as compared with the end of 2022, with a growth rate of over 54 per cent. year-on-year. To improve and upgrade green finance brand, we accelerated innovation in financing products such as green bonds, funds, and wealth management. At the end of 2023, our green loans by the statistical standard of the NAFR reached nearly RMB5.4 trillion, representing

an increase of nearly RMB1.4 trillion over the end of 2022, maintaining a leading position among peers in terms of total amount and growth.

We continue to leverage on our global service network and cross-border integrated service advantages to build a cross-border RMB product system and multi-scenario services, fostered offshore RMB market, innovated offshore RMB investment and financing products. As at 31 December 2023, the number of our overseas RMB clearing banks rose to 11, enhancing our abilities in serving high-level opening-up and jointly building the Belt and Road Initiative. We also participated in two-way opening up of financial markets and became the partner bank of the central counterparty for clearing in the "Interconnected Cooperation between Hong Kong and Chinese Mainland in Interest Rate Swap Market" business. We promoted the construction of the account system of the separate accounting units in free trade zones, and supported the innovative development of cross-border RMB business in key areas such as Shanghai Lingang Special Area, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. We strengthened cooperation with payment institutions, cross-border e-commerce platforms and other entities, and we launched the pilot project of the cross-border e-commerce collection model based on public service platforms for cross-border e-commerce in Shanghai. For the year ended 31 December 2023, our cross-border RMB business reached RMB9.24 trillion.

We have continued to optimise our income structure. We significantly enhanced our efforts to develop low capital consumption intermediary businesses and emerging businesses. In addition, we have pushed forward the diversification of our businesses and promoted a more diversified income structure. For the year ended 31 December 2023, our net fee and commission income was RMB119,357 million. Specifically, as compared with the same period in 2022, income from settlement, clearing business and cash management for the year ended 31 December 2023 decreased by RMB21 million; and income from bank card business for the year ended 31 December 2023 recorded an increase of RMB170 million as compared with the same period in 2022.

We have established an extensive customer base and effective distribution channels.

We have an extensive customer base. In 2023, the number of our personal customers reached approximately 740 million and the number of our mobile banking customers reached approximately 552 million as at 31 December 2023. We maintained a leading position in the banking industry in terms of the number of monthly active users at mobile terminals, which exceeded 229 million in 2023. We have an industry-leading corporate customer base, and the number of high-quality corporate banking customers has been increasing. As at 31 December 2023, we had over 12 million corporate customers. Our optimised customer structure has not only provided us with steady sources of funds and promoted the sound growth of our corporate credit business, but also has laid a solid foundation for the growth of our corporate intermediary business. The proportion of our customer base represented by medium and high-end individual customers has increased rapidly in recent periods. Our high-end individual customer base provides strong support for the further development of our personal financial products and services and steady progress was made in the transformation of businesses such as asset management, private banking and investment banking.

We have established a well-structured, extensive and efficient distribution network and continue to improve our international network. As at 31 December 2023, we had established 413 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries as a shareholder of Standard Bank Group Limited. We also established correspondent relationships, establishing a service network covering Asia, Africa, Latin America, Europe, North America and Australia, including major international financial centres. We have strengthened our network by adjusting the geographical allocation of our branch network and upgrading outlets. We have further diversified our distribution channels in order to enhance our ability to provide individualised services. We have continued to upgrade our operational network, strengthen the build-up of our customer management team and improve our multi-level customer service system and our customer service capabilities.

We have a leading position in the industry in terms of E-banking capability and technological development and continue to focus on FinTech.

We have actively promoted our electronic banking platform, E-banking, as a substitute for traditional physical outlets. Through our customer- and market-oriented services, we have consolidated our leading position in E-banking, accelerated the development of new fields, markets and customers, as well as the expansion of overseas businesses. To ensure balanced and rapid development of the scale, quality and efficiency of our E-banking business, we have further strengthened our risk prevention and control capabilities.

We believe we have a leading position in the industry in terms of our E-banking capability by practising technology self-reliance, strengthening the "dual wheel drive" of technological innovation and system reform, and empowering the development of the new digital brand "D-ICBC" with technology. In 2023, the construction of the D-ICBC was quickened, and new momentum and vitality were constantly unleashed. We continuously upgraded and polished key external and internal service platforms, and basically formed a "digital financial service window" with ICBC characteristics, to better serve customers and empower employees. We continued to consolidate the two support systems of business and data technology, and further improved the efficiency of digital services. Our Financial Digital Capability Maturity was the first and only one to obtain the highest level of certification in the industry, and we released the industry's first White Paper on Digital Transformation of the Banking Industry (2023), both significantly enhancing the brand influence of D-ICBC.

Keeping in mind the bigger picture of building a digital China, we contributed to the healthy development of digital economy by promoting profound changes in business and service models, and improvement of quality and efficiency of product innovation. Significant improvements have been made in customer experience, service efficiency and business value. For instance, we exclusively built the "National Coordinated Fund Management System for Pension Insurance", expanded the "ICBC Anxin Asset Management" scenario in an innovative way, and developed the "e-Nong Xin An" migrant worker salary supervision product in 2023. We provided GBC customers with a one-stop supply of "finance + government service", "finance + industry", and "finance + people's livelihood", and continuously enhanced customer loyalty.

We have further enhanced our risk management and internal control capability by establishing an advanced, quantitative and comprehensive risk management system.

Adhering to a holistic approach to national security, we proactively adapted to stricter regulations trend, persisted on "active prevention, smart control and comprehensive management" and enhanced the prevention, mitigation, and management of various types of risks in 2023, so as to maintain the robust banking feature. In 2023, we continued to refine the "Five-pronged Risk Management Approach" (which refers to the overall risk management system of the head office and branches, domestic and overseas institutions, on- and off-balance sheet businesses, commercial banking and investment banking subordinated institutions); and optimised the risk officer system, added new credit approval rules and promoted internal audit mechanism reform. By doing so, we strengthened the bonding force of the three lines of defence. In 2023, we continuously advanced asset quality improvement, and maintained negative price scissors for 15 consecutive quarters. We also strengthened risk control in key areas, pushed forward "Three Major Projects" and supported the real estate industry to explore new development models. We improved the compliance management system, enhanced the smart risk control level, strengthened management of product risks, information technology, and cyber security. For the year ended 31 December 2023, we continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable. Our overdue loans stood at RMB330,424 million as at 31 December 2023, representing an increase of 16.33 per cent. from 31 December 2022. Among them, loans overdue for over 3 months amounted to RMB223,188 million, representing an increase of RMB32,959 million from 31 December 2022. Our NPL ratios as at 31 December

2021, 2022 and 2023 were 1.42 per cent., 1.38 per cent. (original) and 1.36 per cent., respectively. As at 31 December 2023, the ratio of overdue loans was 1.27 per cent., increased by 5 basis points from the end of 2022.

Our advanced information technology systems provide strong support for our business innovation and development.

We believe that we have one of the most advanced information technology systems in place among all commercial banks in the PRC. Since our initial public offering, we have focused on implementing our "technology driven" development strategy. Our advanced information technology systems have enabled us to maintain a competitive position in various fields such as customer service, product innovation, risk management, operation process re-engineering and electronic banking network expansion.

We have maintained the security and stability of our information technology systems despite a significant increase in our business volumes. We were the first among the five major PRC commercial banks (Industrial and Commercial Bank of China Limited, China Construction Bank Corporation, Bank of China Limited, Agricultural Bank of China Limited and Bank of Communication Co., Ltd) to achieve data centralisation, and we were the first large-scale commercial bank in the PRC to adopt a centralised full-function banking system that enables real-time processing of bank-wide data. We have continued to strengthen our information security and protection and improved our disaster recovery systems. The establishment of two key data centres (one primary and one backup) in Beijing and Shanghai in 2002 made us the first among PRC banks to complete the data centralisation. Also, we set up a local data centre in Shanghai in June 2015, enabling a full switchover between data centres within minutes.

We have significant capacity internally for continued research and development of our global banking systems and have researched and developed our fourth generation core information system on our own initiatives. We have increased our technological support for our overseas institutions and completed the establishment of systems relating to RMB clearing at our Singapore Branch. We have extended our integrated business processing system ("**FOVA**") to cover certain of our overseas institutions. We have also promoted the internet banking and mobile banking systems of our wholly-owned Hong Kong subsidiary, ICBC (Asia), and have extended our internet banking coverage to our overseas institutions.

We have established a centralised technology organisation system, formed information technology management and information technology approval committees and formulated complete and sound information technology management systems, technical standards and norms in the PRC banking industry. In terms of data support, new progress has been made in the cultivation of data capabilities in 2023. In particular, we strengthened the construction of an enterprise-level data middle office, and introduced more external data such as government affairs, operators and internet companies in compliance with regulations. We established an operation centew for the data middle office to drive business model transformation with richer data elements and new data service models. Focusing on digital customer identification, acquisition, activation and retention, we promoted high-value data analysis products to empower grassroots and reduce their burden. In 2023, our customer segmentation project was awarded the "Best Data Analysis Project" by *The Asset*. We kept improving out data security management. In terms of technical support system, we took the lead in the industry to complete the largest and most important technical architecture transformation of retail banking segment. In 2023, the availability rate of our information system has reached a high level of over 99.99 per cent. A high-availability and disaster recovery guarantee system has been refined to systematically enhance cyber security capabilities. We were also the first in the industry to build a billion-level AI big model technology system and put it into operation. We continued to deepen the construction of digital employees, undertaking the workload of more than 30 thousand natural persons in various scenarios, so as to empower employees and reduce their burden.

We have steadily implemented our internationalisation and integration strategy for development and enhanced our capability as a comprehensive financial services provider.

Since our initial public offering, we have seized development opportunities domestically and overseas and steadily implemented our internationalisation and integration strategies, thereby enhancing our capability in cross-region, cross-market and cross-product services. We have accelerated the establishment of our global operation network and enhanced our international service capability by carrying out the following initiatives:

- with a particular emphasis on Asian and other emerging markets, we have focused on growing our businesses in both emerging and developed markets, have expanded our overseas operation network through both organic growth and strategic mergers and acquisitions and have set up both physical outlets and electronic channels;
- leveraging our overseas integrated business licence as well as the strong product support from FOVA for overseas institutions, we have built up our important global product lines, including retail, funds clearing, trade finance, global cash management, specialty financing, investment banking, bank card, internet banking and asset management, while managing our core businesses including loans, deposits and foreign exchange services; and
- following closely the trend of PRC enterprises expanding their businesses globally, we have promoted the RMB settlement business for cross-border trades and strengthened our integrated ability to serve global customers.

We have established a global network with 413 overseas institutions in 49 countries and regions as at 31 December 2023. On that basis, we have gradually shifted the focus of our internationalisation strategy to the localised, mainstream and differentiated development of overseas institutions. Through strengthening the extension of key product lines abroad and interactions between domestic and overseas operations, we have improved the competitiveness, operation and development of our overseas institutions.

Our overseas branches in Singapore, Luxembourg, Qatar, Canada, Thailand, Argentina, Russia, Laos, Kazakhstan, Pakistan and Brazil have obtained the qualification to become RMB clearing banks, making us one of the PRC financial institutions with overseas branches that have RMB clearing capability in Asia, Europe, and the Americas and establishing a truly global RMB clearing system operating 24 hours a day, seven days a week and a solid foundation for further promoting cross-border RMB transactions. Our overseas RMB clearing banks enhanced our abilities in serving high-level opening-up and jointly building the Belt and Road Initiative.

In addition, leveraging our advantages in customer relations, capital management and information technology systems, we have proactively set up and accelerated the development of licensed non-banking financial businesses such as investment banking, fund management, financial leasing and insurance with a view to satisfying our customers' increasingly diversified needs for integrated financial services. ICBC International Holdings Limited ("**ICBC International**") has actively participated in Hong Kong listings by large multinational corporations and domestic companies and has developed its bond underwriting businesses, through which it has created a more balanced and stable income structure. ICBC Credit Suisse Asset Management Co., Ltd. ("**ICBC Credit Suisse Asset Management**") has leveraged its asset management platform, continued to develop new products, expanded its investment management system and realised steady growth in business performance, taking a lead among bank-affiliated fund management companies in the PRC. ICBC Financial Leasing Co., Ltd. ("**ICBC Leasing**") continues to work towards expanding its business, quickening its operating transformation and proactively developing leasing products. Relying on our dominant position, ICBC-AXA Assurance Co., Ltd. ("**ICBC-AXA**") has adopted a strategy of localised and independent operations and development, deepening bancassurance cooperation and intensifying product development efforts. We also established ICBC Asset Management (Global) Company Limited in Hong Kong, creating a unified global asset management platform for us.

On 8 December 2016, the board of directors of the Bank (the "**Board**") established ICBC Asset Management Co., Ltd ("**ICBC Asset Management**") in Beijing with an investment of RMB12 billion, representing 100 per cent. of the registered capital of ICBC Asset Management. ICBC Asset Management is dedicated to our debt for equity swaps business and is responsible for the overall implementation of the debt for equity swaps business for the entire Group. ICBC Asset Management carries out debt acquisition, debt for equity swaps, asset disposal and other asset management related to debt for equity swaps as required for the debt for equity swaps business, subject to the final scope of business approved by the regulatory authority. The investment has been financed by our own funds. The investment has generated reasonable investment returns for us, promoted the upgrade of our conventional business, expanded the means for our business innovation, improved our diversified financial service capability, and further consolidated the Group's resources to push forward the specialised operation of business in the relevant fields. The investment has reduced the enterprise leverage ratio and is consistent with our strategy to develop diversified financial services.

Our senior management team has extensive experience, and their vision has helped us maintain our leading position in the PRC banking industry.

Our senior management team has extensive experience in the PRC commercial banking industry. Our chairman, Mr. Liao Lin, joined us in 2019 and has over 30 years of experience in the PRC banking industry. Our senior management also has long-term strategic vision and keen insight into the PRC banking industry. Under their leadership, we have established an industry-leading operating model in the PRC. We have actively responded to changes in the external environment, continued our product development and business innovations, established powerful information technology systems and became the first in the PRC banking industry to establish a comprehensive risk management system. Our senior management team has led our transformation from the PRC's largest bank to a leading international bank.

Although we have faced increasing competition in the industry, we have continued our prudent operations, accelerated our business transformation and maintained smooth and steady development under the leadership of our management team. We believe that our strong management team will be able to lead us in maintaining our competitive advantages in the future, laying a solid foundation for our long-term sustainable growth.

OUR STRATEGIES

We will remain guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era,and will adhere to the general working principle of pursuing progress while ensuring stability, promoting stability through progress, and establishing the new before abolishing the old, and fully and faithfully apply the new development philosophy on all fronts. We will uphold the goal of building a financial power, stick to the political and people-oriented nature of financial work, deepen the implementation of the "Four Strategies", advance our work centering on "layout modernization, smart risk control, digital growth drivers, diversified structure, and ecological foundation", cultivate and carry forward financial culture with Chinese characteristics, and play the key role in serving the real economy and the ballast stone role in maintaining financial stability, so as to make greater contributions to building China into a great modern socialist country and advancing the great rejuvenation of the Chinese nation. We intend to achieve this through the following strategies:

Continuing to optimise our asset and liability structure.

We aim to optimise our business operations by focusing on new businesses with high-growth potential, including individual loans and loans to small and micro enterprises and medium-sized enterprises, as well as high-growth industries, such as strategic emerging industries, green industries, inclusive areas, private sector and agriculture-related areas, to further develop our customer base and targeted markets. We intend to maintain a prudent lending policy by promoting our businesses to customers in environmentally friendly sectors and reducing our exposure to industries with high energy consumption and over-capacity. The strategy of "No. 1

Personal Bank" will be prioritised to serve the real economy and commit to satisfying people's new expectations and demands for financial services. We intend to further mature the investment and financing system to support advanced manufacturing for high-quality development, promote financial development of small and micro enterprises and private enterprises and actively serve the livelihood-related consumption. We aim to proactively respond to national regional development strategies and strives to construct a network of collaborated development, featured development and optimised development among major regions. In line with the rural revitalisation strategy, it will focus on poverty alleviation.

We also plan to focus on low-cost demand deposits and interbank deposits in order to optimise our liability structure and achieve reductions in our cost of capital. In order to optimise our income structure, we aim to continue to focus on low capital consumption intermediary businesses (namely settlement, clearing and cash management, personal wealth management and private banking, investment banking, bank cards and emerging businesses) in order to diversify our business and achieve a more stable and balanced income structure.

Diversifying revenue and asset mix by expanding into higher growth non-credit exposure businesses.

We plan to diversify our revenue sources by continuing to develop our non-credit exposure businesses. We believe that many fee and commission-based products and services will experience stable growth over the next few years as the PRC economy continues to grow, the PRC financial services sector experiences further liberalisation and our customers' banking needs become more sophisticated. We plan to increase our support and investment in asset management and personal banking businesses and to expand into other non-credit exposure businesses such as financial insurance.

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

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

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

- In addition, in light of the opportunities presented as a result of increasing globalisation of the RMB, we plan to further develop our cross-border RMB businesses and to improve our RMB settlement system.

We believe that by offering a broader range of non-credit exposure products and services coupled with prudent risk management, we will not only improve customer satisfaction and attract new customers, but also create new revenue sources and improve our overall profitability.

Strategically expanding our traditional branch network and enhancing sales and marketing capabilities through electronic banking operations, cross-market and integrated operating platforms.

In order to further enhance the marketing of our products and services and to achieve greater operational efficiencies, we intend to fully leverage our advanced information technology platform and customer relationship management systems. We intend to actively cross-sell our products and services to our existing customers and provide enterprises with more flexible and diverse financial service options through our extensive network, cross-market and integrated operating platforms. Furthermore, we plan to expand our electronic banking operations through upgrading our technology platforms for mobile and internet banking

services to deliver more products and services to our customers in a timely, reliable and convenient manner and to further increase revenue derived from our electronic banking platform.

We will also improve on cross-market platforms to render better integrated services. We intend to construct the new ecosystem of internationalised development by steadily driving forward Renminbi internationalisation, striving to become the preferred bank for foreign exchange business and facilitating the opening-up at a higher level. We also seek to refine the layout of integrated development and connect the whole value chain of financial services, in a bid to satisfy customers' demand for "one-stop" financial services.

Continuing to invest in information technology infrastructure and to utilise advanced technology to support our growing business.

We aim to further invest in information technology infrastructure and to apply data analytics, cloud computing and mobile internet technologies in areas such as marketing and sales, customer services, product innovation and risk control in order to support our business, with a focus on the integration of finance and technology. "ECOS" stands for enterprise-level, customer-centred, open and smart. Since the official release of "ECOS" smart bank ecosystem strategy in 2019, we have reorganised the business structure and set up a new system of intra-group product consolidation, information sharing, process coordination and channel synchronisation. We have advanced "ECOS", promoted technology breakthroughs in key fields of core technologies, accelerated the transformation of cutting-edge technological research results into business value, and fully empowered digital transformation, to support overall business development with high-end technologies. We will continue to improve the ECOS tech ecosystem in a way that ensures "stability" of the system, "flexibility" of the architecture and "advanced nature" of technology so as to provide five engines for high-quality development, which are namely flexible architecture, high intelligent data fusion capability, new breakthroughs in the transformation of technical system, upgraded clouding of infrastructure and progress in agile research and development ("**R&D**"). Since the beginning of 2023, we have adhered to the concept of digital development and pressed forward with the development of D-ICBC in depth. With a focus on "serving customers, empowering employees", we continuously improved the two supporting systems of business and data technology, and accelerated the reform of business model and management process, empowering the high-quality business development by digital transformation.

Continuing to strengthen risk management and internal control systems.

We believe effective risk management is an essential component of our overall business strategy. We plan to continue to align our risk management and internal control capabilities with international best practices. We intend to continue to implement enhanced risk management procedures for credit exposures, such as improving our risk warning and early identification and prevention and mitigation capabilities. We are also instituting changes to further strengthen the independence of our internal control functions and to improve our bank-wide internal control systems. We also seek to continue to improve our risk management capabilities by enhancing our asset and liability management capabilities and by further centralising our risk management. We will continue to reinforce the "three lines of defence" in risk management and construct a comprehensive risk management system covering the whole staff and whole processes globally, to manage cross and imported risks, safeguard the lifeline of asset quality and prevent and resolve financial risks.

Enhancing employee performance through performance-linked incentive schemes and regular training and development initiatives.

We intend to continue to manage our human resources through various initiatives in order to support our business strategies. For instance, in 2023, with the focus on high-quality development of operations and centering on key areas of business development and competition, we assigned more human resources to strategic areas and improved operating capability by enhancing the quality and efficiency of human resources. Focusing on key areas such as sci-tech innovation, green development, emerging business, inclusive finance,

and digital transformation, we continued to propel the building of marketing, credit, technology, and data teams, improved talent cultivation, introduction, motivation, and utilization, and strove to build a high-level financial team that meets the requirements of building a financial robust country. We expedited the empowerment of sci-tech data, refined organisational functions, and improved the development mechanism for frontline employees to stimulate talent vitality. In addition, we carried forward the excellent traditional culture of China, adhered to honesty and trustworthiness, profit from righteousness, prudence, integrity and innovation, and compliance with laws, and continuously enriched and improved the corporate culture of ICBC in the new period. We have also developed quality training programs and conducted tiered and classified training sessions effectively, and we intend to continue to provide training and development programmes for our employees to enhance their skills and professional development. In terms of remuneration policy, we have adopted a remuneration policy that is in line with corporate governance requirements, in combination with high-quality development targets, in adaptation to risk management system and talent development strategy, and well-matched with employees' value contribution, so as to advance the sound operation and high-quality development of the whole bank. We believe that through these initiatives, we can attract, retain, motivate and develop a workforce of high quality.

OUR BUSINESS OPERATIONS

Our principal businesses include corporate banking, personal banking, asset management services and treasury operations.

Corporate Banking

Focusing on the services for the real economy, we optimised the guideline on corporate banking credit, reasonably expanded total financing, accurately supported key areas and weak links of the real economy, enhanced the adaptability of credit structure to the real economy, and ensured the targeted credit supply. We continuously improved customer structure, with a breakthrough made in medium customers. We promoted the in-depth development of systematic marketing, and accelerated the building of a customer structure composed of large, medium, small and micro enterprises and personal customers in balanced proportions. At the end of 2022, corporate loans reached RMB13,826,966 million, representing an increase of RMB1,632,260 million or 13.4 per cent. over the end of the previous year. Corporate deposits stood at RMB14,671,154 million at the end of 2022, representing an increase of RMB1,339,691 million or 10.0 per cent. over the end of the previous year. As at 31 December 2023, corporate loans reached RMB16,145,204 million, representing an increase of RMB2,318,238 million or 16.77 per cent. over the end of the previous year. Corporate deposits stood at RMB16,209,928 million as at 31 December 2023, representing an increase of RMB1,538,774 million or 10.5 per cent. over the end of the previous year.

We consolidated our credit advantage in the manufacturing industry. Guided by the strategies of building a great power in manufacturing and science & technology, we served the breakthroughs in core technologies of key industrial chains, and actively supported high-quality advanced manufacturing enterprises. We solidified the foundation of financial services for the manufacturing industry and launched a special platform providing financial support for the development of advanced manufacturing clusters in conjunction with the Ministry of Industry and Information Technology of the PRC. As at 31 December 2023, the balance of loans to manufacturing exceeded RMB3.8 trillion, representing an increase of RMB828,870 million or 27.3 per cent. over the end of 2022, maintaining a leading position in the industry in terms of both total amount and growth.

In 2023, we continued to optimise the construction of specialised technology finance institutions, established the head office's Technology Finance Centre, and preliminarily formed a four-level interconnective professional service system for the head office, branches, sub-branches and outlets. We deepened the "Chunmiao Action", and increased financing for technology enterprises. We strengthened the "equity, loan, debt and insurance" interconnection, granted more loans to SRDI enterprises, gave play to the role of sci-tech innovation in driving

the modern industrial system, and supported the virtuous circle of "sci-tech – industry – finance". As at 31 December 2023, the balance of loans to strategic emerging industries reached RMB2.7 trillion, representing an increase of RMB948,405 million or 54.1 per cent. over the end of 2022.

We continuously stepped up financial support for private enterprises and kept improving financial services for these enterprises. We held a private enterprise symposium, and released the Financial Support Action Plan for High-quality Development of Private Enterprises. The bank-wide "Five Emphases" series activities were held to support the high-quality development of private enterprises. We also held financial training programs for senior management of private enterprises.

We advanced the comprehensive development of green finance and kept our leading position in the industry. The *Opinions on Promoting the High-quality Development of Green Finance of ICBC* were developed, upgrading the seven major systems of green finance, including layout, products, risk control, management, research and organization. At the end of 2023, the balance of green loans by the statistical standard of the NAFR reached nearly RMB5.4 trillion, representing an increase of nearly RMB1.4 trillion over the end of 2022.

In 2023, we endeavoured to support the major strategies and key fields in relation to the high-level opening up and the Belt and Road Initiative. We also held a forum on facilitating the optimisation of business environment for foreign investment, and released a financial proposal for foreign-invested enterprises at the forum. We provided full-spectrum financial services for over 120,000 foreign-invested enterprises to come to China for business development and expansion. In the fields of ensuring the supply of strategic resources, serving Chinese manufacturing enterprises "Going Global", and supporting infrastructure connectivity and green and low-carbon development, we vigorously supported Chinese enterprises in laying out high-quality resources abroad, advanced manufacturing enterprises in making the best of both domestic and overseas markets, and pushed forward the implementation of landmark infrastructure projects. In 2023, we were awarded the "Best Domestic Bank for Belt and Road" by *Global Finance* and the "Project Finance House of the Year" by *The Asset*.

Corporate Loans

Corporate loans represent the largest portion of our loan portfolio. Our corporate loans include short-term loans and medium to long-term loans. As at 31 December 2021, 2022 and 2023, our corporate loans were RMB12,194,706 million, RMB13,826,966 million and RMB16,145,204 million, respectively. We actively supported the constructions of ongoing infrastructure projects and major projects for making up shortcomings and offered prominent support to the high-quality development of manufacturing, meeting funding requirements of customers in anti-epidemic service sectors for continuing operations. In the year ended 31 December 2023, we continued to increase credit allocation to key areas such as manufacturing, strategic emerging industries, inclusive finance, green finance and rural revitalization. Our corporate loans in key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region continued to grow.

We provide short-term loans with maturities of up to one year to our corporate banking customers. A substantial majority of our short-term corporate loans are working capital loans including trade finance loans. In addition, we provide our corporate banking customers with bills discounting, factoring and forfeiting loans. As at 31 December 2023, the balance of our short-term corporate loans amounted to RMB3,681,064 million, accounting for approximately 14.1 per cent. of the balance of our total loans.

Our medium to long-term corporate loans generally feature terms ranging from one year to 10 years and primarily comprise project loans and property loans. As at 31 December 2023, the balance of our medium to long-term corporate loans amounted to RMB12,464,140 million, accounting for approximately 47.8 per cent. of the balance of our total loans.

In recent years, we have adopted the following measures to promote the stable growth and structural optimisation of our corporate loans business:

- in response to changes in the macroeconomic environment, we optimised the distribution of our lending and further adjusted our credit structure to promote the stable and healthy development of our credit business;
- we proactively provided support for the real economy, satisfied funding needs of key national and regional projects and extended more loans to Central and Western China and Northeastern China;
- we allocated additional financial resources to key industries and quality customers so as to support key national projects under construction and expanded our businesses in areas such as urbanisation-related industries, basic industries and infrastructure, energy and resources, modern services industries, advanced manufacturing, cultural industries, environmental protection, energy conservation and modern agriculture;
- we strengthened the management of our lending to LGFVs and controlled loans to the real estate industry and industries with over-capacity, and gave financial support to various energy conservation and emission reduction projects;
- we accelerated the development of our supply chain financing, including providing e-supply chain financing products in order to enhance the development of trade finance and small and micro enterprises and medium-sized enterprises credit business; and
- we increased our efforts to compete for major corporate customers and industrial leaders and sought new customers among core enterprises and upstream and downstream small and micro enterprises and medium-sized enterprises of supply chains, in an effort to achieve balanced growth of high quality large, medium and small corporate customers.

Corporate Deposits

We provide corporate banking customers with multiple demand and time deposit-taking services in RMB and major foreign currencies. Corporate deposits constitute our major source of funds. In response to challenges posed by the liberalisation of interest rates, we leveraged our advantages in integrated financial services such as corporate wealth management, cash management, E-banking and assets custody to increase our market competitiveness in the corporate deposits business.

As at 31 December 2021, 2022 and 2023, the balance of our corporate deposits amounted to RMB13,331,463 million, RMB14,671,154 million and RMB16,209,928 million, respectively.

Inclusive Finance

We have always regarded the development of inclusive finance as an important measure to serve the real economy and realise its transformation and development.

Catering to customer demands, we continuously improved the coverage, accessibility and satisfaction of inclusive financial services, and made efforts to alleviate the difficulties of small and micro customers in accessing financing. In 2023, we were awarded the “Best Inclusive Financial Service Bank of the Year” by the *Financial News* (China). Our inclusive finance services that combined financing, consulting and commercial services were awarded “Example Cases of Innovative Service Delivery” by China International Fair Trade in Services for the third consecutive year in 2023, and the innovation case of our digital inclusive product - “Planting e Loan” was awarded the “Outstanding Case of Inclusive Finance Service Innovation of the Year” in 2023 by *The Chinese Banker*.

Our product system has become increasingly compatible. A digital inclusive centre was set up to improve the development mode of digital inclusive. We launched a new-generation Quick Lending for Operation featuring open application and flexible withdrawal, upgraded digital credit products, and significantly improved the capability and coverage of inclusive finance services. We simplified the "Online Revolving Loan" procedures, advanced the direct connection of mortgage registration system, improved processing efficiency, launched innovative scenarios such as "Personal e-Enterprise Quick Loan", and expanded credit support for self-employed businesses. Focusing on the key fields of supply chain, we developed a customised financing plan to stabilise, consolidate and reinforce the supply chain. With the standardised product system, we accurately focused on regional and customer characteristics, furthered innovation in specific scenarios for branches, and improved the pertinence and adaptability of services for small and micro customers.

Our channel operation has become increasingly efficient. We actively developed an integrated online and offline small and micro customer service model, making inclusive finance services accessible. We developed an inclusive edition of mobile banking online to provide a one-stop exclusive service channel for inclusive finance. We strengthened the inclusive finance service capability of outlets, and expanded the coverage of inclusive services of outlets.

Our risk control system has become increasingly sound in 2023. In order to apply technology to risk control, we established and improved a multi-dimensional credit risk prevention and control system for "One Customer + N Products", and developed a full-process risk management system featuring "data driven, intelligent warning, dynamic management and continuous operation". We combined digital risk control with loan management by experts, and strengthened online and offline cross-validation to effectively identify risks. We have achieved "active prevention, smart control and comprehensive management", laying a solid foundation for sustainable development of inclusive finance.

Our comprehensive services have been increasingly considerate. We improved the comprehensive service system that combined financing, consulting and commercial services, creating a sound ecosystem of growing with small and micro enterprises. We promoted a series of activities such as "ICBC Inclusive Finance Travel" and "Visiting Tens of Thousands of Enterprises, Enhancing Confidence and Improving Services", promoted the "ICBC Business Matchmaking" and "Agricultural Matchmaking" platforms, and provided one-stop services such as product recommendation, supply and demand matchmaking, and financing support.

As at the end of 2023, the balance of inclusive loans exceeded RMB2.2 trillion, representing an increase of 43.7 per cent. over the beginning of the year; and the number of our inclusive loan customers reached 1,467 thousand, representing an increase of around 451,000 over the beginning of the year. In 2023, the average interest rate of inclusive loans newly granted in the year was 3.55 per cent., which significantly reduced financing costs for small and micro enterprises.

Institutional Banking

Our institutional banking businesses include financial services provided via our cooperation with securities companies, insurance companies, other banks, governmental agencies and futures companies.

In recent years, we have carried out various strategic initiatives to enhance the sustainable development of our institutional banking business. We offer diversified financial services to institutional customers covering assets, liabilities and intermediary services. We have improved financial services relating to the livelihood of our customers, such as social insurance, housing allowance, finance, education and medical care.

In 2023, we cooperated with local governments throughout China to show our responsibilities as a large bank. We facilitated the reform of the national fiscal system and assisted the central budget units in launching the integrated system of agency fiscal budget. We served the circulation of fiscal funds in a safe and efficient manner as well as the centralized payment on behalf of the treasury. More than 400 political and legal organ customers

at all levels have been unveiled on the "Intelligent Politics and Laws", a political and legal case fund management platform, including over 200 unveiled in 2023. We consolidated the foundation of a lead bank for social security business, with more than 4,000 "social security-bank integrated outlets" in China, ranking first among our peers.

We also collaborated with our peers in serving the real economy. We developed a financial industry consortium with the characteristics of ICBC, to jointly support the real economy. We assisted China Securities Depository & Clearing Corporation Limited in successfully completing the first batch of cross-border fund clearing on newly added Southbound Trading Link trading days, and established a comprehensive partnership with China Trust Protection Fund Co., Ltd. In 2023, we have ranked first in the market for five consecutive years in terms of innovative services to meet the financing needs of small and medium-sized enterprises, and newly added bill brokerage customers that have signed contracts with us. We joined forces with key property insurance companies to promote enterprise risk management solutions for 10 industries on a pilot basis, in order to support enterprises in forestalling and defusing production and operation risks. We deepened strategic cooperation with the Beijing, Shanghai and Shenzhen stock exchanges, actively participated in capital market reform and innovation, and developed an exclusive interactive service model for commercial banking and investment.

Our cooperation with peers in digital finance was advanced in 2023. We pressed forward with the output of digital projects such as data analysis, data security, digital transformation consulting and data platforms to peers, launched the bill brokerage functions of Xingnongtong APP, enriched the scenarios of acquiring third-party depository customers of the "Intelligent Brain" and "Ma Shang Ying" digital platforms, and continued to empower the digital transformation of financial peers.

Settlement and Cash Management

We provide domestic clearing and settlement services for our customers and comprehensive services such as centralised payments and cash management for large companies and their subsidiaries.

We have expanded our cash management services into financial asset management and have developed a variety of management products such as management of account transactions, liquidity management, supply chain finance, investment, risk management and wealth management. We offer personalised and professional cash management service plans to meet the cash management needs of rapidly developing industries, including cultural industries, logistics, tourism, high-tech industry and equipment manufacturing. We built the brand system called "Caizhi Account" as the core brand to enhance our influence in the cash management market.

In recent years, we have implemented cluster marketing strategies to strengthen the marketing of important products, enhance the establishment of channels for corporate customers and optimise our customer structure. The "Enterprise Link" service integrating functions such as industrial and commercial registration, account opening, internet banking and settlement was selectively rolled out at certain locations for a full range of comprehensive, one-stop services for new registrants. The functions of the Caizhi Account were improved to enable inter-bank point-of-sale card transactions and self-service small deposit and withdrawal.

With diversified products and services, we offer comprehensive cash management solutions to corporate customers such as information services, account management, liquidity management, collection and payment management, short-term investment and financing service and risk management. We provide corporate groups with centralised treasury management services of cross-border bilateral RMB cash pool, centralised operation management services for cross-border funds and cross-border cash management services based on domestic and overseas treasury management policies. In recent years, we were named the "Best Cash Management Bank in China" by *The Asset*, *Global Finance* and *The Asian Banker*. In 2023, we were awarded the "Best International Cash Management Bank in China" for eight consecutive years by *The Asian Banker*.

We continued to deepen the digital transformation of settlement finance, and improved corporate account services to continuously improve the depth and breadth of settlement financial services, and effectively boost the high-quality development of small and micro enterprises. We actively responded to and implemented the national policy of reducing fees, and steadily promoted reduction of fees for small and micro enterprises and self-employed businesses. In 2023, we benefited 10.44 million small and micro enterprises and self-employed businesses, living up to the responsibilities of a large bank.

We developed a one-stop, comprehensive and digital service solution for enterprises' treasury, integrating FinTech capabilities in 2023. We improved the treasury information system to assist enterprises in improving their fund management and preventing fund management risks. We enriched treasury management cloud services and created a differentiated and matrix-based financial management service system. We facilitated state-owned enterprises to deepen reform, and extended treasury services to local state-owned enterprise customers. We have established cooperation with hundreds of provincial and municipal state-owned enterprises in treasury services.

We profoundly participated in the building of overseas treasury centres for multinational enterprises, assisted Chinese-funded enterprises in going global through internal and external collaboration, and provided customers with global treasury comprehensive solutions relying on our global network, domestic and overseas integrated technology system and professional service team.

As at 31 December 2023, we maintained approximately 13,738 million corporate settlement accounts, representing an increase of approximately 1.46 million over the end of 2022. We had approximately 2.03 million cash management customers, including 11,563 global cash management customers.

International Settlement and Trade Finance

In recent years, we have accelerated the development of our international settlement and trade finance business and actively promoted our brand, and we believe we have established a competitive edge in the international business area through the following initiatives:

- we leveraged our advantages in domestic and foreign currency business and close interaction between domestic and overseas branches and improved our product portfolios by integrating financing, settlement, wealth management and trading to better serve the needs of our import and export enterprise customers;
- we accelerated the expansion of global supply chain products, integrated products denominated in RMB and foreign currencies and optimised our business structure;
- we launched an import aval business and e-presentation of documents of letter of credit, and rolled out a global documents management system, further enhancing the centralised processing efficiency of our documents management business;
- we strengthened our systems for checking trade backgrounds to prevent false transactions and arbitrage behaviours of enterprises;
- we participated in cross-border RMB pilot programmes in many regions, including the Shanghai Free Trade Zone, Khorgos Xinjiang and Qianhai Shenzhen, and participated in the launch of various innovative services and products such as two-way RMB cross-border cash pooling and overseas RMB lending; and
- we improved the "ICBC Cross-border Express" product system and launched innovative RMB cross-border products such as Direct Financing Express, agreed-upon payment and structural financing.

In recent years, relying on the intensive advantage in customs import and export data, we launched a "single window" financial service in an innovative manner, and became one of the first batch of pilot banks which

directly connected with the cross-border financial blockchain service platform of SAFE. To support the development of new business patterns such as cross-border e-business, we strengthened cooperation with domestic and foreign payment institutions, cross-border e-business platforms and other different customers in cross-border payment, and launched the "Cross-border e-Business Connect", a comprehensive service platform. In terms of cooperation projects under the Belt and Road Initiative, we further deepened trade finance and cross-border finance in support of such projects. In 2023, we also leveraged our advantages of a global clearing network to upgrade global cash management services such as "ICBC Global Pay", providing strong support for the global operation and digital transformation of multinational institutions. We enhanced the capability of one-stop, comprehensive, and digital services for enterprises' financial and asset management, continuously improved the treasury service system, and assisted in building the treasury system for large and medium-sized customers.

Investment Banking

Our investment banking business mainly includes regular financial advisory services, enterprise credit services, investment and financing advisory services, syndicated loan arrangement and management services, corporate assets and debt restructuring services, corporate acquisition and merger services, asset securitisation services, credit capital transfer and trading services, underwriting of corporate debt financing instruments such as commercial paper, medium-term notes and financial bonds, direct investment advisory services, financial advisory services for corporate issuance of equities and bonds and services for equity investment funds.

We provide diversified financing services for our corporate customers, quality investment products for our high net-worth customers and restructuring and mergers and acquisitions services for our corporate customers with global operations.

We actively implemented the country's key strategies through "M&A plus" full-process services, with a focus on strategic emerging industries, sci-tech innovation and green industry development. In 2023, by the number of mergers and acquisitions ("**M&A**") deals led by us, we ranked first in Refinitiv's ranking of Any Chinese Investment Completed, and was awarded the "Best Bank for M&A in China" in 2023 by *Global Finance*.

In 2023, we supported the high-quality development of sci-tech innovation enterprises through diversified equity financing and improved the financial service support system featuring "equity, loan, debt and guarantee" interconnection. We enriched equity financing products and optimised the multidimensional and multi-level equity business system of "branch + subsidiary", "primary market + secondary market", and "financing + consulting", to enhance financial services for enterprises throughout the whole lifecycle.

We assisted in rehabilitating existing assets in line with the needs of governments and enterprises, and provided comprehensive financial support for expanding effective investment, mitigating debt risks, and serving the real economy. We expanded the full-scenario asset securitisation services for enterprises, optimised the full-process services of "REITs+", and launched the first Belt and Road asset securitisation project in China as a project arranger.

We developed our restructuring consulting service model, enriched the product "toolkit", and helped enterprises improve operating quality and efficiency, thus effectively preventing and defusing financial risks. We integrated the advantages of industry research, risk control, and FinTech resources of the Group to provide customers with professional consulting services such as financial advisory, risk control advisory, and management consulting. Relying on the "ICBC e Security" big data risk control platform, we assisted customers in achieving early risk identification and warning.

For the years ended 31 December 2021, 2022 and 2023, our investment banking income was RMB22,416 million, RMB19,586 million and RMB20,060 million, respectively, representing a decrease of 12.6 per cent.

from 2021 to 2022, mainly due to the decrease in fee rates for our investment banking business and a slight increase of 2.42 per cent. from 2022 to 2023.

In 2023, we continued to consolidate its advantages in bond underwriting, and underwrote 95 ESG bond projects, with a total proceed of RMB450,090 million. As a lead underwriter, our total underwriting amount of such ESG bonds amounted to RMB112,875 million in 2023.

Discounted Bills

Through such products and services as "ICBC Manufacturing Companionship", "ICBC Rural Revitalization Discounting" and "ICBC i Green Discount", we intensified bills financing services in 2023 for key fields such as sci-tech innovation, advanced manufacturing and green development, as well as key strategies such as "SRDI" and "rural revitalisation". We also promoted the transformation and development of bill business through operation innovations, including adopting a flexible interest rate strategy, speeding up turnover and building a bill purchase platform.

As at 31 December 2023, our discounted bills amounted to RMB1,287,657 million, representing an increase of 12.1 per cent. as compared to the end of 2022 and kept the leading position in the market. In 2023, we were awarded "Excellent Integrated Bank", "Excellent Discount Institution", "Excellent Trading Institution", "Excellent Settlement Institution" and "Excellent Innovative Product Cooperative Institution" by Shanghai Commercial Paper Exchange. As at 31 December 2023, our discounted bills amounted to RMB1,287,657 million.

Personal Banking

Our personal banking products and services include savings deposits, personal loans, private banking, bank cards, personal wealth management and others.

In 2023, we deepened the implementation of the strategy of building the "No.1 Personal Bank". Catering to customers' needs to spend money, make money, borrow money and manage money, we built a new ecosystem of wealth management, consumer finance, payment and settlement, and account management services, and accelerated the transformation of business operation mode focusing on the building of "master payment account — master wealth account — master relationship account" of personal customers.

Our transformation of operation was accelerated in 2023. We promoted the transition from "selling products" to "serving customers", integrated service resources, created new services and products and optimised service process based on customer demands, and realised our value by creating value for customers. We built a multi-layer customer segmentation system for all customers, and seized new markets and new opportunities such as counties, new urban residents, personal pension, and Generation Z. We expanded customer sources in batches, developed exclusive products and services, and cultivated exclusive brands. We deepened the digital transformation of personal banking, and leveraged digital technology to serve customers and empower employees. In terms of serving customers, we built a coordination centre for implementing the "Intelligent Brain" marketing strategy, refined marketing services targeted at all customers, and deeply implemented the "intelligent experience" project. By establishing a closed loop of management for identifying and resolving customers' problems, we effectively improved customers' satisfaction and experience. In terms of empowering employees, we created a digital intelligent management platform for personal banking (DIMO) and "Marketing Express" personal account manager work platform to improve work efficiency and effectiveness.

In 2023, our high-quality business development was pushed forward. We kept improving the customer fund circulation ecosystem, accelerated the innovation of personal deposit products, and developed exclusive deposits and wealth management products for key customers, to better meet the differentiated service needs of different customer groups. Faced with the new situation of significant changes in the supply and demand relationship of the real estate market in 2023, we pursued city-specific differentiated policies to meet the rigid

and improving housing needs of residents, and actively and prudently adjusted the interest rates of existing residential mortgages. We increased personal business loans and consumer loans focusing on areas such as self-employed business, private economy and bulk consumption. We launched innovative student loans based on the needs of college students at different stages, including enrolment, study, and graduation.

We focused on creating customer value. With the goal of asset preservation and appreciation for customers, we enhanced investment research capabilities, created open product shelves, and comprehensively promoted wealth communities and intelligent asset allocation services in 2023. An integrated online and offline business pattern has been established to meet customers' personalised and companionship wealth management needs. The "ICBC Wealth" brand has been established. The "Money Link Account" service brand was launched, providing full lifecycle account services that cover intelligent account opening, intelligent account management, and intelligent account protection. We improved the process of featured debit cards and personalized services, and steadily increased the penetration rate of basic settlement products such as third-party payments and ICBC Messenger. In 2023, we were awarded the "Best Wealth Management Bank in Asia Pacific" and "Best Digital Brand Campaign" by *The Asian Banker*, and the "Outstanding Retail Bank" and "Outstanding Wealth Management Bank" by JRJ.com.

At the end of 2023, the number of our personal customers increased to 740 million and the assets under management totalled RMB20.71 trillion. Specifically, personal deposits reached RMB 16,565,568 million as at 31 December 2023, representing an increase of RMB2,020,262 million or 13.9 per cent. over the end of 2022. Personal loans stood at RMB8,653,621 million as at 31 December 2023, representing an increase of RMB 418,996 million or 5.1 per cent. over the end of 2022. As at 31 December 2023, funds under agency sales amounted to RMB419.7 billion, government bonds under agency distribution were valued at RMB52.2 billion, and personal insurance products under agency sales were reported at RMB97.4 billion.

Private Banking

With the implementation of our globalisation strategy, we have established private banking network and service teams in many countries and regions, among which the Asia-Pacific region is the key area. Our key offshore institutions providing private banking services include but not limited to ICBC (Asia), ICBC (Macau), ICBC International and ICBC Singapore Branch.

In 2023, we strengthened the full-journey construction of customer services, advanced customer segmentation services, and built a full-chain product service ecosystem composed of "research, selection, selling and management". We created a new paradigm for serving entrepreneurial customers and released the entrepreneurial partner banking service system with the theme of "Forwarding with Our Partners for Entrepreneurial Glory". We have set up approximately 900 "Entrepreneurs Service Centres". To achieve the upgrading and promotion of family trusts, we collaborated with partners to release the innovative "Collective Charity Trust Service Ecosystem" version 2.0 (Donor-advised Fund model), and won the "Shanghai Financial Innovation Award of the Year" from the Shanghai Municipal Government. We collaborated with partners to launch the "Prolong Life Joyfully" series of special purpose family trust for elderly care in an innovative manner, thus solving customers' pain points in the field of elderly care security. We also advanced the implementation of family office comprehensive consulting services.

In 2023, we were awarded the "Best Entrepreneur Client Service in Private Banking in China" by *The Asian Banker* and the *Wealth*, and the "Best Private Bank for Big Data Analytics and AI in China" by the *Financial Times* of the UK.

At the end of 2023, we maintained approximately 0.26 million private banking customers, representing an increase of approximately 36,900 or 16.3 per cent. from the end of 2022. The assets under management totalled RMB3.07 trillion, representing an increase of RMB443.1 billion or 16.9 per cent over the end of 2022.

Personal Deposits

We provide demand deposits and term deposits in RMB and foreign currencies. We targeted important customer groups, constantly expanded our customer base and optimised the customer structure. Adapting to the trend of interest rate liberalisation, we enhanced our management of interest rates. The synergetic development of our wealth management products and savings deposits promoted improved circulation of customer funds within our system.

As at 31 December 2021, 2022 and 2023, the balance of our personal deposits amounted to RMB12,497,968 million, RMB14,545,306 million and RMB16,565,568 million, respectively, representing an increase of 16.4 per cent. from 31 December 2021 to 31 December 2022, and an increase of 13.9 per cent. from 31 December 2022 to 31 December 2023. As at 31 December 2022, our personal demand deposits and personal time deposits rose by 11.1 per cent. and 20.4 per cent., respectively, compared to such deposits as at 31 December 2021. As at 31 December 2023, our personal demand deposits and personal time deposits rose by 1.5 per cent. and 22.5 per cent., respectively, compared to such deposits as at 31 December 2022.

Personal Loans

Loans to personal customers include residential mortgages, personal consumption loans, personal business loans and credit card overdrafts. Personal loans are a major component of our personal banking business. In recent years, residential mortgages have become an important component of our personal loans business and have been growing in a steady and healthy manner. In light of our consumers' changing consumption patterns and transaction practices, we applied "Easy Loan" in a wider scope. "Easy Loan" is an unsecured retail consumer loan product characterised by small value, speed and convenience designed to meet our customers' varied financial needs. Our personal customers can pledge their financial assets and quickly and conveniently obtain loans by providing different kinds of collaterals.

As at 31 December 2021 and 2022, our personal loans amounted to RMB7,944.8 billion and RMB8,236.6 billion (original), respectively, representing an increase of 3.7 per cent. in 2022 as compared to 2021. As at 31 December 2022 and 2023, our personal loans amounted to RMB8,234.6 billion (restated) and RMB8,653.6 billion, respectively, representing an increase of 5.1 per cent. in 2023 as compared to 2022. Our residential mortgages as at 31 December 2022 rose by 1.1 per cent. compared to such mortgages as at 31 December 2021 and our residential mortgages as at 31 December 2023 decreased by 2.2 per cent. compared to such mortgages as at 31 December 2022.

Bank Cards Business

We provide personal customers with comprehensive bank card products and services, including single-currency and dual-currency credit and debit cards. Our "Peony Card" brand is one of the most renowned bank card brands in the PRC. In recent years, we have improved bank card service quality, increased bank card product development and further solidified our leading position in the PRC bank card industry.

Under the framework of "GBC+", we deepened the basic project of merchant marketing, continuously expanded the coverage of financial services for merchants, and provided a package of comprehensive services. In 2023, the total number of merchants has exceeded 12 million, and the acquiring transaction value has reached RMB4.5 trillion. Service quality and efficiency have been improved markedly. We carried out an action to "stimulate domestic demands and consumption in cooperation with tens of millions of merchants to offer preferential services for hundreds of millions of customers" and more than 500 "ICBC I GO" sales promotion activities focusing on the clothing, food, housing, transportation, sports, tourism, and entertainment of residents.

We were the first one among domestic financial institutions to support the building of a cultural tourist station, and increased credit support for automobiles, home decoration and other bulk consumptions, to help expand domestic demand and stabilize economic growth.

A new ecosystem of lifestyle services based on ICBC e Life 6.0 platform was created in 2023. In cooperation with high-quality top platforms, we developed eight ecosystems composed of "takeout, catering, tourism, shopping, supermarket, theme parks, digital movie, and car owner life", and three life circles of "office life, community life, and scenario life", achieving mutual promotion between B end and C end, enriching the rights and interests service system, and providing better customer feedback.

In 2023, our product innovation was also intensified. We developed innovative ride codes across Hong Kong, Macao and Zhuhai. We simultaneously issued fashionable Macao-themed cards at home and abroad. The "China-Laos Railway" online ticketing APP acquiring project was developed and put into service. To support the payment acceptance for the International University Sports Federation ("**FISU**") World University Games and the Asian Games, we launched "tied foreign card" products in an innovative way, ensuring the convenience of mobile payments for overseas visitors to China, and providing a "safe, efficient, diverse and convenient" payment environment.

Bank card business generated a fee income of RMB17,906 million for the year ended 31 December 2023, representing an increase of RMB170 million or 1.0 per cent. as compared to 2022.

As at the end of 2023, we had issued approximately 1,230 million bank cards, up 10.88 million over the end of 2022, including around 1,077 million debit cards and 153 million credit cards. The balance of credit card overdrafts was RMB689,731 million. In 2023, ICBC bank cards registered a spending volume of RMB20.84 trillion, including RMB18.60 trillion from debit cards and RMB2.24 trillion from credit cards.

Credit Cards

In terms of the number of credit cards issued and the total number of customers, we are the largest credit card issuing bank in the PRC. We offer RMB credit cards, dual-currency credit cards and multi-currency credit cards. we meet our customers' unique needs by leveraging our advanced technology and service capabilities.

In recent years, with the rapid development of internet, we have created a batch of new credit card products with warmth, sentimentality and thought based on the development concept of "customising products", and gradually formed the ICBC credit card products system covering over ten different customer groups. In 2017, in contemplation of the "hardworking" spirit, we created Fendou Card targeting the sentimental customers. In the same year, in order to meet young customers' payment needs, we issued Constellation Card with constellation features that were well loved by young customers. In 2019, we launched the Forbidden City credit card with the collaboration of the Palace Museum, achieving the brand new "culture + finance + technology" cooperation model, demonstrating national self-confidence and promoting cultural confidence. In the same year, closely followed the national ETC development strategy, we launched the ICBC ETC credit card with the benefits of having 5 per cent. cashback for refuelling and 70 per cent. off for instalment rates etc., promoting the national ETC development strategy. In addition, we also have many products exclusively for frequent travellers such as ICBC Global Travel credit card, co-branded credit cards with different airlines and hotels, serving the business and personal travel market and boosting the consumption upgrades.

We stick to the "customer first" principal, focusing on customer feedback and the quality of service. Starting from 2017, we carried out series of promotions for "I GO" credit cards, bringing benefits to the customers. We also provided various services related to travel and capital security insurance to the customers such as lounges at airports and high-speed railway stations, valet parking, fast security check etc. which were well loved by the customers. Based on the innovative application of internet financial technology, we were the first to offer the safe and convenient online acquiring services without bank card in the PRC. We were named "No. 1 Credit

Card Brand in China" by the Ministry of Industry and Information Technology, won the Global Finance "Best Commercial Corporate Credit Card", awarded "2020 Credit Card Risk Technology Improvement" by The Asian Banker. The constellation credit card and the Chinese zodiac credit card won the "ELAN – Best Safe Payment Card" and "ELAN – Most Popular Award" Gold Award in 2018 and 2019 by the International Card Manufacturers Association. We also received the "Best Risk Control in Asia-Pacific" from Visa Inc.

Debit Cards

We issue RMB debit cards and dual currency debit cards, such as RMB-U.S. dollar debit cards, to our customers. In recent years, we adopted measures to improve the safety of chip cards, promoted single chip cards and improved card replacement services. Chip cards have wider industry applications such as social security, medical care, transportation, education and electronic identification, as one card could be applied in many sectors.

Asset Management Services

Our asset management services include wealth management services, asset custody services and pension services.

In recent years, we have adopted the following measures to promote stable growth and optimise the structure of our financial asset services:

- we engaged in cross-industry cooperation and competition with other institutions in order to seize the market opportunities for asset management services and satisfy our customers' needs for the management of their financial assets;
- we consolidated our advantages in wealth management, custody and pension businesses and the functions of subsidiaries specialised in investment banking, funds and insurance;
- we expedited the establishment of an integrated business operation system covering domestic and overseas regions across different lines of business; and
- we built a full-service asset management platform covering a wide range of markets and clients.

Actively seizing opportunities for development, we enhanced our investment management and research capabilities on all fronts in 2023 and tried to satisfy diversified financial demands at the two ends of product and investment. At the product end, we improved the professionalism of financial services such as wealth management, mutual fund, insurance, pension fund, etc. and developed the "ICBC Asset Management" brand to satisfy customers' demands for wealth preservation and appreciation. In terms of wealth management, we leveraged our advantage in inclusive wealth management service to better satisfy the diversified demands of investors, and saw a rapid growth of key inclusive finance customers, including new urban residents, rural residents and self-employed businesses. In terms of fund, we actively catered to the diversified demands of investors and bettered companionship for them by tapping into its comprehensive advantages such as great business varieties, a rich product system and good performance in medium- and long-term investment. In terms of insurance, we vigorously explored the issuance of insurance asset management products, strengthened our diversified investment and project development capabilities, and actively enhanced the quality and efficiency of our response to customer demands. At the investment end, we fully capitalised on the wealth management, fund and insurance licenses of its integrated subsidiaries, focused on product selling through various channels, project recommendation, risk control and assessment, and intensified supports to investments in high-end manufacturing, SRDI enterprises, inclusive small and micro enterprises, sci-tech innovation, green development and so on, in a bid to fuel China's modern economy system building with new development philosophy. In 2023, we enhanced the capability of one-stop, comprehensive, and digital services for enterprises' financial and asset

management, continuously improved the treasury service system, and assisted in building the treasury system for large and medium-sized customers.

Wealth Management Services

We offer comprehensive asset management services to different types of clients, including individuals, corporate clients, private banking clients and institutions. In recent years, we reformed our profit centres, optimised our procedures for wealth management product development, investment management and risk management and promoted the standardised, sustainable and orderly development of the business. Also, we adapted our products in order to meet the demands of various types of customers with different risk-reward features and investments in different types of markets.

We optimised product issuance and marketing strategies, and at the same time expanded online and off-line sales channels. As a result, our customers can access our wealth management products online.

On 22 May 2019, the former CBIRC approved the opening of ICBC Wealth Management Co., Ltd. ("**ICBC Wealth Management**"). As a wealth management banking company approved to open in the first batch, ICBC Wealth Management's registered capital was RMB16 billion. It mainly focuses on asset management related businesses such as public and private offering of wealth management products, and wealth management consulting and advisory services. The establishment of ICBC Wealth Management would allow us to focus on the three tasks of serving the real economy, preventing and controlling financial risks, and deepening financial reform, implement regulatory requirements, promote our wealth management business to develop healthily and adhere to the origin of asset management.

We implemented the New Rules on Asset Management and regulatory requirements, seized the market development opportunities, and cultivated qualified investor customer groups. We adhered to investment research and technology empowerment, steadily reduced existing wealth management size and improved duration management.

For the years ended 31 December 2021, 2022 and 2023, the net fee and commission income generated from our personal wealth management and private banking services amounted to RMB30,001 million, RMB26,253 million and RMB22,582 million, respectively.

Asset Custody Services

As the first asset custody bank in the PRC, we have established a complete custodial service system after 22 years of development and innovation, in order to provide customers with comprehensive custodial services. At present, our custody products include but are not limited to securities investment funds, insurance assets, commercial bank wealth management products, pension assets, securities company customer asset management plans, trust plans, QDII assets and QFII assets. Our custody service is embedded in the whole process of customer asset management. We can provide customers with basic custody services such as asset custody, fund clearing, accounting, asset valuation, investment supervision and information disclosure, as well as value-added custody services such as performance analysis, information consultation, transaction convenience and investor services. At the same time, we can provide customers with outsourcing services such as valuation accounting and registration of various asset management products.

Since 2018, following the development of the asset management industry, the opening of domestic capital markets globally and the reform of the pension insurance system, we have managed three strategic allotment funds and promoted the transformation of our net wealth management by providing integrated services of "custody + outsourcing". We won the bid for the central and provincial occupational annuity custody qualifications ranking the first place among all bidders, obtained the Chinese Depository Receipt depository qualification approved by the former CBIRC and successfully conducted the first global depository receipts ("**GDR**") depositary business in the market – Huatai Securities GDR domestic basic securities custody,

becoming the first custodian bank to participate in "Shanghai-London Stock Connect" programme. In addition, we maintain a leading position in the fields of public funds, corporate annuities, insurance, bank wealth management and global custody in the PRC. We were in the first batch of receiving "Shanghai-London Stock Connect" deposit qualifications and the first bank to conduct GDR trusteeship and marketing Chinese depository receipt ("**CDR**") depository business in the market.

In 2023, we continued to refine product structure, and provided innovative custody services for broad-based index funds such as STIB 100 ETF, CSI 2000 ETF and BSE 50 Index, as well as theme index funds such as SOE ETF and Sci-Tech Innovation Theme ETF. We provided custody service for the first new energy REITS product in the market. We stayed ahead of its peers in terms of the scale of "Southbound Bond Connect" custody business and the number of clients. At the end of 2023, the insurance assets under custody totalled RMB7.0 trillion, the mutual funds under custody amounted to RMB3.7 trillion, and the pension funds under custody of us stood at RMB2.8 trillion, all ranking first in the industry. We also accelerated service innovation. We held a custody innovation cooperation forum, to disseminate custody service and its concept of "integration for win-win results, and building ecosystem", opening a new chapter in platform-based ecological development. In 2023, we were awarded the "Best Custodian Bank in China" by *The Asian Banker*, the "Model Custodian Bank for Mutual Funds over 25 Years" by the *China Fund News* and the "Tianji Award for Outstanding Asset Custodian Bank" by the *Securities Times*.

At the end of 2023, the insurance assets under our custody totalled RMB7.0 trillion, the mutual funds under custody amounted to RMB3.7 trillion, and the pension funds under our custody totalled RMB2.8 trillion, all ranking first in the industry.

As at 31 December 2021 and 2022, the total net value of assets under custody was RMB19,980.9 billion and RMB20,047.7 billion (original), respectively, representing an increase of 0.3 percent. At the end of 2023, the size of our custody business (excluding the fund supervision business) stood at RMB21.9 trillion, which included assets under administration of RMB2.4 trillion.

Pension Services

In recent years, leveraging on the strengths of our business qualifications, professionality, service experience, service network, information systems, customer resource and market reputation, we have promoted the development of our pension businesses.

Also, diversifying the product system, we optimised our integrated enterprise annuity scheme "Ruyi Pension Management" and serial pension-related wealth management products "Ruyi Benefit Plan" and issued Taikang Golden Banking Co-brand Card for Special Medical Services. A variety of service channels including sales outlets, internet banking, telephone banking and mobile banking were made available, enabling customers to have better transaction experience. Our pension services won awards from the China Banking Association such as the "Best Performance Award" and the "Best Development Award". We also won the "Tianji Award for Pension Financial Services Bank" by Securities Times and the "Top 10 Digital Wealth Management Innovation" by The Chinese Banker.

In 2023, we advanced the overall planning of pension finance in an orderly manner. We kept improving the top-level design, strengthened overall planning and promotion, and achieved positive results in the ecosystem construction of scenarios such as "Net Making and Patching", "Civil Affairs + Elderly Care + Finance", and Mobile Banking Pension Finance Column.

We also strengthened annuity marketing capabilities in 2023. We successfully won the bids for the qualifications of entrusted management and account management of multiple large enterprises' annuities. We actively carried out tiered marketing, and promoted the coordinated development of large, medium, and small customers. The pilot program of personal pension was launched steadily. We took the lead in passing the acceptance of

connection with the new versions of the Personal Pension Information Management Service Platform and the Personal Pension Banking and Insurance Industry Information Platform of the Ministry of Human Resources and Social Security, and stayed ahead of peers in achieving closed-loop management of the entire business process.

In 2023, new achievements have been made as part of the digital transformation. We took the lead in the industry to launch a panoramic view of mobile banking pension finance services, achieving a unified display of the "three pillars" of pension assets. We continuously enhanced the service capability of the pension entrusted investment monitoring system, and refined the user experience of "ICBC e Pension".

At the end of 2023, the entrusted annuity funds amounted to RMB554.1 billion. We managed 13.14 million individual enterprise annuity accounts, and the annuity funds under custody reached RMB1,378.1 billion as at 31 December 2023. We led our peers in terms of the scale of entrusted enterprise annuity funds, number of individual enterprise annuity accounts and annuity funds under custody.

Financial Market Business

Our financial market business operations include money market, investment business, treasury trading business, asset securitisation business and precious metals business. We aim to enhance the profitability of our treasury operations through product innovation, timely adjustment of investment and trading strategies, enhancement of our capital operation efficiency, improvement of management capabilities and prevention of business risks.

Money Market Activities

Our money market activities include: (i) short-term borrowing and lending with other banks and financial institutions; and (ii) bond repurchase and purchase. We have adopted a cautious development strategy for our business with other banks and financial institutions. We aim to increase the return on our funds, and we conduct our business activities flexibly in response to our liquidity management needs.

In terms of RMB money market activities, we effectively fulfilled the responsibilities assigned by PBC for primary dealers in the open market, efficiently assisted with the dissemination and transmission of prudent monetary policies and actively increased funding support for financial institutions in the market. In 2023, we scientifically developed financing strategies, rationally devised financing maturities, varieties and counterparty structures, and constantly improved the efficiency of treasury operations. Digital transformation was deepened on all fronts. Fully leveraging advantages of independent research and development, we launched the functions such as automatic inquiry via artificial intelligence machine and intelligent transaction assistant, and achieved further breakthroughs in the fields such as intelligent transactions and risk control throughout the entire business process. We continuously refined system functions and institutional systems, monitored and assessed the credit status of counterparties in a forward-looking way, effectively prepared risk response plans, and strictly implemented various risk prevention and control measures, in order to ensure fund security.

In terms of money market activities in foreign currencies, we strengthened the analysis and judgment of changes in the fund liquidity and interest rates of foreign currency markets. While ensuring liquidity safety, we flexibly devised financing maturity and currency variety to improve the use quality and efficiency of foreign currency funds in 2023. As a quotation bank in the interbank foreign currency lending market, we actively participated in the settlement express project of China Foreign Exchange Trade System and other business innovations, continuously maintaining our leading position in China's foreign currency market.

In 2023, we won many honours, including the "Best Foreign Currency Lending Panel Bank", the "Best Foreign Currency Lending Member" and the "Best Foreign Currency Repurchase Member" granted by China Foreign Exchange Trade System.

Investment

We make investments in RMB-denominated bonds issued by the PRC Government, the PBOC, policy banks and a few other local financial institutions, short-term commercial paper issued by domestic enterprises, and foreign currency bonds issued by foreign governments, financial institutions, and corporations. We also trade bonds and bills that are issued by the PRC Government, the PBOC and foreign governments as well as derivatives, foreign exchange and foreign/local currency dominated bonds.

In terms of RMB bonds, we persisted in serving the real economy, and gave play to our role as a large state-owned bank in financial services. We constantly consolidated its advantages in government bond investment, providing strong fund support for economic development. We continuously facilitated enterprise bond investments in key fields such as green development, advanced manufacturing and sci-tech innovation.

In terms of foreign currency bonds, we steadily engaged in foreign currency bond investment, and domestically adjusted the structure of investment portfolios. We continuously improved the security and yields of the portfolios, and stepped up supports to advanced manufacturing, sci-tech innovation, green finance and so on. Furthermore, we activated the offshore market and steadily advanced "Southbound Connect" bond investment transactions.

In 2023, we came in first among Chinese-funded banks in the selection of "Top Investment Houses in Asian G3 Bonds" by *The Asset* for the third consecutive year.

Financing

We engage in active liability management. We have diversified the sources of funding from different channels and with different tenors through a variety of liability management instruments to support the growth of our business. Please refer to "*Funding and Capital Adequacy – Capital Financing Management*" for some capital instruments issued by us during the three years ended 31 December 2023.

We reasonably adjusted the financing structure based on liquidity management requirements, and operating benefit improved steadily. We actively advanced the development of the business system, improved the level of refined business management, and promoted the steady development of the financing business.

Treasury Trading Business on Behalf of Customers

We offer a wide range of treasury operations services to enterprises and individual customers on an agency basis. We provide spot and forward foreign exchange trading services, swap transaction services for RMB and foreign currencies and interest rate swap for RMB. In addition, we act as an agent for foreign exchange trading on behalf of our clients 24 hours a day, and we trade foreign currencies, precious metal, forward foreign currency contracts, interest rate swaps, currency swaps, options and other financial derivatives on behalf of our customers.

In terms of foreign exchange settlement and sales and foreign exchange trading on behalf of customers, we strengthened dissemination of the foreign exchange risk-neutral philosophy, and promoted the philosophy and currency risk hedging products to foreign-related enterprises online and offline by various means, in order to help enhance the awareness of risk aversion and the capability of managing currency risk. Support for micro, small and medium-sized enterprises was also enhanced in 2023. A number of our branches have completed the first currency risk hedging transaction for micro, small and medium-sized enterprises under the third-party guarantee within their jurisdiction, effectively lowering the business access threshold and transaction costs for customers. We accelerated product and service innovation, and added seven cash exchange currencies, to provide high-quality financial services for major events such as the Chengdu FISU World University Games and the Asian Games Hangzhou. We also launched RMB foreign exchange option services in electronic trading platforms and Chat Dealing system to improve customers' experience.

In terms of the over-the-counter ("**OTC**") bond business, we were among those that first participated in the issuance of Shanghai Clearing House OTC bonds issued by the Export-Import Bank of China and the Agricultural Development Bank of China to small and medium-sized financial institutions. We also distributed the financial bonds and green bonds of the Agricultural Development Bank of China with the themes such as "supporting the construction of high-standard farmland", as well as the OTC local government bonds in 35 provinces (autonomous regions, municipalities directly under the Central Government, and cities specifically designated in the state plan), to assist in building a multi-level bond market system, and actively supported green finance, agricultural development and regional development. In 2023, we won the "Excellent Underwriter Award for Over-the-Counter Circulating Bonds", the "Excellent Underwriter Award for Over-the-Counter Local Government Bonds" granted by China Central Depository & Clearing Co., Ltd. and the "Excellent Participant in OTC Bond Business" by Shanghai Clearing House.

In terms of foreign institutional investors trading business in China's interbank market, we actively served foreign institutional investors from more than 60 countries and regions throughout the world, to meet their needs for investment and trading in China's interbank market. We won the "Excellent Settlement Agent under Global Connect Business" and the "Excellent Contributors to International Business" granted by China Central Depository & Clearing Co., Ltd., and the "Cross-border Subscription Pioneer (Underwriter)" granted by Bond Connect Co., Ltd.

Asset Securitisation Business

Asset securitisation is the process of converting assets with low liquidity into liquid securitisation products through risk isolation, conversion and packaging of cash flows and credit enhancement. The assets with low liquidity that can be converted are generally assets with stable cash flows such as residential mortgage loans, commercial property mortgage loans, project loans and other cash generating assets.

The asset securitisation business effectively supported us in disposing of non-performing assets and optimizing credit structure, and further improved our capability to serve the real economy. In 2023, we issued eight asset-backed securities, all of which were NPL securitisation programs, with a total amount of RMB5,966 million.

Precious Metal Business

We operate four product lines in our precious metals business: physical bullion, trading, precious metals linked financing and wealth management. Due to fluctuations of the precious metals market, we diversified our products to promote our precious metals business.

In 2023, we enhanced the inclusiveness of precious metal physical products, and launched a new version of small specification affordable Ruyi gold bars, lowering the threshold for purchasing gold. Tailored to the preferences of young customers, we developed the second phase of "Harry Potter" products. In line with regional characteristics, we developed the "Magnificent Sichuan • Traveling Panda" series products, and won the "Happy Tianfu Chengdu Gift" gold award.

Precious metal services targeted at corporate and institutional customers were improved in 2023. Focusing on the construction of a modern industrial system, we consolidated financial services for enterprises in the industry chain of precious metals, and developed raw material financing services for emerging industries that apply precious metals, such as petroleum refining, photovoltaics, and new materials. We actively satisfied the demand for interbank gold leasing, and steadily promoted the cooperation of banks in association to gold accumulation products, to further meet the asset allocation needs of customers in urban and rural markets.

In 2023, we ranked first in the market in terms of the amount of clearing on behalf of Shanghai Gold Exchange, and the scale of enterprise gold leasing and interbank gold leasing. We were also awarded "First Prize of the Excellent Financial Member" and "Best Product Promotion Contributor" by the Shanghai Gold Exchange in 2023.

FinTech

Adhering to technology-driven development and value creation, we quickened the pace of building a tech-empowered bank and D-ICBC. We cemented the foundation of production and operation safety, enhanced the ability to drive innovation by technology, deeply cultivated the D-ICBC digital ecosystem, and deepened the reform of information technology systems and mechanisms to develop a new engine that meets the requirements of high-quality development.

In 2023, we were ranked first place in the banking industry in the NAFR's IT supervision ratings, keeping the leading position among peers. Our five technical achievements won PBC's "FinTech Development Awards", of which the banking FinTech online database transformation project won the First Prize. We won a number of FinTech awards, including the "Best Process Automation Project", the "Best Data Management Implementation" and the "Best Banking as a Service Technology in China" granted by *The Asian Banker*, and the "Institution of Excellence in Financial Innovation" and the "Outstanding Cases of Fintech Innovation" granted by *The Chinese Banker*. Our AI big model was ranked first in the "Top 10 Financial Informatization Events in 2023" by the *Financial Computerizing* of PBC. We were the only innovative application of big model technology selected in the banking industry. We were the first and the only one to receive the highest level of financial digital capability maturity certification from the National Financial Technology Certification Centre.

Consolidating the Foundation of Production and Operation Safety

We actively responded to the complicated and changing external situation and the new challenges brought by technological innovation, adhered to the production safety measures, and deepened the transformation of production, operation and maintenance. We improved the cyber security defense capability on all fronts, and further enhanced the technical capability of data security. The availability of our information system remained above 99.99 per cent., providing strong support for our digital transformation.

Our cyber security defence capability was improved in 2023. We continuously improved the overall management mechanism for cyber security, enriched the threat information bank, enhanced vulnerability threat awareness, strengthened the disposal of internet attack sources, and regularly verified its effectiveness. We stepped up efforts in building the cyber security team and enhancing the capability of defencing cyber-attacks, actively optimised and upgraded the enterprise-level cyber range, and carried out innovation in distributed range in conjunction with national labs. We actively carried out special investigations and reinforcement of cyber security throughout the Group, improved cyber security plans such as ransomware attacks, and enhanced the overall capability of our cyber security protection.

A leading operation maintenance and disaster recovery backup system has been put in place. We strengthened modular operation and maintenance service capabilities from a business perspective, and enhanced production and maintenance capabilities such as end-to-end monitoring of the entire chain, and high availability of disaster recovery. We upgraded the architecture of operation and maintenance tools, and steadily pushed forward the transformation of production and maintenance. We comprehensively upgraded the disaster recovery support system, enhanced the high intra-city availability of important business systems and the practical capability of non-local disaster recovery takeover, promoted the construction of non-local autonomous and controllable disaster recovery cloud platforms, and strengthened the disaster recovery capabilities of core business scenarios on all fronts.

The data security management system was also refined. We improved data security management system, intensified data security organization guarantees, and formed an integrated data security management organisation structure featuring interaction between the head office and branches and well-defined responsibilities. We optimised the data security technology management framework, reinforced the data security technology defence system, ameliorated the data security technology platform, and accumulated standardized data security technology capabilities. We continuously pressed for the implementation of tiered

and classified data security standards, carried out data security risk assessment and emergency drills, and intensified promotion and training in this regard to enhance the bank-wide awareness of protecting data security.

Enhancing the Innovative Technology-driven Capabilities

Upholding the philosophy of technology self-reliance, we upgraded the ECOS technology ecosystem, promoted technology breakthroughs in key fields of core technologies, accelerated the transformation of cutting-edge technological research results into business value, and fully empowered digital transformation, to support overall business development with high-end technologies. Our flexible, reliable clouds and distributed technology system was upgraded. We actively promoted the plan on Group-wide clouding infrastructure construction, bringing the number of cloud nodes to more than 200 thousand, and the number of business containers to over 140 thousand. The scale kept us in an industry-leading position. Customer information and personal accounts have been fully migrated to the "cloud + distributed" autonomous and controllable platform and achieved full architecture transformation of retail banking. More than 80 per cent. of the business volume in our core system was based on the single track operation of an open platform. We have smoothly tackled the real test of multiple business peaks and complex scenarios in 2023.

The cultivation of new technology platform support capabilities and scenario applications were advanced. We established the first 100 billion-level fully stack autonomous and controllable AI big model technology system in the industry, and took the lead in achieving innovative applications in multiple financial business fields. We enhanced the technical capability of the enterprise-level data middle office and big data platform with the real-time data warehousing capability, thereby optimising data permission and comprehensively improving the timeliness and availability of big data resources. We continuously advanced the construction of Robot Process Automation ("**RPA**") technology platform and its application to business. The RPA technology platform has been applied in 37 business lines, 13 comprehensive digital employees and over 1,000 digital employees for process automation were under construction, with an intelligent efficiency of over 30 thousand people per year, helping to improve employees' burden.

In 2023, we accelerated the exploration of applying cutting-edge technology research achievements, explored the application of privacy computing in cross-institution scenarios, collaborated with financial peers to achieve interbank fund flow verification based on such technology, and received acclaim from regulators. We released the Research Report on Quantum Computing Financial Application to actively explore quantum computing application in the financial industry. We also joined forces with leading enterprises to promote collaborative innovation. The quantum key distribution and encryption functions were launched in external business terminals to enhance the security of financial data transmission.

Deeply Cultivating the Digital Ecosystem of D-ICBC

We continuously deepened the integration of technology, data, and business, and steadily promoted the development of D-ICBC. A series of digital innovation achievements have been made. D-ICBC has been playing an increasingly pivotal role in empowering our transformation and innovative development.

Deepening the Reform of Technical System and Mechanism

We kept improving information technology innovation mechanisms and reinforced the building of information technology talent teams. We deepened the information technology basic governance, continued to improve financial innovation response efficiency and supply capability, and unleashed the vitality of our FinTech innovation. In 2023, we invested around RMB27,246 million in FinTech, and by the end of 2023, we had around 36,000 FinTech personnel, accounting for 8.6 per cent. of all our employees.

Our technical innovation mechanism was also improved. We continuously refined the open competition mechanism, selected and evaluated projects in key business and technology fields, and rewarded the technology projects of great significance to us and typical outstanding projects in digital transformation, which highlighted

the practice and performance-oriented approach, and exerted the benchmark and demonstration effect. We continuously improved the product management mechanism, implemented enterprise risk management requirements, expanded the coverage of our product catalog, created a normalised operation mechanism, improved the experience enhancement mechanism featuring the internal closed loop of technology, and increased the proportion of resolved R&D experience problems.

The governance of technology and data foundation was deepened. We strengthened product and demand management, organised the exit of inefficient products and functions, and developed a demand integration and improvement plan. We deepened the integration of R&D and operation, enhanced the "One Click Deployment" capability of application versions, and built a one-stop production workbench for application, operation and maintenance personnel, significantly improving efficiency. We refined the basic management of technology equipment resources and developed a plan to enhance the management of technology equipment resources. We carried out data asset inventory and ownership confirmation, continuously expanded data resources, deepened data governance, and solidified the foundation of digital management. In the exploration of FinTech ethics, we issued the Administrative Measures for FinTech Ethics, and embedded the requirements of FinTech ethics throughout the entire process of technology application, innovation and R&D, in order to enhance the effectiveness of technology management in the new context.

The building of the technical data talent team was enhanced. We continuously optimised the structure of technology talents. Relying on the "Tech Elite" recruitment brand and the centralised training mechanism, we accelerated the transformation of grassroots FinTech functions towards innovative R&D and marketing service support, and strengthened the high-quality technology supply capacity. We kept improving the environment for the development of information technology talents, and actively carried out exchange projects such as targeted support for information technology talents, in an effort to build a top-notch information technology talent team. We continuously enhanced the professional capabilities of information technology talents, and deployed multi-level talent training programs targeted at leading and backbone talents, focusing on digital transformation and FinTech. We promoted the in-depth integration of data talent cultivation and business development. By the end of 2023, we had 9,375 data analysts, covering various professional lines and coming from domestic and overseas institutions. We have formed a digital talent foundation, which consists of junior, middle and senior levels, and combines full-time and part-time positions. Through modeling competitions, data elites, cross-sector exchanges, integration of industry, academia, and research, and systematic training and practice, we set up a flexible analyst team dedicated to "data + business + application", to deepen the integration of data and industry and empower business development.

Internet Finance

Aiming at building D-ICBC, we accelerated the construction of a digital financial service system that is compatible with a modern economic system in 2023, to develop a new mode of digital financial development with a focus on building platforms, enhancing capabilities, expanding scenarios, and building ecosystems.

Reinforcing New Infrastructure of Digital Finance and Deepening the Construction of Core Platforms

The building of the "Best Mobile Banking" has stepped up to a new stage in 2023. Towards the direction of intelligence, simplicity and humanization, we launched innovative personal mobile banking (version 9.0), focusing on mega wealth, full financing, consumption promotion, strong intelligence, and better experience, to create a panoramic digital financial service system. We took the lead in the industry to launch such services as family wealth, inclusive financing for people and enterprises, wrap-around homepage, 3D precious metal exhibition hall, etc., continuously enhancing the momentum of digital innovation. We innovated the scenarios of consumption, rural areas, convenient services, and cross-border business, upgraded the right and interest center 2.0, and provided new experiences for customers in one-stop inquiry about and use of customer rights

and interests. As at 31 December 2023, we had 552 million personal mobile banking customers, with more than 229 million monthly active mobile users, leading the industry in terms of customer base and activity.

We opened a new chapter in the open banking ecosystem in 2023. Relying on corporate internet banking and mobile banking, we created the "ICBC e Cloud" corporate digital financial service platform, and launched the SRDI service column, inclusive column, and other services for exclusive customer groups, providing customers with ecological services that integrate multiple financial and business scenarios. At the end of 2023, we had 15.12 million corporate internet banking customers, with 6.17 million monthly active corporate internet banking customers, ranking first in the industry in terms of customer base and activity. We built the "ICBC e Pooling" open financial service platform, to enhance basic service capabilities from the perspective of users. We launched a new portal for open banking services, and formed a comprehensive service solution tailored to the needs of platform-based customers. We also provided integrated and comprehensive financial services to meet customers' diversified financial needs.

Dual-driven online services were offered for rural revitalization. In 2023, we built an online accessible service system focusing on ICBC "Xingnongtong" App and "Xingnongtong" mobile banking version, to assist in promoting financial services in rural areas. We provided exclusive loans, large-value deposits and other financial services for rural customers in county areas, serving over 160 million active customers accumulatively. We launched featured products such as Planting e Loan, county-level exclusive deposits, and large-value certificates of deposits, and provided "Agricultural Matchmaking" services for over 350 thousand agriculture operators. In conjunction with China CO-OP Group and the supply and marketing cooperatives at all levels, we integrated finance into core supply and marketing business scenarios such as agricultural materials trade and agricultural product sales. We also established a "targeted assistance and consumption column" to assist in revitalising rural industries.

Overseas internet finance developed steadily. In 2023, we launched a column of mobile banking services for the Greater Bay Area, achieving mutual identity recognition, scenario sharing, and fund connectivity. Our "Cross-border e Payroll" services were rendered in nine countries and regions, and overseas internet finance services have covered 43 countries and regions. We also launched overseas personal mobile banking (version 8.0) and overseas enterprise internet banking (intelligent version) in an innovative way, providing more choices for overseas institutions to develop local markets.

Cultivating New Momentum of Digital Operation and Enhancing Enterprise-level Digitalization Capability

Intelligent upgrading of remote banking services was pushed forward. The "Intelligent Service Centre" has been upgraded with high quality. We were the first among peers to apply large-scale model technology to scenarios such as seat assistant, in order to ensure multilingual services during significant events such as the Chengdu FISU World University Games and the Asian Games Hangzhou. The annual service volume was 2.15 billion in 2023, and the answering rate and intelligent diversion rate stayed ahead of peers. We accelerated the construction of the "Digital Operation Centre", established a billion-level customer contact platforms such as WeChat ecosystem, intelligent outbound. calling, and outbound SMS, and created the most comprehensive media matrix in the industry, covering mainstream high-traffic platforms in the industry. We improved the efficiency in building the "Business Empowerment Center", with more than 700 million intelligent outbound calling in 2023. We actively promoted the upgrading of capabilities such as content production of new media, customer experience analysis, online risk prevention and control, and employee business support, in order to empower business development and brand promotion.

Customer services were also promoted in a coordinated manner for better quality. In 2023, we built an enterprise-level digital experience management platform to understand feedback from customers and employees, thus continuously improving the capability of digital management of customer experience. We

deepened the root cause management and online centralized handling of complaint issues, optimized product experience, strengthened the ability of remote customer service personnel to deal with complaints online, and improved customer service assessment. To solve customers' pressing difficulties and problems, we carried out a mobile banking experience activity for all staff, and further refined process design focusing on key functions such as registration and login, account management, transfer and remittance, and facial recognition authentication, in an effort to improve customer experience.

Initial progress has been achieved in the building of a digital operation system. We created an integrated chain of understanding, acquiring and activating customers and transforming value online in the digital era, and built a digital customer contact matrix. Based on platforms such as personal mobile banking, corporate mobile banking, internet banking, and enterprise WeChat, we capitalised on new digital tools to promote the acquisition, retention, activation, and prevention of loss of all customers in a layered manner throughout the lifecycle of customers. We carried out intensive, online, and large-scale maintenance of long-tail customers, and deepened joint operation for key customer groups such as wealth, credit card, third-party payment, agency issuance, and inclusive small and micro customers, to support the appreciation of customers' financial assets, and make digital financial services accessible to more customers.

The digital risk control capability of online platforms kept improving. In 2023, we strengthened the prevention and control of risks in online fraudulent transactions, established a tiered management system for e-banking customer limits, improved the accuracy of limit control for personal customers, and implemented dynamic management of corporate internet banking payment limits. We improved the intelligent risk identification mechanism for online transactions, deepened the application of new device fingerprint technologies, and promoted the facial recognition function of enterprise internet banking, to effectively prevent the risks arising from online fraudulent transactions, and protect the security of customer funds. We consolidated compliance risk management, achieved the collaborative control of personal customers with a high money laundering risk through online channels, improved APP personal information protection policies, and further strengthened the protection of customer information in the e-banking system.

Building a New Digital Openness Ecosystem and Fully Serving the Real Economy

We innovated industry solutions for automobile production and sales, industrial chain platforms, and factor resource markets, catering to the needs for margin management in the trading market, integrated payment and settlement of production, supply and sales, and financing needs of upstream and downstream enterprises in the industrial chain. We deepened cooperation with leading online freight platforms and well-known life service platforms, to provide considerate services such as agency salary payment, inclusive loans, credit cards, medical insurance and social security, daily payment, and exclusive rights for new urban residents, including truck drivers, delivery men, and takeaway riders. Keeping up with the pace of digital government construction, we provided comprehensive financial service solutions for segmented scenarios, covering areas such as "All-in-One Code", "All-in-One Network", "Intelligent City", "Intelligent Politics and Law", and "Intelligent Culture and Tourism", to improve the digitalization and intelligence in government affairs. Catering to the digital transformation needs of the education market, we innovated the "Education Cloud" comprehensive ecological service solution, embedding financial services such as "collection, payment, reconciliation, and clearing" into campus registration, examination, accommodation, logistics and other academic and living scenarios. We strengthened education payment supervision, alleviated school reconciliation pressure, and enriched parental payment methods, serving over 31 thousand primary and middle schools and kindergartens, and covering over 12 million parental payment customers.

Positive results have been achieved in the pilot promotion of e-CNY. We promoted business innovation to achieve online payment of taxes in e-CNY, completed the first bulk commodity clearing in Shanghai Clearing House, and launched intelligent prepaid manager products in the prepaid consumption scenarios. We launched the supply chain financial service solutions based on e-CNY smart contracts, allowing merchants to make

payments through one QR code. We continuously expanded the scale of e-CNY salary payment, and developed e-CNY SIM card hardware wallets and other products. The innovation of the pilot e-CNY application scenario in the securities industry won the first prize in the second Capital Financial Innovation Incentive Program. In 2023, the number of effective e-CNY personal wallets increased by 15.85 million; the number of corporate wallets increased by 1.34 million; and the number of e-CNY merchant stores increased by 2.71 million.

Outlet Building and Service Improvement

We took solid steps to promote the optimisation of outlets.

While strengthening the management of outlet access and maintaining overall stability, we consolidated the scale competition advantage of outlets, increased the number of outlets in counties and towns, scientifically dissolved inefficient and dense outlets, and continuously optimized the layout and structure of outlets. In 2023, 670 outlets were reorganized, 52 new outlets were set up in key areas of cities with relatively insufficient service supply, and 57 new outlets started operations in county-level areas, covering 15 counties where there were no ICBC outlets previously. The coverage rate of county-level outlets increased to 86.9 per cent. Outlet resources have been increasingly compatible with regional socio-economic resources. We deepened the construction of low-carbon outlets and elderly service outlets, and decorated 1,045 outlets to ensure outlets are always beautiful and new. We continuously improved the hardware facilities and services of outlets. At the end of 2023, we had 15,495 outlets, 21,023 self-service banks, 76,203 intelligent devices and 53,745 automatic teller machines ("**ATMs**"). The transaction volume of ATMs reached RMB4,587.0 billion in the year.

We advanced the construction of inclusive finance service points in rural areas in an orderly way.

Focusing on rural Party building, government affairs, agricultural product production and marketing, we explored ecological co-building with county and township-level governments, village committees, large leading enterprises, local enterprises, and self-employed businesses. At the end of 2023, we have set up 4,760 inclusive finance service points in rural areas, covering 1,523 counties across the country. In 2023, we handled 3,323 thousand transactions for rural customers, and carried out 51 thousand activities to combat telecommunications fraud, cherish credit, protect consumers' rights and interests and disseminate basic financial knowledge, which served 1,347 thousand customers and effectively improved the capability of rural financial services.

We continuously improved the services of our outlets.

We fully leveraged the scale advantage of physical channel resources, enhanced "ICBC Sharing Station+" public welfare services for the benefit of the people, and enriched the functions of such services. In 2023, we established 6,156 ecological outlets with the themes of "ICBC Sharing Station+" governance, life, wealth, public welfare, happiness, and inclusive finance, increasing the total number to more than 11 thousand. We organised 15.5 thousand ICBC Sharing Stations to expand the supply of convenient services in an orderly manner, and serve key groups such as outdoor workers, students participating in senior high school and college entrance examinations, and the elderly. In 2023, a total of 95 thousand activities were carried out, including the Learn-from-Lei Feng voluntary service activity entitled "Voluntary Action with You in Warm Spring", the "Summer Care Trio" series of theme activities, and the "ICBC Aixiangban for Double Ninth Festival", benefiting more than 12 million people. In 2023, a total of 20 of our outlets were awarded "Top 100 Demonstration Units of the Chinese Banking Industry for Civilized and Standardized Services" by the China Banking Association, ranking first in the industry.

We expedited all-channel layout and promoted channel coordination.

We advanced the construction of a core service platform for digital finance, and established an intelligent, ubiquitous, and integrated channel system. We accelerated the construction of "ICBC Customer Services" official account, with more than 100 million followers. We upgraded the cloud outlets 2.0, and formed "online stores of outlets" and "cloud outlets of customers", with more than 1.2 billion visits annually. We released the

“Gong Xiao Zheng and Gong Xiao Cheng” digital employees, covering all online and offline channels such as mobile banking, remote banking and outlets, and serving 960 million customers in 2023. We further promoted service collaboration among online platforms, physical outlets, remote customer service, and account managers, to achieve a consistent experience of “one-point access, all-channel response”.

Digital empowerment was deepened to open up new prospects in operation services.

We accelerated the reform of outlet operations. We comprehensively pushed forward the construction of full-journey customer services and promoted online booking and identification and guidance services in our stores. Scenario-based transformation and process reengineering were implemented for difficult business operations of outlets such as account opening and closure, foreign exchange remittance, and inheritance, to provide powerful tools to solve customers’ pressing difficulties and problems. We accelerated the empowerment of intelligent technology in business operations and the application of new technologies such as digital humans and big models in the field of operations. To improve outlet efficiency, the first intelligent assistant for outlet employees based on big models was officially put into operation in 2023. The annual volume of intelligent business processing in the field of operations reached 320 million, representing an increase of 14 per cent. over the previous year. Initial progress has been achieved in the digital transformation of cash operations. Over 200 outlets have introduced the centralized physical delivery service model for personal expense accounts, deposits and withdrawals and other scenarios on a trial basis. Online booking services for local and foreign currency banknotes and small changes were promoted throughout us. We also comprehensively promoted a new task-driven treasury operation model. The functions and scenarios of self-service channels constantly expanded. We promoted bank-government interconnection services such as electronic social security, tax and fee payment, smart medical insurance, credit report, and e-CNY at the smart ATMs of outlets. We created the “government service halls” by the side of customers. We accelerated the upgrading of elderly services at the intelligent terminal, launched the function of automatically shifting to large font interface for the elderly customers, and placed the high-frequency usage function of elderly customers on the homepage, so as to significantly reduce the threshold for elderly customers to use self-service devices.

We took solid steps to provide sound financial services for the FISU World University Games and the Asian Games.

As the exclusive official banking partner for the 31st Chengdu FISU World University Games and the 19th Asian Games Hangzhou, we successfully completed the cash exchange, foreign bank card acceptance and e-CNY services during the two international events by launching universal outlets, mobile banking vehicles, new currency exchange machines, exclusive customer service hotlines, mobile banking column, exclusive APP financial service column, and other multi-level and three-dimensional online and offline service channels.

International Operation

Taking the “international vision for global operation” principle, we have made constant efforts to improve our operation system both in and outside China, integrating local and international currencies. Leveraging on our global operation edge, we have been constantly sharpening cross-border financial services, with a view to supporting high-quality implementation of the Belt and Road and China’s high-level opening-up.

The strategy of becoming the “Preferred Bank for Foreign Exchange Business” was implemented in depth. We deeply served the construction of a strong trading power, continuously stepped up with the “Chunrong Action” to strengthen support to key export companies and foreign-funded enterprises, and continuously upgraded its financial services in international settlement and trade finance via the “single window” platform. We continuously solidified the foundation for high-quality development of foreign exchange business, promoted the construction of grassroots flagship institutions for foreign exchange business, enhanced flexible support for grassroots foreign exchange business, and comprehensively improved compliance management of foreign exchange risk control.

RMB internationalisation was promoted in a steady and prudent way. We deeply carried out "Chunxu Action" to provide pro-active solutions for global market players in cross-border RMB businesses such as cross-border settlement, investment and financing as well as risk management. With the designation as the official RMB clearing bank in Brazil, we have been authorized as the official RMB clearer in 11 countries at the end of 2023. We pushed forward the account system building supporting separate accounting units in Free Trade Zones, established China-Indonesia Cross-border RMB Service Center" in Fujian, and actively supported the innovative development of cross-border RMB business in Shanghai Lingang Special Area, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. We facilitated the execution of the country's first-ever LNG import transaction settled in cross-border RMB. We provided innovative services for multinational companies in trade settlement and treasury management, facilitating FDI investment and utilization. Cross-border RMB business application scenarios were built to support the development of micro, small and medium-sized enterprises.

International cooperation was enhanced continuously. As the chair of the BRICS Business Council Chinese Chapter, we lived up to our responsibilities and effectively served the multilateral cooperation among BRICS countries. We have been facilitating the upgrading of China-Europe economic and trade relations relying on China-Europe Business Council. We strengthened the Belt and Road Bankers Roundtable mechanism to promote high-quality development of the Belt and Road. A number of achievements have been included in the official achievement list of the third "Belt and Road" Forum for International Cooperation. We actively served international exhibitions, including China International Import Expo, China Import and Export Fair and China International Fair for Trade in Services, to facilitate high-standard opening up.

Global network was further optimised. The Jeddah Branch officially started business operations in Saudi Arabia. As at 31 December 2023, we had been operating 413 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries as a shareholder of the Standard Bank Group. In total, it had 259 institutions in 30 countries that have participated in the Belt and Road initiative. We also entered into business relationships with 1,445 foreign banks in 143 countries and regions. our service network has full coverage of six continents and key international financial centres around the world.

The performance by overseas institutions amidst a complicated international environment was stable yet improving in 2023. We continuously enhanced global financial servicing capabilities in corporate & investment banking, global cash management, retail banking, internet finance, project financing, financial markets, asset management, and asset custody among others. We established a global financial service system for personal customers to improve cross-border servicing capacity, which supports business scenarios in "ICBC Global Pay" and brazes the "YES ICBC" service brand.

Major Indicators for our Overseas Institutions

The following table set forth, as at the dates and for the periods indicated, the distribution of the total assets, profit before tax and total number of institutions of our international operations by geographic area.

	Assets (in USD millions)		**Profit before tax (in USD millions)**		**Number of institutions**	
	As at 31 December		**For the year ended 31 December**		**As at 31 December**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Hong Kong SAR and Macau SAR.....	201,941	213,726	551	1,050	95	97
Asia-Pacific region (except Hong Kong SAR and Macau SAR).....	136,959	135,854	1,522	1,289	90	91
Europe	87,215	85,048	786	871	74	74

	Assets (in USD millions)		Profit before tax (in USD millions)		Number of institutions	
	As at 31 December		For the year ended 31 December		As at 31 December	
	2023	2022	2023	2022	2023	2022
America	41,367	60,335	386	328	153	153
African Representative Office	–	–	–	–	1	1
Eliminations	(50,847)	(50,786)				–
Subtotal	416,635	444,177	3,245	3,538	413	416
Investment in Standard Bank[(1)]	3,573	3,722	454	397	–	–
Total	420,208	447,899	3,699	3,935	413	416

Note:

(1) The assets represent the balance of our investment in Standard Bank Group Limited, and profit before tax represents our gain on investment that we recognised during the period.

Comprehensive Operation

We remained committed to serving the real economy and national strategies, focused on main business, refined specialized business, and formed a multi-field integrated development layout covering fund, leasing, insurance, debt-for-equity swap, wealth management, Fintech, overseas investment banking, etc. Total market financial service capability further improved.

We continued to refine the Group's integrated governance system, strengthened the management mechanism featuring "leading coordination and focusing on lines", and consolidated and improved the Group headquarters' integrated governance capability. We continuously optimized the integrated subsidiary governance model with Party building, corporate governance, and equity management at its core, promoted synergy between the integration strategy and the internationalization strategy in a coordinated manner, and further refined the Group control and coordination mechanism. We also optimized the subsidiary governance mechanism, strengthened the efficiency of the role of full-time and part-time directors, and promoted deep integration of Party building and corporate governance of domestic subsidiaries. Meanwhile, we optimized the strategic evaluation mechanism and promoted deep and accurate transmission of the Group's strategy to subsidiaries. We strengthened capital management, promoted IT building, data governance and digital transformation, and further improved the influence of subsidiaries in our industries as well as our core competitiveness and customer service capabilities.

We deepened risk management. Based on the risk management principles of "plan ahead, see the big from the small, remedy in time and draw inferences", we formulated and optimized risk management policies, refined the Group-wide risk management system that can cover the risk characteristics of integrated subsidiaries. We intensified penetrating management and monitor of subsidiaries and strengthened systematic, standardized and intelligent management of equity investment information. Meanwhile, we stepped up efforts in the building of the three lines of defense of subsidiaries, improved risk prevention & control and internal control and compliance capabilities, and pursued high-quality development.

ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management is mainly engaged in fund raising, fund sales, asset management and other businesses approved by the CSRC. It had many business qualifications such as mutual fund, QDII,

enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity and basic endowment insurance investment manager, and was one of the "fully qualified" fund companies in the industry.

In response to multiple challenges such as fluctuations in the capital market and the introduction of new regulations on fund fee reductions, ICBC Credit Suisse Asset Management strictly controlled various risks, enhanced investment and research professionalism, and strengthened intra-group collaboration, to maintain stable business development on the whole. ICBC Credit Suisse Asset Management accelerated the development of social security fund, annuities, personal pension and other pillar III pension investment management business, and constantly and steadily expanded its scale. ICBC Credit Suisse Asset Management improved customer service system and quality, and enhanced post-investment companionship. ICBC Credit Suisse Asset Management strengthened investor protection, and continuously promoted investor education, which was evaluated as excellent for five consecutive years in 2023 in the assessment of the national securities and futures investor education base.

At the end of 2023, ICBC Credit Suisse Asset Management managed 247 mutual funds, and 590 annuities, separately managed accounts and special portfolios, with assets totalling RMB1.72 trillion.

ICBC Leasing

ICBC Leasing is mainly engaged in the financial leasing of large-scale equipment in key areas such as aviation, shipping, energy and power, rail transit, equipment manufacturing and areas requiring SRDI. It provides a range of financial and industrial services such as the transfer of leasing assets, asset trading and asset management.

The aviation business segment achieved new results in supporting the high-quality development of domestic air transportation and aircraft manufacturing industries through innovation and collaboration. ICBC Leasing continuously expanded cooperation with high-quality domestic airlines to cement the foundation of the civil aviation industry. To enhance the brand influence of "YES ICBC" through active marketing and promotion abroad, ICBC Leasing released the ARJ21 Aircraft Value White Paper in conjunction with Commercial Aircraft Corporation of China ("**COMAC**") and Civil Aviation University of China. We successfully launched the Airbus full lifecycle management project through innovation and collaboration across business segments and have achieved positive results in the innovation of the leasing business in the aviation industry chain and aircraft engines.

In terms of maritime business, ICBC Leasing supported domestic shipping and shipbuilding industries in making new breakthroughs. ICBC Leasing supported the building of China's first modern transoceanic communication optical cable laying ship, and steadily promoted the reserve and implementation of innovative marine economic projects such as marine fisheries, cultural tourism, oil and gas, and green energy projects.

Domestic comprehensive leasing business was carried out focusing on key areas of the real economy, such as manufacturing, strategic emerging industries, SRDI, green, private enterprises, inclusive, and agriculture. The first distributed photovoltaic project was launched to provide targeted support for small and medium-sized SRDI enterprises. ICBC Leasing actively explored a host of high-quality leading potential customers in professional machinery and equipment industries, such as engineering machinery and agricultural machinery. ICBC Leasing supported rural public infrastructure construction through the Qingdao fishery and photovoltaic complementary project, making helpful explorations in supporting rural revitalization with financial leasing.

ICBC-AXA

ICBC-AXA operates various insurance businesses such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, businesses permitted by national laws and regulations to use insurance funds and other businesses approved by regulatory authorities.

ICBC-AXA persisted in leveraging the strengths of insurance to satisfy the needs of the people in light of the Group's strategy. It supported the construction of a multi-level security system, vigorously developed commercial health and pension insurance business, actively participated in the pillar III personal pension account business and inclusive medical projects, explored and enriched the security plans for special groups such as new citizens, and practiced the philosophy of insurance for the people. ICBC-AXA continued to promote digital transformation and improve customers' full-journey experience.

ICBC-AXA intensified the supply of diversified products in line with regulatory policies and market changes. Two personal pension insurance products have been put on the market in the first batch, which are available throughout all channels. ICBC-AXA also enriched the product content and open channels of auxiliary product lines such as accident insurance, medical insurance, and group insurance. ICBC-AXA actively participated in inclusive security and joined the construction of the "Insurance Code" platform of the Shanghai Insurance Exchange. It undertook the first inclusive accident insurance product co-insurance project of the "Insurance Code", and launched multiple exclusive products, such as accident insurance and medical insurance.

To improve customer experience, ICBC-AXA steadily expanded health and elderly care service and improved its efficiency. It innovated the coordinated mode of elderly care institutions, reserved high-quality elderly service resources, and collaborated with six institutions to complete institutional care services. ICBC-AXA continued to iterate and upgrade the value-added services of critical illness and medical insurance products, and expanded and reinforced the coverage of inclusive insurance, benefiting about 400 thousand people, with a cumulative insurance amount of approximately RMB1.38 trillion as at 31 December 2023.

In 2023, ICBC-AXA was awarded the "Ark Award for Insurance Services for Health and Elderly Care" by the *Securities Times*, the "Best Insurance Institution for the People" by the yicai.com and the "Golden Dragon Award — Best Life Insurance Subsidiary of Banks of the Year" by the *Financial News* (China).

ICBC International

ICBC International is our wholly-owned subsidiary in Hong Kong SAR, China. It is mainly engaged in sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc. and provides all-round cross-border comprehensive financial services for corporate and personal customers.

ICBC International continued to refine the development layout of corporate financing, investment, sales and trading, asset management, and market research. Focusing on the financing needs of high-quality enterprises in key industries, ICBC International assisted customers in strategic emerging industries to go public in Hong Kong. In 2023, the scale of its green bond underwriting hit a new high, and the stock and bond underwriting business was among the first echelon in the market. ICBC International steadily enhanced its planning capability for investment and financing in key areas such as rural revitalisation, green and low-carbon development, healthcare and medicine, advanced manufacturing, and sci-tech innovation. ICBC International actively promoted innovation in product sales and trading as well as customer development, continuously refined and restructured asset management business, and strove to build an investment banking research brand with market influence.

ICBC Financial Asset Investment Co., Limited ("ICBC Investment")

ICBC Investment is one of the first pilot institutions in China to conduct debt-for-equity swap of banks. It holds the franchise license of non-bank financial institution and is mainly engaged in debt-for-equity swap and the supporting business.

By giving full play to its debt-for-equity swap license and professional advantage in this field and focusing on serving the real economy and preventing and defusing financial risks, ICBC Investment strengthened the bank-corporate cooperation and the investment-loan coordination, improved integrated financial services that

combine equity and debt, enriched the varieties of debt-for-equity investment plans and private equity fund products, and made steady progress in the quality development of market-based debt-for-equity swap projects. Meanwhile, ICBC Investment greatly supported enterprises in their de-leveraging, leverage stabilizing, strength gaining, and reform promoting. It continuously enhanced the ability and effectiveness of risky asset disposal across the Group, played an active role in the formulation of corporate debt restructuring, debt-for-equity swap plans and reorganization plans, standardized corporate governance and production & operation, helped enterprises tide over difficulties through reform and continuously improved the asset quality of banks. Further playing its role as a shareholder, ICBC Investment dispatched directors and supervisors to the debt-for-equity swap enterprises and got deeply involved in the corporate governance of such enterprises, and promoted the healthy and sustainable development of enterprises.

ICBC Wealth Management

ICBC Wealth Management engages mainly in the issuance of wealth management products, wealth management advisory and consulting services as well as other activities approved by the former CBIRC (now the NAFR).

Leveraging professional investment advantages to improve the quality and efficiency of the real economy, ICBC Wealth Management continuously strengthened the capabilities of major assets allocation and diversified strategic investment, deepened investment-research linkage, and explored high-quality assets. It increased investment in sci- tech innovation, advanced manufacturing, green and low-carbon development as well as key regions, and kept raising the funding for modern industry system and its proportion. In 2023, ICBC Wealth Management was awarded “Best Asset Management Organization for Responsible Investment” by finance.sina.com and the “Top 50 ESG Practices – Responsible Wealth Management Subsidiary” by *The Economic Observer*.

Integrating into the overall wealth management landscape and enhancing customer service capabilities, ICBC Wealth Management developed the customer service system of “comprehensive response through one-point access” and the “Cai Ming Bai” customer companionship brand, launched online columns such as “product translator”, “concept research society” and “market express”, and conducted offline activities like “walking tens of thousands of miles to hold one thousand activities in 100 cities” and other series of activities. By visiting rural areas, universities and communities, it delivered financial knowledge to customers, and saw a rapid growth in the number of key inclusive customers, including new citizens, customers in rural areas and self-employed businesses. In 2023, ICBC Wealth Management was also awarded the “Best Wealth Management Subsidiary of Banks for Investment Education Brand of the Year” by the *Financial News* (China) and the “Excellent Investment Education Companionship Case” by JRJ.com.

Enriching wealth management product shelves to provide diversified investment options and deeply grasping the wealth preservation and appreciation needs of residents, ICBC Wealth Management released a new product system of “Wen Xin Zhi Yuan”, increasing the proportion of low-risk products with stable performance, small draw-down and good experience. In 2023, ICBC Wealth Management launched innovative products with the themes of the Belt and Road, rural revitalization, and the Great Bay Area, and took the lead in the industry to roll out the first batch of personal pension products.

At the end of 2023, the balance of ICBC Wealth Management products reached RMB1,607,477 million, all of which were net-worth products.

MAJOR CONTROLLED SUBSIDIARIES AND MAJOR EQUITY PARTICIPATING COMPANY

Major Overseas Subsidiaries

ICBC (ASIA)

ICBC (Asia) is our wholly-owned Hong Kong registered bank and has an issued share capital of HK$44,188 million. It provides comprehensive commercial banking services and its major businesses include commercial credit, trade finance, investment service, retail banking, E-banking, custody, credit card, receiving bank services for IPOs and dividend distribution. As at 31 December 2023, ICBC (Asia) recorded total assets of U.S.$117,271.56 million and net assets of U.S.$19,174.54 million. It generated a net profit of U.S.$825.26 million for the year ended 31 December 2023.

ICBC International

ICBC International, a licensed integrated platform for financial services in Hong Kong that is wholly-owned by us, has a paid-up capital of HK$5,963 million. It is mainly engaged in sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc. and provides all-round cross-border comprehensive financial services to corporate and personal customers. As at 31 December 2023, ICBC International recorded total assets of U.S.$7,209.00 million and net assets of U.S$925.89 million. It recorded a net loss of U.S.$484.27 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Macau) Limited ("ICBC (Macau)")

ICBC (Macau) is the largest local legal banking entity in Macau. It has a share capital of MOP589 million, in which we hold an 89.33 per cent. stake. ICBC (Macau) mainly engages in comprehensive commercial banking services such as deposit, loan, trade finance and international settlement. As at 31 December 2023, ICBC (Macau) recorded total assets of U.S.$46,051.23 million and net assets of U.S.$3,829.93 million. It generated a net profit of U.S.$7.59 million for the year ended 31 December 2023.

PT. Bank ICBC Indonesia ("ICBC (Indonesia)")

ICBC (Indonesia) is a fully-licensed commercial banking subsidiary registered in Indonesia, with a paid-up capital of IDR3.71 trillion, of which we hold a 98.61 per cent. stake. ICBC (Indonesia) mainly engage in financial services such as deposit, loan and trade finance, settlement, agency services, inter-bank borrowing and lending and foreign exchange. As at 31 December 2023, ICBC (Indonesia) recorded total assets of U.S.$2,931.31 million and net assets of U.S.$438.87 million. It generated a net profit of U.S.$20.51 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Malaysia) Berhad ("ICBC (Malaysia)")

ICBC (Malaysia) is our wholly-owned subsidiary established in Malaysia. With a paid-up capital of MYR833 million, it is able to provide a full range of commercial banking services. As at 31 December 2023, ICBC (Malaysia) recorded total assets of U.S.$1,075.70 million and net assets of U.S.$300.14 million. It generated a net profit of U.S.$14.78 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Thai) Public Company Limited ("ICBC (Thai)")

ICBC (Thai), our subsidiary in Thailand, has a share capital of THB20,107 million, of which we hold a 97.98 per cent. stake. ICBC (Thai) holds a comprehensive banking licence and provides various services including deposit, loan, trade finance, remittance, settlement, leasing and consulting. As at 31 December 2023, ICBC (Thai) recorded total assets of U.S.$7,956.60 million and net assets of U.S.$1,255.53 million. It generated a net profit of U.S.$90.52 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Almaty) Joint Stock Company ("ICBC (Almaty)")

ICBC (Almaty), our wholly-owned subsidiary, was incorporated in Kazakhstan with a share capital of KZT8,933 million. The primary commercial banking services it engages in include deposit, loan, international settlement and trade finance, foreign currency exchange, guarantee, account management, E-banking and bank card. As at 31 December 2023, ICBC (Almaty) recorded total assets of U.S.$767.03 million and net assets of U.S.$144.50 million. It generated a net profit of U.S.$36.60 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC (New Zealand)")

ICBC (New Zealand) is our wholly-owned subsidiary with a paid-up capital of NZD234 million. ICBC (New Zealand) provides corporate and personal banking services such as account management, transfer and remittance, international settlement, trade finance, corporate credit, residential mortgages and credit card business. As at 31 December 2023, it recorded total assets of U.S.$1,496.98 million and net assets of U.S.$200.83 million. It generated a net profit of U.S.$11.93 million for the year ended 31 December 2023.

ICBC (Europe)

ICBC (Europe), our wholly-owned subsidiary, was incorporated in Luxembourg with a paid-up capital of EUR437 million. It has several institutions including Paris Branch, Brussels Branch, Amsterdam Branch, Milan Branch, Madrid Branch, Warsaw Branch and Greece Representative Office, which mainly offer financial services including loan, trade finance, settlement, treasury, investment banking, custody, franchise wealth management, etc. As at 31 December 2023, ICBC (Europe) recorded total assets of U.S.$5,693.51 million and net assets of U.S.$540.70 million. It recorded a net loss of U.S.$54.87 million for the year ended 31 December 2023.

ICBC (London) Plc ("ICBC (London)")

ICBC (London), our wholly-owned subsidiary, was incorporated in the United Kingdom with a paid-up capital of U.S.$200 million. It provides banking services such as deposit and exchange, loan, trade finance, international settlement, funds clearing, foreign exchange trading and retail banking services. As at 31 December 2023, ICBC (London) recorded total assets of U.S.$1,514.15 million and net assets of U.S.$501.62 million. It generated a net profit of U.S.$26.24 million for the year ended 31 December 2023.

ICBC Standard Bank Plc ("ICBC Standard Bank")

ICBC Standard Bank, our subsidiary in the United Kingdom, has an issued share capital of U.S.$1,083 million, in which we hold a direct 60 per cent. stake. ICBC Standard Bank mainly provides global commodity trading businesses such as base metals, precious metals, commodities and energy as well as global financial markets businesses such as exchange rate, interest rate and credit. As at 31 December 2023, ICBC Standard Bank recorded total assets of U.S.$23,187.95 million and net assets of U.S.$1,869.45 million. It generated a net profit of U.S.$185.60 million for the year ended 31 December 2023.

Bank ICBC (Joint Stock Company) ("Bank ICBC (JSC)")

Bank ICBC (JSC), our wholly-owned subsidiary, was incorporated in Russia with a share capital of RUB10.81 billion. It mainly provides a full spectrum of corporate banking services including corporate and project loan, trade finance, deposit, settlement, securities brokerage, custody, franchise treasury business and securities trading, foreign currency exchange, global cash management, investment banking and corporate financial consulting, as well as personal banking services. As at 31 December 2023, Bank ICBC (JSC) recorded total assets of U.S.$4,238.62 million and net assets of U.S.$526.36 million. It generated a net profit of U.S.$237.14 million for the year ended 31 December 2023.

ICBC Turkey Bank Anonim Sirketi ("ICBC (Turkey)")

ICBC (Turkey), our controlled subsidiary in Turkey, has a share capital of TRY8,845 million, in which we hold a 92.84 per cent. stake. With licences for commercial banking, investment banking and asset management, ICBC (Turkey) provides corporate customers with integrated financial services including deposit, project loan, syndicated loan, trade finance, small and medium-sized enterprise loan, investment and financing advisory services, securities brokerage and asset management. At the same time, it provides personal customers with financial services such as deposit, consumption loan, residential mortgages, credit card and E-banking. As at 31 December 2023, ICBC (Turkey) recorded total assets of U.S.$3,411.74 million and net assets of U.S.$172.67 million. It generated a net loss of U.S.$17.95 million for the year ended 31 December 2023.

ICBC Austria Bank GmbH ("ICBC (Austria)")

ICBC (Austria), is our wholly-controlled subsidiary in Austria, has a share capital of EUR200 million. ICBC (Austria) provides financial services such as corporate deposits, loans, trade finance, international settlement, cash management, cross-border RMB business, foreign exchange transactions, and financial advisory for cross-border investment and financing. As at 31 December 2023, ICBC (Austria) recorded total assets of U.S.$1,435.51 million and net assets of U.S.$219.27 million. It generated a net profit of U.S.$4.94 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (USA) NA ("ICBC (USA)")

ICBC (USA), our controlled subsidiary in the United States, has a paid-up capital of U.S.$369 million, of which we hold an 80 per cent. stake. Holding a fully-functional commercial banking licence registered in the USA Federal International Qualification Authentication Corp, ICBC (USA) is a member of Federal Deposit Insurance Corporation, providing corporate and retail banking services such as deposit, loan, settlement and remittance, trade finance, cross-border settlement, cash management, E-banking and bank card services. As at 31 December 2023, ICBC (USA) recorded total assets of U.S.$2,956.72 million and net assets of U.S.$446.71 million. It generated a net profit of U.S.$23.24 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China Financial Services LLC ("ICBCFS")

ICBCFS, our wholly-owned subsidiary in the United States, has a paid-up capital of U.S.$50 million. It mainly specialises in securities clearing and financing business in Europe and America, and offers securities brokerage services including securities clearing, financing and custody for institutional customers. As at 31 December 2023, ICBCFS recorded total assets of U.S.$4,629.73 million and net assets of U.S.$22.92 million. It recorded a net loss of U.S.$51.04 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Canada) ("ICBC (Canada)")

ICBC (Canada) is our subsidiary in Canada with a paid-up capital of CAD208 million, of which we hold an 80 per cent. stake. Holding a full-functional commercial banking licence, ICBC (Canada) provides various corporate and retail banking services such as deposit, loan, settlement, remittance, trade finance, foreign exchange trading, funds clearing, cross-border RMB settlement, RMB currency notes, cash management, E-banking, bank card and investment and financing consultation. As at 31 December 2023, ICBC (Canada) recorded total assets of U.S.$2,327.21 million and net assets of U.S.$336.77 million. It generated a net profit of U.S.$33.56 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China Mexico S.A. ("ICBC (Mexico)")

ICBC (Mexico), our wholly-owned subsidiary in Mexico, has a paid-up capital of MXN1,597 million. Holding a full-functional commercial banking licence, ICBC (Mexico) offers corporate deposit, loan, international settlement, trade finance, foreign exchange trading and other services. As at 31 December 2023, ICBC (Mexico) recorded total assets of U.S.$486.08 million and net assets of U.S.$50.83 million. It generated a net profit of U.S.$1.73 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Brasil) S.A. ("ICBC (Brasil)")

ICBC (Brasil), our wholly-owned subsidiary in Brazil, has a paid-up capital of BRL202 million. ICBC (Brasil) offers commercial banking and investment banking services such as deposit, loan, trade finance, international settlement, fund transaction, franchise wealth management and financial advisory. As at 31 December 2023, ICBC (Brasil) recorded total assets of U.S.$389.57 million and net assets of U.S.$40.35 million. It recorded a net profit of U.S.$2.11 million for the year ended 31 December 2023.

ICBC Peru Bank ("ICBC (Peru)")

ICBC (Peru), our wholly-owned subsidiary in Peru, has a paid-up capital of U.S.$120 million. Holding a full-functional commercial banking licence, ICBC (Peru) offers corporate deposit, loan, financial leasing, international settlement, trade finance, foreign exchange trading and E-banking and other services. As at 31 December 2023, ICBC (Peru) had total assets of U.S.$628.44 million and net assets of U.S.$134.90 million. It generated a net profit of U.S.$13.81 million for the year ended 31 December 2023.

Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC (Argentina)")

ICBC (Argentina), our wholly-owned subsidiary in Argentina, has a paid-up capital of ARS171,933 million. With a commercial banking licence, ICBC (Argentina) provides a full range of commercial banking services including working capital loan, syndicated loan, structured financing, trade finance, personal loan, auto loan, spot/forward foreign exchange trading, financial markets, cash management, investment banking, bond underwriting, asset custody, leasing, international settlement, E-banking, credit card and asset management. As at 31 December 2023, ICBC (Argentina) recorded total assets of U.S.$4,809.13 million and net assets of U.S.$880.89 million. It generated a net profit of U.S.$126.59 million for the year ended 31 December 2023.

Major Domestic Subsidiaries

ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management, a subsidiary in which we hold an 80 per cent. stake and has a paid-up capital of RMB200 million. It mainly engages in fund raising, fund sales, asset management and other businesses approved by CSRC, and owns many business qualifications including mutual fund, QDII, enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity and basic endowment insurance investment manager. It is one of the "fully qualified" fund companies in the industry. As at 31 December 2023, it recorded total assets of RMB22,806 million and net assets of RMB18,732 million. It generated a net profit of RMB1,942 million for the year ended 31 December 2023. At the end of 2023, ICBC Credit Suisse Asset Management managed a total of 247 mutual funds and 590 annuities, separately managed accounts and special portfolios, with assets totaling RMB1.72 trillion.

ICBC Leasing

ICBC Leasing, our wholly-owned subsidiary, has a paid-up capital of RMB18.0 billion. It mainly operates the financial leasing of large-scale equipment in critical fields such as aviation, shipping, energy and power, rail transit, equipment manufacturing and areas requiring "specialization, refinement, differentiation and innovation". It provides a range of financial and industrial services such as transfer of leasing assets, asset trading and asset management. As at 31 December 2023, ICBC Leasing recorded total assets of RMB278,381 million and net assets of RMB42,940 million. It generated a net profit of RMB759 million for the year ended 31 December 2023.

ICBC-AXA

ICBC-AXA, a subsidiary in which we hold a 60 per cent. stake and has a paid-up capital of RMB12,505 million. ICBC-AXA engages in a variety of insurance businesses such as life insurance, health insurance and accident

insurance, as well as reinsurance of the aforesaid businesses, business permitted by national laws and regulations to use insurance funds and other businesses approved by former CBIRC (now the NAFR). As at 31 December 2023, it recorded total assets of RMB317,989 million and net assets of RMB16,262 million. It generated a net profit of RMB703 million for the year ended 31 December 2023.

ICBC Investment

With a paid-in capital of RMB27.0 billion, ICBC Investment is our wholly-owned subsidiary and one of the first pilot institutions in China to conduct debt-for-equity swap of banks one of the first pilot institutions in China to conduct debt-for-equity swap of banks. It holds the franchise licence of non-bank financial institution and is mainly engaged in debt-for-equity swap and the supporting business. As at 31 December 2023, ICBC Investment recorded total assets of RMB178,625 million and net assets of RMB47,522 million. It generated a net profit of RMB4,473 million for the year ended 31 December 2023.

ICBC Wealth Management

ICBC Wealth Management is our wholly-owned subsidiary with a paid-in capital of RMB16.0 billion. It engages mainly in the issuance of wealth management products, wealth management advisory and consulting service and other activities approved by the former CBIRC (now the NAFR).

On 25 May 2021, the Board announced that ICBC Wealth Management received the former CBIRC's approval to cooperate with Goldman Sachs Asset Management, L.P. ("**Goldman Sachs Asset Management**") to establish a Sino-foreign joint venture wealth management company (the "**Joint Venture Wealth Management Company**"). The Joint Venture Wealth Management Company will be jointly funded and established by ICBC Wealth Management and Goldman Sachs Asset Management. The funding contribution ratio of ICBC Wealth Management and Goldman Sachs Asset Management will be 49 per cent. and 51 per cent. respectively. The joint funding and establishment of the Joint Venture Wealth Management Company by ICBC Wealth Management and Goldman Sachs Asset Management will be beneficial to our provisions of more diversified and professional wealth management services, and further enhance the our comprehensive ability to serve the real economy. In the next step, we will push forward ICBC Wealth Management to complete the establishment of the Joint Venture Wealth Management Company in accordance with the regulatory requirements.

As at 31 December 2023, ICBC Wealth Management recorded total assets of RMB20,514 million and net assets of RMB20,257 million. It generated a net profit of RMB1,325 million for the year ended 31 December 2023. As at 31 December 2023, the balance of wealth management products of ICBC Wealth Management amounted to RMB1,607.48 billion, all of which were net-worth products.

Major Equity Participation Company

Standard Bank Group Limited

Standard Bank Group Limited is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. We continued to hold 324,963,464 shares or 19.39 per cent. of Standard Bank and to be its single largest shareholder. Based on mutual benefit and win-win cooperation, the two sides furthered their cooperation in equity cooperation, customer expansion, project financing, product innovation, risk management, Fintech and staff exchange, etc. As at 31 December 2023, Standard Bank Group Limited recorded total assets of ZAR3,065,745 million and net assets of ZAR276,920 million. It generated a net profit of ZAR50,303 million for the year ended 31 December 2023.

IT-BASED BANKING DEVELOPMENT

We continued to improve the "big data" basis for IT-based banking development, input data of financial market, e-commerce platform and comprehensive subsidiaries as data warehouse, and incorporated personal internet

banking logs and other unstructured data into our database. We strengthened data analysis mining and application in terms of e-commerce, risk management, precision marketing and product classification. We integrated business handling process, continued to improve consolidation of customer information and optimised our customer-oriented marketing assessment system. We also improved our financial asset service system and implemented full-process management on asset investment and operation. Furthermore, we advanced the system building in our international and diversified operations and accomplished comprehensive business system development in ICBC-AXA, ICBC Credit Suisse Investment Management and other subsidiaries.

Our information system maintained stable and secure operation. We have acquired the capability to switch our city-wide host systems in two technical parks within several minutes and transformed from traditional disaster recovery mode to dual-centre parallel mode to ensure the around-the-clock operation of our global business. We continued to build the group-wide daily administrative mechanism on information security and conducted tiered authorisation and information protection. We reformed the financial IC card, mobile payment and other application systems, enhanced our controllability on information security protection and reinforced security protection measures for customer service system.

INTELLECTUAL PROPERTY RIGHTS

As of 2023, we were ranked first place in the banking industry in the NAFR's IT supervision ratings, keeping the leading position among peers . Five of our technical achievements won PBOC's "FinTech Development Awards", of which the banking FinTech online database transformation project won the First Prize.

We are also the registered owner of the domain names of our websites such as "www.icbc.com.cn", "www.icbc.com.hk" and "www.icbc.asia". The trademark "ICBC 工" (individually and collectively with our Chinese and/or English name), for which we have the copyright, has been widely used on our signboards, badges, publicity materials and internal documents. See also "*– IT-Based Banking Development*" above.

HUMAN RESOURCES MANAGEMENT

As at 31 December 2023, we had a total of 419,252 employees.

With the focus on high-quality development of operations, centering on key areas of business development and competition, we assigned more human resources to strategic areas and improved operating capability by enhancing the quality and efficiency of human resources. Focusing on key areas such as sci-tech innovation, green development, emerging business, inclusive finance, and digital transformation, we continued to propel the building of marketing, credit, technology, and data teams, improved talent cultivation, introduction, motivation, and utilisation, and strove to build a high-level financial team that meets the requirements of building a financial robust country. We expedited the empowerment of sci-tech data, refined organisational functions, and improved the development mechanism for frontline employees to stimulate talent vitality.

We carried forward the traditional culture of China, adhered to honesty and trustworthiness, profit from righteousness, prudence, integrity and innovation, and compliance with laws, and continuously enriched and improved the corporate culture of ICBC in the new period. We carried out rich and diverse cultural activities and launched 80 cultural model units to promote exchange and mutual learning of corporate culture in 2023. To reinforce probity culture construction in the new era, we established probity culture research centre, advanced the construction of education base for probity culture, and produced a series of warning and educational films to learn lessons from cases, and further deepen the comprehensive and strict governance of the Party. We established the first innovative cultural education base in the financial industry, and developed it into an important platform for transmission of innovation culture, so as to stimulate innovation and creativity

throughout us. In 2023, our corporate culture cultivation was awarded "10-year Typical Experience of Corporate Culture in the New Era" by China Research Institute of Enterprise Culture, improving ICBC's cultural influence.

Focusing on building a learning organization and a learning bank, we strove to implement a number of high-quality training programs, to effectively facilitate training at all levels and continuously enhance the comprehensive quality and performance capability of cadres and employees. For management personnel, we implemented training programs such as "ICBC Leadership" training for heads of domestic institutions, training for heads of overseas institutions, capability improving program for heads in charge of credit division, capabilities improving program for newly appointed heads in charge of personal financial services, and operating capabilities improving program for heads of tier-two branches, to strengthen their strategic thinking and management competence. For professionals, we implemented programs such as ICBC Modern Finance Lecture, "D-ICBC" training, "Sword Sharpening Program" for discipline inspection line, and training for organization heads from institutions directly managed by the head office, to improve their professional and business capabilities. For front-line employees, we implemented the rotating training program for outlet heads, "iron triangle"1 training for "GBC+" outlets to continuously improve the competence and services of outlet staff. Focusing on the growth of talents, we implemented a series of programs including Training for Young and Middle-aged Cadres, Training for International Talents Training, Training for Expatriate and Reserve Talents, Training for New Employees and Management Trainees, and Training for New Employee Mentor, building a full-chain, and systematic training system.

LEGAL AND REGULATORY PROCEEDINGS

We were involved in lawsuits and arbitrations during our normal course of operations. Most of these cases were initiated by us to recover NPLs, while some were related to disputes with clients. As at 31 December 2023, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB6,659 million. We do not expect any material adverse effect from the above-mentioned legal proceedings and arbitrations on our business, financial position or operating results.

We strictly comply with applicable anti-money laundering and anti-terrorism laws and other regulations in the PRC, Hong Kong, Singapore and other jurisdictions where we have operations. We actively fulfil our obligations and responsibilities in terms of anti-money laundering by coordinating the establishment of anti-money laundering policies and systems. We have carried out customer identification, large amount and suspicious transaction reporting, money laundering risk assessment, anti-money laundering training and audits, which have improved our anti-money laundering and anti-terrorist financing compliance capabilities. Save as disclosed under "*Risk Factors – Other Risks Relating to Our Business – We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities*" of this Drawdown Offering Circular, we are not currently aware of any money laundering or terrorist financing activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations.

GREEN BOND FRAMEWORK

As a branch of the Bank, each Branch Issuer has adopted the Green Bond Framework of the Bank.

The Bank first published its green bond framework (the "**Green Bond Framework**") on 25 September 2017, and further updated the Green Bond Framework in August 2021.

The Green Bond Framework has been developed to demonstrate how the Bank will issue green bonds to fund new and existing projects with environmental benefits. Notes issued under the Green Bond Framework will finance existing and new projects that are aligned with the Green Bond Principles and the Green Bond Endorsed Projects Catalogue.

In addition, Notes issued under the Green Bond Framework may further be certified by the Climate Bond Initiative ("**CBI**") in accordance with the Climate Bonds Standard ("**CBS**").

The Green Bond Framework is publicly available on the global website of the Bank at: www.icbc-ltd.com. For the avoidance of doubt, the Green Bond Framework is not incorporated by reference into, and does not form part of, the Original Offering Circular or this Drawdown Offering Circular. None of the Joint Lead Managers or any of their respective directors, officers, employees, representatives, advisers, agents or affiliates accepts any responsibility for the contents of the Green Bond Framework.

USE OF PROCEEDS

The Bank established the Green Bond Framework under which it plans to finance or refinance, in whole or in part, eligible green assets that promote environmental protection, sustainable economic development, and combating climate change (the "**Eligible Green Assets**").

The Eligible Green Assets consist of eligible green asset categories (the "**Eligible Green Asset Categories**") from the various business units of the Bank as set out below:

Eligible Green Asset Categories	**Eligibility Criteria**	**United Nations Sustainable Development Goals Alignment**	**Environmental Objectives**
Renewable energy	• Generation and transmission of energy from renewable energy sources • Renewable energy sources include offshore and onshore wind, solar, tidal, large hydropower (lifecycle emissions below 100g CO_2e/kWh or power density above 5 W/m2), and biomass (lifecycle emissions below 100g CO_2e/kWh)	Target 7: Ensure access to affordable, reliable, sustainable and modern energy for all 	Climate change mitigation
Clean transportation	• Construction, maintenance, research and development of zero direct emission (e.g. electric and hydrogen) transportation facilities excluding any infrastructure or rolling stock assets used for the	Target 11: Make cities and human settlements inclusive, safe	Climate change mitigation and pollution prevention & control

Eligible Green Asset Categories	Eligibility Criteria	United Nations Sustainable Development Goals Alignment	Environmental Objectives
	transportation of fossil fuel or mining products • Examples include metro, rail tram, bus rapid transit systems, and electric vehicles • Manufacture of key assets, systems, and components dedicated for zero direct emission vehicles and vessels		
Energy efficiency	• Products or technologies that increase energy efficiency and reduce at least 30% energy consumption of the related asset(s), technology(ies), product(s) or system(s) • Examples include LED lights, improved chillers, and improved lighting technologies • Improved efficiency in the delivery of bulk energy services • Examples include smart grids and energy storage	Target 9: Build resilient infrastructure, promote sustainable industrialization and foster innovation 	Climate change mitigation
Sustainable water and wastewater.....	• Water collection, treatment, recycling technologies and related infrastructure • Examples include water pipes and collection facilities to collect water or rainwater for recycling, and wastewater treatment plant facilities	Target 6: Ensure availability and sustainable management of water and sanitation for all 	Pollution prevention & control

For the avoidance of doubt, in any case, the Eligible Green Assets shall exclude the assets that are involved in following sectors or activities: (i) fossil fuel related assets, (ii) nuclear and nuclear-related assets and (iii) biomass/feedstock that (a) will be derived from sources that compete with food production, (b) will be grown in areas with currently or previously high in biodiversity and/or (c) will decrease carbon pools in soil.

PROJECT EVALUATION AND SELECTION

Eligible Green Assets will be from the various business units of the Bank globally, including its branches and subsidiaries.

They will then be reviewed by a dedicated green bond working group at the Bank's head office (the "**Working Group**") which comprises representatives of (i) Asset & Liability Management Department; (ii) Credit and Investment Management Department; (iii) Corporate Banking Department; (iv) Modern Finance Research Institute; and (v) other departments if relevant.

Prior to the issuance of the series of Notes, the Working Group will review all proposed Eligible Green Assets to determine their compliance with the Green Bond Framework for approval as "Eligible Green Asset" and form an eligible green asset list (collectively the "**Eligible Green Asset List**"). For refinancing project, the Working Group will prioritise the most recent projects.

In the Working Group, representatives nominated shall include experts possessing environmental experience and knowledge, and enjoy a veto power to the final decision on the selection. The assets vetoed by them shall be excluded from the Eligible Green Asset List.

Annually, the Working Group will review the allocation of the proceeds to the Eligible Green Asset List and determine if any changes are necessary (for example, if a project has amortized, been prepaid, sold or otherwise become ineligible) and facilitate ongoing reporting. The Working Group will decide any necessary update of the Eligible Green Asset List (such as replacement, deletion, or addition of projects) to maintain the eligibility of the use of proceeds.

MANAGEMENT OF PROCEEDS

Prior to the issuance of the series of Notes, the Bank shall develop a preliminary Eligible Green Asset List in accordance with the procedures as described in the "*Project Evaluation and Selection*" section to ensure that the proceeds can be allocated to the Eligible Green Assets in a timely manner.

A "Green Bond Allocation Register" will be established to record the allocation of proceeds from the relevant series of Notes. The proceeds of such series of Notes will be deposited in the general funding account and earmarked pending allocation.

The Green Bond Allocation Register will contain information in respect of each series of Notes including:

(i) Details of the relevant series of Notes: currency, amount, ISIN, pricing date, maturity date, etc.

(ii) Details of the Eligible Green Asset List for each relevant series of Notes including the following information:

- Eligible Green Asset Categories
- Summary of details of projects financed, such as amount, project description and age of the project
- Amount of allocated proceeds on the projects
- Other necessary information so that the aggregate of issuance proceeds allocated to the Eligible Green Assets is recorded at all times
- Estimated environmental and social impact where applicable of the Eligible Green Assets.

Any balance of issuance proceeds from the relevant series of Notes not allocated to Eligible Green Assets will be held in accordance with the Bank's sound and prudent liquidity management policy. The remaining

unallocated proceeds will be handled as compliant with the relevant green bond standards of the issuing location, which includes temporary investment in notes issued by non-financial enterprises, money market instruments with good credit rating and market liquidity in the domestic and international markets until they are allocated to Eligible Green Assets. The unallocated proceeds shall not be invested in highly polluting, high-carbon emission or resource-intensive projects.

ALLOCATION REPORTING

The Bank has committed to publishing a green bond report annually (the "**Green Bond Annual Report**"), which will provide information on amounts equal to the proceeds of each green bond issued and provide disclosure on the below aspects:

(i) the aggregate amount allocated to the various Eligible Green Asset Categories;

(ii) the remaining balance of funds which have not yet been allocated;

(iii) geographical distribution of the proceeds (on country level); and

(iv) examples of Eligible Green Assets (subject to confidentiality disclosures).

Such relevant Green Bond Annual Report will include information on the series of Notes to be issued by the relevant Branch Issuer.

Furthermore, the Bank will confirm that the use of proceeds of the series of Notes to be issued by the relevant Branch Issuer conforms to the Green Bond Framework.

IMPACT REPORTING

The Bank will endeavor to report on the relevant environmental and social impacts by project and on a pro-rated basis according to the share of ICBC's Green Bond financing where applicable resulting from Eligible Green Assets, and the relevant information on the methodology and assumptions used for impact evaluation.

Subject to the nature of Eligible Green Assets and availability of information, the Bank aims to include, but not limited to, the following potential impact indicators:

Eligible Green Asset Categories	**Potential Impact Indicators**
Renewable energy	• KWh of power generated from renewable energy • Tonnes of CO2 (or other GHG) avoided
Clean transportation	• Tonnes of CO2 (or other GHG) avoided • Length of new tracks built (km) • No. of passenger • No. of electric vehicles purchased
Energy efficiency	• KWh of energy saved per year • Percentage energy efficiency achieved
Sustainable water and wastewater management	• Amount of water saved • Amount of waste water treated

The Green Bond Annual Report(s) will be publicly available through annual updates on the global website of the Bank at www.icbc-ltd.com.

The Bank will also make disclosure through other channels where feasible, such as annual reports and corporate social responsibility reports, which will also be published on www.icbc-ltd.com.

EXTERNAL REVIEW

The Bank has engaged Sustainalytics to act as an external reviewer of the Green Bond Framework for alignment to the Green Bond Principles and Beijing Zhongcai Green Financing Consultant Ltd. to act as an external reviewer of the Green Bond Framework for the Chinese Green Bond Standards. The Second-Party Opinions and relevant assessment reports released by Sustainalytics and Beijing Zhongcai Green Financing Consultant Ltd. have been made publicly available on the global website of the Bank at www.icbc-ltd.com but are not incorporated into, and do not form part of, the Original Offering Circular or this Drawdown Offering Circular.

The Bank will engage an independent third party to provide assurance on its Green Bond Annual Report which will provide information on allocation and impacts.

USE OF PROCEEDS

An amount equivalent to the net proceeds from the issue of each series of Notes by the Branch Issuers will be used to finance and/or refinance Eligible Green Assets.

"**Eligible Green Assets**" comprise of assets which promote environmental protection, sustainable economic development, and combating climate change in the Eligible Green Asset Categories as defined in the Green Bond Framework. Such Eligible Green Asset Categories include those which relate to renewable energy, clean transportation, energy efficiency and sustainable water and wastewater management.

For the avoidance of doubt, in any case, the Eligible Green Assets shall exclude the assets that are involved in following sectors or activities: (i) fossil fuel related assets, (ii) nuclear and nuclear-related assets and (iii) biomass/feedstock that (a) will be derived from sources that compete with food production, (b) will be grown in areas with currently or previously high in biodiversity and/or (c) will decrease carbon pools in soil.

Assets in all Eligible Green Asset Categories shall at least reach the threshold of relevant official standards of environmental impacts recognised in the local jurisdiction. In case of no official standards locally recognised, corresponding international standards shall apply.

The table below sets out the percentage of breakdown of such Eligible Green Assets for the Notes by region:

Location	**Proportion**
	(%)
China	86.6
United Arab Emirates	13.4
Total	100.0

The table below sets out the breakdown of such Eligible Green Assets for the Notes by Eligible Green Asset Categories:

	Proportion
	(%)
Eligible Green Asset Categories	
Clean Transportation	69.0
Renewable Energy	31.0
Total	100.0

NOTES BEING ISSUED AS "CARBON NEUTRALITY" THEMED INTERNATIONAL GREEN BONDS

This section should be read in conjunction with the use of proceeds for each series of Notes. See "*Use of Proceeds*" of this Drawdown Offering Circular.

MANAGEMENT STATEMENT

The Bank's strategic goal of green finance is to become an internationally leading green bank with sound international reputation. The Bank strives to realise the integration of economic and social responsibilities, establishing the image of a large responsible bank in the aspects of supporting economic development, protecting environment and resources, and sponsoring public interest activities.

In accordance with green financing criteria, the Bank has been innovative in the green financial products market, has underwritten a number of green bonds, and has endeavoured to build an all-around green financial service system. By improving industrial credit policies, the Bank has promoted the development industries involved in energy saving, emission reduction and environmental protection.

GREEN CREDIT AND OPERATION

As at the end of 2023, the Bank's balance of green loans by the statistical standard of the NAFR reached nearly RMB5.4 trillion, representing an increase of nearly RMB1.4 trillion over the end of last year, maintaining a leading position among peers in terms of total amount and growth.

In 2023, the Bank successfully issued green finance bonds that totalled RMB60 billion in the Chinese interbank bond market, making it the biggest issuer of the year in the interbank market. Particularly, the second issuance of RMB30 billion became the single largest tranche of the Bank. It was the first time in the market that the third issuance of RMB20 billion was conducted in the form of quotation. As at the end of 2023, the Bank issued 9 overseas green bonds with a total amount of U.S.$19.9 billion. During the year ended 31 December 2023, the Bank underwrote 95 ESG bonds (such as green, sustainability bonds and social bonds), that raised RMB450,090 million in total, with the leading underwriting amounting to RMB112,875 million, substantially fulfilling its social responsibilities.

In terms of emission reduction of projects supported by green credit in 2023, (i) reduction of standard coal equivalent was approximately 72.7 million (2022: 70.5 million and 2021: 47.4 million) tonnes, (ii) emission reduction of carbon dioxide equivalent was approximately 144.1 million (2022: 137.3 million and 2021: 98.8 million) tonnes, (iii) chemical oxygen demand emission reduction was approximately 543,000 (2022: 350,900 and 2021: 283,800) tonnes, (iv) ammonia nitrogen reduction was approximately 134,700 (2022: 92,900 and 2021: 72,600) tonnes, (v) emission reduction of sulfur dioxide was approximately 21.5 million (2022: 29.3 million and 2021: 18.2 million) tonnes, (vi) emission reduction of nitrogen oxides was approximately 10.6 million(2022: 20.7 million and 2021: 15.4 million) tonnes and (vii) water saved amounted to approximately 92.3 million (2022: 108.4 million and 2021: 75.2 million) tonnes.

In addition, in 2018 the Bank increased their involvement in strengthening research into green finance, and were involved in many ground-breaking research achievements. In December 2018, CSI 180 ESG Index, an outcome of the joint efforts by the Bank and China Securities Co., Ltd., was officially launched. ESG stands for environment, social responsibility, and corporate governance and is used to measure corporate sustainability. This is the first ESG index published by a Chinese financial institution. As a member of the PBOC's Green Finance Committee, the Bank has established the ICBC Green Finance Research Group, a dedicated research team for green finance, leading research efforts in, amongst others, green finance strategies, stress testing, green

bonds, green indices, and carbon finance, and has since released the ESG Green Rating and the Green Index Report.

INTERNATIONAL EXCHANGE AND COOPERATION

The Bank has participated in and attended international platforms and meetings relating to the environment and sustainable development sector. For example:

- In 2012, the Bank became the first Chinese commercial bank to join the United National Global Compact.
- In 2013, the Bank made a commitment to green financing on behalf of 29 banks in the National Green Credit Meeting organised by the China Banking Regulatory Commission.
- In January 2015, the Bank signed the Declaration on Environment and Sustainable Development and joined the United Nations Environment Programme Finance Initiative to become a member of the organisation.
- In 2016, the Bank signed the Statement by Financial Institution on Energy Efficiency at the invitation by the G20 Energy Efficiency Finance Task Group, becoming the first major commercial bank participant from China.
- At the 2016 international conference "Future of Green Finance" held in London, the Bank published the "Impact of Environmental Factors on Credit Risk of Commercial Banks – Research and application by ICBC based on stress test".
- In 2016, as co-Chairman of the B20 Financing Growth Task Force, the Bank raised the topic of green finance on behalf of the business community, which was included for the first time in the B20 core issues.
- In 2018, the Bank was the only Chinese bank in the core group of United Nations Environment Program Finance Initiative (UNEP FI)'s development of "Principles for Sustainable Global Banking".
- The Bank was selected for several consecutive years as a composite share in the Hang Seng Corporate Sustainability Indexes[1]. The Bank was also the first Chinese financial institution to join the Task Force on Climate-related Financial Disclosures (TCFD). It is also a standing council member of the China Green Finance Committee since its establishment in 2015 contributing to the development of the market through participation and research.

THE BANK'S INTERNAL POLICIES RELATING TO GREEN CREDIT

The following describes some of the Bank's internal policies relating to green credit and green financing.

Bank-wide Environmental Risk Management of Investment and Financing

Based on the annual investment and financing policy for industries and special-purpose policies, the Bank implemented green credit risk classification, supported the development of green industries, capped financing to high-carbon industries, and actively spurred structural adjustment of investment and financing to a greener way, thus effectively stemming ESG risk of investment and financing. Below are some of the Bank's key policies:

[1] ESG indices are not an indication of the Bank's creditworthiness, financial condition or performance. Prospective investors must determine for themselves the relevance of any such ESG indices referred to in the Offering Circular or elsewhere in making an investment decision.

- The Bank formulated and issued the *Investment and Financing Policy for Industries in 2023*. The Policy covers close to 50 industries in 16 categories, highlighting the "greener" orientation and setting forth further differential policy support and control intensity. Policies that are differentiated in terms of occupation, authorisation, pricing and scale of economic capital were adopted. Indicators about an enterprise's technology, environmental friendliness, energy consumption, etc. were embedded into the process of selecting customers and projects in priority industries. Besides, the Bank vigorously supported the development of green, low-carbon, recycling economy through designating clean energy, green transportation, energy saving, environmental protection, etc. as highly or moderately prioritized access industries. The Bank facilitated the prevention and control of environmental pollution, promoted concerted efforts to cut carbon emissions, reduce pollution, expand green development, and pursue economic growth, channeled its funding to the green economy field, and encouraged the industries with heavy pollution and high energy consumption to accelerate transition to green development.

- The Bank formulated and released the *Guideline for Greening Investment and Financing of Industrial and Commercial Bank of China (Trial)* as a specific policy for green finance and a fundamental document of its greening investment and financing policy system. Focusing on green development, the Guideline takes ESG risk prevention and control as the general starting point, and provides rich operation guidance for controlling ESG risk of investment and financing. The clarification of key points for ESG risks identification, minimum access criteria, excellence criteria and target green fields has rendered ESG risks control more effective and better-targeted. ESG that draws particular attention in the Guideline includes, but is not limited to, eight aspects, namely, prevention of environmental pollution, reduction in energy consumption, handling of climate change & control of carbon emissions, conservation of water resources & flood control, biodiversity and ecological protection, work safety & occupational health, preservation of cultural relics, corporate governance and owner behavior.

- To adapt to policy changes and effectively control the environmental risks of enterprises, the Bank formulated and released the *Measures for Green Credit Risk Classification Management for Domestic Legal Person Customers*. Based on the standard that the investment and financing were classified into 12 categories at four levels, the Bank increased the weight of climate risk factors in green credit risk classification, lowered the green risk ratings of some high-carbon industries and enterprises, and actively exerted green credit risk classification of bonds, leasing and non-standard wealth management business based on the completion of green classification of outstanding loans. The *Notice on the Trial Implementation of Green Classification Management of Investment and Financing of Overseas Institutions* was issued, requiring all overseas institutions to implement a full range of green classification management of investment and financing within the scope permitted by the laws, regulations and regulatory provisions of host countries (regions).

- The Bank released the *Notice on Strengthening the System Management of Customers' Environmental and Social Risks*, made full use of multi-dimension big data on enterprises' environmental risk through cooperation with third-party environmental data providers, and added factors of environmental information inquiry and environmental risk control to the credit system that allowed real-time access to an enterprise's environmental information and automatic issuance of risk alerts in the process. During the loan term, ESG risk inspection requirements will be regularly automatically monitored and triggered, thus effectively enhancing the Bank's ESG risk identification, monitoring, and prevention and control capacity.

DESCRIPTION ON "CARBON NEUTRALITY" THEMED INTERNATIONAL GREEN BONDS

In accordance with the Green Bond Framework, the Bank will evaluate and select potential financing of Eligible Green Assets, conduct management of the proceeds of the Notes being issued as green bonds, and publish information on allocation and impacts on an annual basis. See the section entitled "*Green Bond Framework*" of this Drawdown Offering Circular for more information.

For details of the Eligible Green Assets selected and the breakdowns of such Eligible Green Assets for Notes by region and Eligible Green Asset Category, see the section entitled "*Use of Proceeds*" of this Drawdown Offering Circular.

EXTERNAL REVIEW

The Bank has engaged Sustainalytics to act as an external reviewer of the Green Bond Framework for alignment to the Green Bond Principles and Beijing Zhongcai Green Financing Consultant Ltd. to act as an external reviewer of the Green Bond Framework for the Chinese Green Bond Standards. The Second-Party Opinions released by Sustainalytics and Beijing Zhongcai Green Financing Consultant Ltd. have been made publicly available on the global website of the Bank at www.icbc-ltd.com.

In addition, the HKQAA Pre-issuance Stage Certificates have been obtained from the HKQAA for each series of the Notes, certifying that the relevant series of Notes to be issued by each Branch Issuer comply with the requirements of the HKQAA Green and Sustainable Finance Certification Scheme: 2021. See the section entitled "*The HKQAA Green and Sustainable Finance Certification Scheme*" of this Drawdown Offering Circular.

Furthermore, the Carbon Neutrality Bond Verification Statement issued by Beijing Zhongcai Green Financing Consultant Ltd. has been obtained in respect of the Notes.

None of the Second-Party Opinions, the HKQAA Pre-issuance Stage Certificates or the Carbon Neutrality Bond Verification Statement is incorporated into or forms part of, the Original Offering Circular or this Drawdown Offering Circular.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

Certain information relating to the HKQAA in this Drawdown Offering Circular have been obtained from public sources, including the Green and Sustainable Finance Certification Scheme Handbook (as defined below) and other publicly available information. Although this information is believed to be reliable, it has not been independently verified by the Joint Lead Managers, any Agent or any director, officer, employee, representative, adviser, agent or affiliate of any such person, and none of the Joint Lead Managers or any Agent or any director, officer, employee, representative, adviser, agent or affiliate of any such person makes any representation as to the accuracy or completeness of that information.

THE HKQAA

The HKQAA is a non-profit distributing organisation established by the Hong Kong Government.

THE HKQAA GREEN AND SUSTAINABLE FINANCE CERTIFICATION SCHEME

The HKQAA Green and Sustainable Finance Certification Scheme was developed with reference to, among others, the CDM, the Green Bond Principles and the Green Bond Endorsed Projects Catalogue (2021 Edition) jointly announced by the PBOC, the NDRC and the CSRC. The benefits of the HKQAA Green and Sustainable Finance Certification Scheme include (i) enhancing the credibility of and stakeholder confidence in the management framework of the debt instrument via independent, impartial third-party conformity assessments, (ii) reaching out to potential investors with specific focus on green and sustainable finance with the aid of the certificate and certification mark, (iii) demonstrating issuer's efforts to help with the green and sustainable development, and (iv) promoting a common understanding of green and sustainable finance.

Under the HKQAA Green and Sustainable Finance Certification Scheme, an applicant may apply for either (i) a pre-issuance stage certificate or (ii) a post-issuance stage certificate.

For pre-issuance stage certification, the certification aims to validate the adequacy, including the readiness of the method statement (the "**Method Statement**"), which is an information form stating methods of the applicant to achieve the intended contribution to green and sustainable development and to demonstrate compliance towards the requirements of the HKQAA Green and Sustainable Finance Certification Scheme Handbook (the "**Green and Sustainable Finance Certification Scheme Handbook**"). Assessment will focus on the requirements related to establishing and documenting objective, mechanism (including strategies, methodology, criteria, procedure and work form template and competence). Implementation record is not required for this stage.

For post-issuance stage certification, the certification aims to validate the adequacy and also verify the implementation effectiveness of the Method Statement. The assessment will go beyond those covered in pre-issuance stage certification. Implementation record of mechanism, process, practice and demonstration are also required for assessment.

Post-issuance Stage Certificate covers both pre-issuance requirement and post-issuance requirement. It is not a prerequisite for post-issuance stage certificate applicant to possess pre-issuance stage certificate. Pre-issuance certificate stage applicant may opt to apply post-issuance stage certificate as the applicant thinks fit. For pre-issuance stage certificate holders who wish to apply for post-issuance stage certificate, the pre-issuance requirements could be waived under the condition that no change in the Method Statement has been made since the certification of pre-issuance stage certificate.

When the HKQAA has completed its assessment and validation of the Method Statement and no issues of nonconformity are outstanding, it will make a recommendation of certification to the Certification Review

Board which reviews and approves the recommendation. Upon such approval, a pre-issuance stage certificate and a Certification Mark (a trademark designed by the HKQAA indicating that a specified debt instrument issued by an applicant is duly certified under the HKQAA Green and Sustainable Finance Certification Scheme) are issued to the applicant.

After certificate issuance, HKQAA will update the list of certification on HKQAA's website, including the name of the debt instrument, the applicant, stage of the certificate, the Method Statement and other relevant information to achieve high transparency towards the public. Taking into account confidentiality considerations in the loan market, loan applicant may make Method Statement available only to lender of the loan. The applicant is required to authorize HKQAA to provide Method Statement to those lenders. Upon enquiry requesting for Method Statement, HKQAA will notify and confirm with the applicant before providing Method Statement to the enquirer.

For an as-at certificate, if an applicant makes any change to its Method Statement after the issuance of the certificate, the corresponding certificate will be regarded as invalid. An applicant shall inform the HKQAA in writing for any change in its Method Statement within one month after the occurrence of the foreseeable or actual changes. An applicant shall make a new application to the HKQAA for the certification with the revised Method Statement.

The HKQAA Pre-issuance Stage Certificates have been obtained from the HKQAA for each series of Notes, certifying that the relevant series of Notes comply with the requirements of the HKQAA Green and Sustainable Finance Certification Scheme: 2021.

HKQAA CERTIFICATION DISCLAIMER

The issuance of the HKQAA Pre-issuance Stage Certificates relating to each series of Notes by the HKQAA is based solely on the Green and Sustainable Finance Certification Scheme Handbook and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Notes or any Eligible Green Assets, including but not limited to the Original Offering Circular, this Drawdown Offering Circular, the transaction documents, the Bank, the Branch Issuers, or the management of the Bank or the Branch Issuers.

The issuance of the HKQAA Pre-issuance Stage Certificates relating to each series of Notes by the HKQAA was addressed solely to the Branch Issuers and is not a recommendation to any person to purchase, hold or sell the Notes and such certification does not address the market price or suitability of the Notes for a particular investor. The certification also does not address the merits of the decision by the Bank, the Branch Issuers or any third party to participate in any Eligible Green Assets and does not express and should not be deemed to be an expression of an opinion as to the Bank or the Branch Issuers or any aspect of any Eligible Green Assets (including but not limited to the financial viability of any Eligible Green Assets) other than with respect to conformance with the Green and Sustainable Finance Certification Scheme Handbook.

In issuing the HKQAA Pre-issuance Stage Certificates, HKQAA shall not be liable for any loss or damage suffered by any person whatsoever or howsoever caused by, arising from and/or in connection with, whether directly or indirectly, the certification of the Notes.

The HKQAA Pre-issuance Stage Certificates do not and are not in any way intended to address the likelihood of timely payment of interest when due on the Notes and/or the payment of principal at maturity or any other date.

The HKQAA Pre-issuance Stage Certificates may be withdrawn at any time in HKQAA's sole and absolute discretion and there can be no assurance that the HKQAA Pre-issuance Stage Certificates will not be withdrawn.

RECENT DEVELOPMENTS

The section entitled "Recent Developments" as set out on page 156 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

ANNOUNCEMENT OF OUR UNAUDITED AND UNREVIEWED CONSOLIDATED FINANCIAL RESULTS AS AT AND FOR THE THREE MONTHS ENDED 31 MARCH 2024

On 29 April 2024, we announced our unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2024. We also reported additional financial and operating indicators. The unaudited and unreviewed consolidated financial results as at and for the three months ended 31 March 2024 are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. Potential investors must exercise caution when using such data to evaluate our financial condition, results of operations and results. Such financial information should not be taken as an indication of our expected financial condition, results of operations and results for the full financial year ending 31 December 2024.

The following table sets forth, for the periods indicated, our unaudited consolidated statement of profit or loss.

	For the three months ended 31 March	
	2023	**2024**
	(in RMB millions)	
Interest income	341,234	363,079
Interest expense	(172,822)	(201,678)
Net interest income	168,412	161,401
Fee and commission income	44,895	43,863
Fee and commission expense	(4,409)	(4,521)
Net fee and commission income	40,486	39,342
Net trading income	5,460	5,320
Net gains on financial investments	4,885	7,545
Other operating expense, net	(782)	(3,443)
Operating income	218,461	210,165
Operating expenses	(47,953)	(48,585)
Impairment losses on assets	(65,022)	(60,075)
Operating profit	105,486	101,505
Share of results of associates and joint ventures	1,100	950
Profit before taxation	106,586	102,455
Income tax expense	(15,816)	(14,393)
Profit for the period	**90,770**	**88,062**

The following table sets forth, as at the dates indicated, our consolidated statement of financial position.

	As at 31 December 2023 (Audited)	As at 31 March 2024 (Unaudited)
	(in RMB millions)	
Assets		
Cash and balances with central banks	4,042,293	3,948,559
Due from banks and other financial institutions	1,116,717	1,237,909
Derivative financial assets	75,339	111,184
Reverse repurchase agreements	1,224,257	2,243,617
Loans and advances to customers	25,386,933	26,630,174
Financial investments	11,849,668	12,233,385
Financial investments measured at fair value through profit or loss	811,957	868,137
Financial investments measured at fair value through other comprehensive income	2,230,862	2,345,719
Financial investments measured at amortised cost	8,806,849	9,019,529
Investments in associates and joint ventures	64,778	63,782
Property and equipment	298,878	295,879
Deferred tax assets	104,669	102,251
Other assets	533,547	733,287
Total assets	**44,697,079**	**47,600,027**
Liabilities		
Due to central banks	231,374	211,584
Due to banks and other financial institutions	3,369,858	4,207,845
Financial liabilities designated as at fair value through profit or loss	62,859	69,117
Derivative financial liabilities	76,251	102,924
Repurchase agreements	1,018,106	1,432,948
Certificates of deposit	385,198	372,732
Due to customers	33,521,174	35,035,080
Income tax payable	63,322	29,118
Deferred tax liabilities	3,930	4,724
Debt securities issued	1,369,777	1,457,576
Other liabilities	818,642	799,764
Total liabilities	**40,920,491**	**43,723,412**
Equity		
Equity attributable to equity holders of the parent company		
Share capital	356,407	356,407
Other equity instruments	354,331	354,331
Reserves	1,134,082	1,148,342
Retained profits	1,912,067	1,998,492
Non-controlling interests	19,701	19,043
Total equity	**3,776,588**	**3,876,615**
Total equity and liabilities	**44,697,079**	**47,600,027**

The following table sets forth, for the periods indicated, selected items from our unaudited consolidated statement of cash flows.

	For the three months ended 31 March	
	2023	**2024**
	(in RMB millions)	
Net cash flows from operating activities	1,105,614	1,367,252
Net cash flows from investing activities	(318,788)	(199,921)
Net cash flows from financing activities	174,073	65,894
Net increase in cash and cash equivalents	960,899	1,233,225
Cash and cash equivalents at beginning of the period	1,926,851	2,755,732
Effect of exchange rate changes on cash and cash equivalents	(9,309)	5,626
Cash and cash equivalents at end of the period	2,878,441	3,994,583

The following tables set forth a summary of our key financial and operating indicators for the periods or as at the dates indicated.

	For the three months ended 31 March	
	2023	**2024**
Profitability indicators (%)		
Return on average total assets[(1)(2)]	0.89	0.76
Net interest margin[(2)(3)]	1.77	1.48
Return on weighted average equity[(2)(4)]	11.22	10.06
Cost-to-income ratio[(5)]	20.80	21.79

	As at 31 December 2023	**As at 31 March 2024**
	(in RMB millions, except percentages)	
Asset quality indicators		
NPLs	353,502	370,888
NPL ratio[(6)]	1.36%	1.36%
Allowance to NPLs[(7)]	213.97%	216.31%
Capital adequacy indicators of the Group Calculated in accordance with the Capital Regulation promulgated by the former CBRC:		
Net Core Tier 1 Capital	3,381,941	3,492,517
Net Tier 1 Capital	3,736,919	3,847,493
Net Capital Base	4,707,100	4,868,344
Core Tier 1 Capital Adequacy Ratio[(8)]	13.72	13.78
Tier 1 Capital Adequacy Ratio[(8)]	15.17	15.18
Capital Adequacy Ratio[(8)]	19.10	19.21

Notes:

(1) Calculated by dividing annualised net profit by the average balance of total assets at the beginning and at the end of the reporting period.
(2) Calculated on an annualised basis.
(3) Calculated by dividing net interest income by the average balance of interest-generating assets.
(4) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the CSRC.
(5) Calculated by dividing operating expenses (less taxes and surcharges) by operating income.
(6) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.
(7) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.
(8) Calculated in accordance with the Capital Regulation.

For the three months ended 31 March 2024, net profit amounted to RMB88,062 million, representing a decrease of 2.98 per cent. compared with the same period of 2023. Annualised return on average total assets and annualised return on weighted average equity were 0.76 per cent. and 10.06 per cent., down 0.13 and 1.16 percentage points respectively compared with the same period of 2023.

For the three months ended 31 March 2024, operating income amounted to RMB210,165 million, representing a decrease of 3.80 per cent. compared with the same period of 2023. Net interest income was RMB161,401 million, representing a decrease of 4.16 per cent. compared with the same period of 2023. Annualised net interest margin ("**NIM**") was 1.48 per cent. Non-interest income reported RMB48,764 million, representing a decrease of 2.57 per cent. compared with the same period of 2023, of which net fee and commission income was RMB39,342 million, representing a decrease of 2.83 per cent. Operating expenses (excluding taxes and surcharges) were RMB45,789 million, representing an increase of 0.78 per cent. compared with the same period of 2023. We set aside the impairment losses on assets of RMB60,075 million, representing a decrease of 7.61 per cent. compared with the same period of 2023. Specifically, the impairment losses on loans were RMB59,698 million, indicating a decrease of 7.22 per cent. compared with the same period of 2023.

As at 31 March 2024, total assets amounted to RMB47,600,027 million, representing an increase of RMB2,902,948 million or 6.49 per cent. over the end of 2023. Total loans and advances to customers (excluding accrued interest) amounted to RMB27,370,160 million, representing an increase of RMB1,283,678 million or 4.92 per cent. over the end of 2023, of which RMB-denominated loans of domestic branches grew by RMB1,233,471 million or 5.06 per cent. In terms of the structure, corporate loans were RMB17,422,420 million, personal loans were RMB8,866,822 million and discounted bills were RMB1,080,918 million. Investments reached RMB12,233,385 million, representing an increase of RMB383,717 million or 3.24 per cent. over the end of 2023.

As at 31 March 2024, total liabilities amounted to RMB43,723,412 million, representing an increase of RMB2,802,921 million or 6.85 per cent. over the end of 2023. Due to customers amounted to RMB35,035,080 million, representing an increase of RMB1,513,906 million or 4.52 per cent. over the end of 2023. In terms of the structure, time deposits were RMB20,188,287 million, demand deposits were RMB14,111,967 million, other deposits were RMB233,238 million and accrued interest was RMB501,588 million.

As at 31 March 2024, shareholders' equity amounted to RMB3,876,615 million, representing an increase of RMB100,027 million or 2.65 per cent. over the end of 2023.

According to the five-category classification of loans, as at 31 March 2024, the balance of NPLs amounted to RMB370,888 million, representing an increase of RMB17,386 million over the end of 2023. The NPL ratio was 1.36 per cent., keeping at the same level as the end of last year. The allowance to NPLs stood at 216.31 per cent., representing an increase of 2.34 percentage points over the end of 2023.

As at 31 March 2024, the common equity tier 1 capital adequacy ratio was 13.78 per cent., the tier 1 capital adequacy ratio was 15.18 per cent. and the capital adequacy ratio was 19.21 per cent., all meeting regulatory requirements.

None of the Joint Lead Managers or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation or warranty, express or implied, regarding the sufficiency of the Group's 2024 First Quarterly Results for an assessment of, and potential investors must exercise caution when using such data to evaluate the financial condition and results of operations of the Group. In addition, the Group's 2024 First Quarterly Results should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2024.

APPOINTMENT OF SENIOR EXECUTIVE VICE PRESIDENT

On 29 April 2024, the Board resolved to elect Mr. Zhang Shouchuan as senior executive vice president of the Bank, subject to the approval of his qualification by the NAFR.

Prior to joining the Bank, Mr. Zhang has been working at Bank of China, where he served as Chief of the Secretary Division for Evaluation and Chief of the Risk Planning Team of the Risk Management Department of the Head Office of the Bank of China, and since November 2007, he successively served as Deputy General Manager of the Risk Management Department and concurrently Director of the Basel II Planning and Coordination Office, Vice President and concurrently Chief Risk Officer of Shandong Branch. He has served as President of Inner Mongolia Branch since December 2016, Director of the Executive Office of the Head Office since March 2018, and President of Shanghai Branch and concurrently Executive Vice President of Shanghai RMB Trading Unit since January 2021. Mr. Zhang graduated from Renmin University of China and obtained a doctorate degree in economics. He is an economist.

NOMINATION OF CANDIDATES FOR INDEPENDENT NON-EXECUTIVE DIRECTOR

On 1 February 2024, the Board resolved to nominate Mr. Murray Horn as candidate for independent non-executive director of the Bank. The election of Mr. Horn as independent non-executive director of the Bank was approved at the first extraordinary general meeting of 2024 of the Bank held on 29 February 2024, and his qualification is subject to the approval of the NAFR.

Mr. Horn currently serves as Non-executive Chairman of CCB New Zealand Limited, Chairman of Marisco Properties Limited and Chairman of Marisco Vineyards Limited. Mr. Murray Horn previously served as Managing Director of ANZ Bank in New Zealand and head of global institutional banking at ANZ (Australia). He served as an independent director at China Construction Bank from December 2013 to September 2019. He was Secretary to the New Zealand Treasury from 1993 to 1997. He also held positions in public organizations in New Zealand and other regions, including Chairman of the National Health Board of New Zealand, member of the New Zealand Tourism Board, Chairman of the New Zealand Business Roundtable, member of the Board of the Centre for Independent Studies in Australia and member of the Trilateral Commission. Mr. Horn also served as an advisor for government agencies and business entities and a director for a number of listed companies. Mr. Murray Horn holds a PhD degree from Harvard University in Political Economy and Government and a Master's degree in Commerce and a Bachelor's degree in Commerce from Lincoln University. Mr. Horn was awarded the Bledisloe Medal from Lincoln University in 2000, and was made a Companion of the New Zealand Order of Merit in 2013.

On 29 April 2024, the Board further resolved to approve the appointment of Mr. Horn as the chairman and member of the Related Party Transactions Control Committee, and member of the Strategy Committee, Nomination Committee, Compensation Committee, Risk Management Committee and US Risk Committee. Mr. Horn's office at special committees shall take effect after the approval by regulatory institution and the announcement of the Bank, and the resignation of Mr. Yang Siu Shun.

NOMINATION OF CANDIDATES FOR NON-EXECUTIVE DIRECTOR

On 29 April 2024, the Board also resolved to nominate Ms. Zhong Mantao as candidate for non-executive director of the Bank. The appointment of Ms. Zhong Mantao as non-executive director of the Bank is subject to the consideration and approval at the shareholders' general meeting, and is subject to the approval of the NAFR after the approval from the shareholders' general meeting has been obtained.

Ms. Zhong joined the Export-Import Bank of China in July 2001, and worked successively in the Business Department, the Personnel Education Department, the General Office, the External Concessional Loan Department, the Assessment and Review Department, the Credit Review and Approval Department, and the Corporate Banking Department of its head office. From 2008, she successively served as the Deputy Chief of Review Division III and Review Division I of the Assessment and Review Department of the Export-Import Bank of China. From 2011, she successively served as the Chief of Review Division I and Assessment Division II of Export-Import Bank of China. From 2016, she successively served as the Deputy General Manager of the Assessment and Review Department, the Deputy General Manager of the Credit Review and Approval Department, and the Deputy General Manager of Corporate Banking Department of Export-Import Bank of China. Ms. Zhong graduated from Central University of Finance and Economics and obtained a Master's degree in Economics.

RESIGNATION OF BOARD SECRETARY

On 29 April 2024, Mr. Guan Xueqing, board secretary of the Bank tendered his resignation to the Bank, resigning from the position of the board secretary and company secretary of the Bank due to his age. Mr. Guan Xueqing has confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation that need to be brought to the attention of the shareholders and creditors of the Bank. In accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, Mr. Duan Hongtao, senior executive vice president of the Bank, shall perform the duties of the board secretary after the resignation of Mr. Guan Xueqing until a new board secretary is appointed. On 29 April 2024, the Board further resolved to approve the proposal on Mr. Duan Hongtao performing duties of board secretary of the Bank.

PROPOSAL ON THE ISSUANCE AMOUNT OF CAPITAL INSTRUMENTS

At the meeting of the Board held on 27 October 2023, the Board considered and approved the proposal on the issuance amount of capital instruments, including without limitation (i) application for additional issuance of tier 2 capital instruments of RMB240 billion or an equivalent in foreign currency, and (ii) that in order to satisfy the latest regulatory filing requirements, the issuance quota of RMB130 billion or an equivalent in foreign currency write-down undated tier 1 capital bonds that has been considered and approved at the first extraordinary general meeting of 2022, but that has not yet been issued, will no longer be used, and the aforesaid quota will be re-applied. The proposal was approved at the general meeting of shareholders of the Bank on 30 November 2023.

PROPOSAL ON THE ISSUANCE AMOUNT OF TOTAL LOSS-ABSORBING CAPACITY NON-CAPITAL DEBT INSTRUMENTS

In order to satisfy the requirements of Total Loss-Absorbing Capacity, on 1 February 2024, the Board resolved to submit to the general meeting of shareholders of the Bank for approval of the issuance of no more than RMB60 billion total loss-absorbing capacity non-capital debt instruments in the domestic market during the period from the date of approval by the general meeting of shareholders of the Bank until 24 months after the date of approval by the NAFR. The proposal was approved at the first extraordinary general meeting of 2024 of the Bank held on 29 February 2024 and will be implemented subject to market conditions and the Bank's own requirements, subject to the approvals of the relevant regulatory authorities.

REDEMPTION OF 2019 TIER 2 CAPITAL BONDS (FIRST TRANCHE) FIRST TYPE

The Bank issued tier 2 capital bonds of the size of RMB55 billion and of two types in the China national inter-bank bond market from 21 to 25 March 2019, among which, the first type of bonds (the "**Redeemed March 2019 Bonds**") is fixed rate bonds with a term of 10 years, a conditional redemption right for the issuer from the end of the fifth year onwards and the issuance size of RMB45 billion. As at 25 March 2024, the Bank has exercised the redemption right and completed the full redemption of the Redeemed March 2019 Bonds.

REDEMPTION OF 2019 TIER 2 CAPITAL BONDS (SECOND TRANCHE) FIRST TYPE

The Bank issued tier 2 capital bonds of the size of RMB55 billion and of two types in the China national inter-bank bond market from 24 to 26 April 2019, among which, the first type of bonds (the "**Redeemed April 2019 Bonds**") is fixed rate bonds with a term of 10 years, a conditional redemption right for the issuer from the end of the fifth year onwards and the issuance size of RMB45 billion. As at 26 April 2024, the Bank has exercised the redemption right and completed the full redemption of the Redeemed April 2019 Bonds.

FUNDING AND CAPITAL ADEQUACY

The section entitled "Funding and Capital Adequacy" as set out on pages 157 to 159 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

FUNDING

Our funding operations are designed to ensure stability of funding, minimise funding costs and effectively manage liquidity. Although customer deposits have always been our main source of funding, we aim to maintain a diversified funding base. Our funding is primarily derived from deposits placed with us by our corporate and personal customers. We also derive funding from shareholders' equity, debt instrument issuances and inter-bank borrowings. We raise foreign currency from customers' foreign currency deposits and occasionally from debt instruments and from borrowings with counterparties.

The following table gives a breakdown of our customer deposits (on a consolidated basis) by remaining maturity as at 31 December 2021, 2022 and 2023.

	As at 31 December					
	2021		2022		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)					
Item						
Overdue/repayable on demand	13,002,739	49.2	14,271,619	47.8	13,683,549	40.8
Less than one month	1,546,301	5.8	1,913,802	6.4	1,830,012	5.5
One to three months	1,491,308	5.6	1,683,372	5.6	2,325,939	6.9
Three months to one year	4,409,851	16.7	5,432,348	18.2	6,986,876	20.8
One to Five years	5,972,715	22.6	6,551,322	21.9	8,679,518	25.9
More than five years	18,860	0.1	18,028	0.1	15,280	0.0
Total	26,441,774	100.0	29,870,491	100.0	33,521,174	100.0

CAPITAL ADEQUACY

We further deepened the capital management reform, strengthened capital saving and optimisation, intensified the constraint of economic capital on risk-weighted assets and continued to elevate the capital use efficiency. On the basis of capital replenishment by retained profits, we proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments to reinforce the capital strength, optimise capital structure and control the cost of capital rationally.

The following table sets forth our capital and capital adequacy ratios as at the dates indicated below, calculated in accordance with the Capital Regulation.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Group	*Parent Company*	*Group*	*Parent Company*	*Group*	*Parent Company*	*Group*	*Parent Company*
	(in RMB millions, except for percentages)							
Item								
Net common equity tier 1 capital	2,886,378	2,614,392	3,121,080	2,824,565	3,121,080	2,824,565	3,381,941	3,065,855
Net tier 1 capital	3,241,364	2,944,636	3,475,995	3,152,660	3,475,995	3,152,660	3,736,919	3,393,346
Net capital base	3,909,669	3,600,883	4,281,079	3,945,322	4,281,079	3,945,322	4,707,100	4,361,390
Common equity tier 1 capital adequacy ratio (%)	13.31	13.29	14.04	14.03	14.04	14.03	13.72	13.55
Tier 1 capital adequacy ratio (%)	14.94	14.97	15.64	15.66	15.64	15.66	15.17	15.00
Capital adequacy ratio (%)	18.02	18.30	19.26	19.60	19.26	19.60	19.10	19.28

The following table sets forth the information relating to the Group's capital adequacy as at the dates indicated below, calculated in accordance with the Capital Regulation.

	As at 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions, except for percentages)			
Common equity tier 1 capital	2,903,516	3,141,891	3,141,891	3,404,032
Paid-in capital	356,407	356,407	356,407	356,407
Valid portion of capital reserve	148,597	148,174	148,174	148,164
Surplus reserve	356,849	392,162	392,162	428,007
General reserve	438,640	496,406	496,406	561,303
Retained profits	1,618,142	1,766,288	1,766,288	1,905,968
Valid portion of minority interests	3,539	3,293	3,293	3,623
Others	(18,658)	(20,839)	(20,839)	560
Common equity tier 1 capital deductions	17,138	20,811	20,811	22,091
Goodwill	7,691	8,320	8,320	8,488
Other intangible assets other than land use rights	5,669	7,473	7,473	8,490
Cash flow hedge reserve that relates to the hedging of items that are not fair valued on the balance sheet	(4,202)	(2,962)	(2,962)	(2,867)
Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	7,980	7,980	7,980	7,980
Net common equity tier 1 capital	2,886,378	3,121,080	3,121,080	3,381,941
Additional tier 1 capital	354,986	354,915	354,915	354,978

	As at 31 December			
	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions, except for percentages)			
Additional tier 1 capital instruments and related premiums	354,331	354,331	354,331	354,331
Valid portion of minority interests	655	584	584	647
Net Tier 1 Capital	3,241,364	3,475,995	3,475,995	3,736,919
Tier 2 Capital	668,305	805,084	805,084	970,181
Valid portion of tier 2 capital instruments and related premiums	418,415	528,307	528,307	635,672
Surplus provision for loan impairment	248,774	275,764	275,764	333,382
Valid portion of minority interests	1,116	1,013	1,013	1,127
Net capital base	3,909,669	4,281,079	4,281,079	4,707,100
Risk-weighted assets[(1)]	21,690,349	22,225,272	22,225,272	24,641,631
Common equity tier 1 capital adequacy ratio (%)	13.31	14.04	14.04	13.72
Tier 1 capital adequacy ratio (%)	14.94	15.64	15.64	15.17
Capital adequacy ratio (%)	18.02	19.26	19.26	19.10

Note:

(1) Refers to risk-weighted assets after the capital floor and adjustments.

As at 31 December 2023, we were subject to the G-SIB buffer requirement of 1.5 per cent., and our common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio (in each case, for the Group) were 13.72 per cent., 15.17 per cent. and 19.10 per cent., respectively, which are above the minimum requirement with safety margins and complying with regulatory requirements.

Capital Financing Management

We actively carried out external capital replenishment and promoted the issuance of new capital instruments on the basis of achieving replenishment by retained profits.

In January 2021, we issued RMB30 billion tier-2 capital bonds in China's national interbank bond market. In March 2021, we received the approvals from the former CBIRC and the PBOC respectively, for us to publicly issue undated additional tier 1 capital bonds of no more than RMB100.0 billion in China's national inter-bank bond market. We issued two tranches of undated additional tier 1 capital bonds of RMB70.0 billion and RMB30.0 billion in China's national interbank bond market in June and November 2021 respectively, and one tranche of undated additional tier 1 capital bonds of U.S.$6.16 billion in the offshore market in September 2021. In December 2021, we also received the approvals from the former CBIRC and the PBOC respectively, for us to publicly issue tier 2 capital bonds of no more than RMB 190.0 billion in China's national inter-bank bond market. In December 2021, we issued tier 2 capital bonds of RMB60.0 billion in the national inter-bank bond market.

In January, April, August, November and December 2022, we issued five tranches of tier 2 capital bonds of RMB40.0 billion, RMB50.0 billion, RMB40.0 billion, RMB60.0 billion and RMB30.0 billion in the national inter-bank bond market, respectively. Further in October 2022, we received approval from the former CBIRC

to publicly issue tier 2 capital bonds of no more than RMB200.0 billion in China's national inter-bank bond market. In November 2022, we also exercised our right to redeem in full two tranches of tier 2 capital bonds of RMB44.0 billion, each at face value, in accordance with the relevant terms in the prospectus for the issuance of such bonds.

In April and August 2023, we issued two tranches of tier 2 capital bonds of RMB55.0 billion each in the national inter-bank bond market, respectively.

In March and April 2024, we exercised our right to redeem in full two tranches of tier 2 capital bonds of RMB45.0 billion each at face value, in accordance with the relevant terms in the prospectus for the issuance of such bonds.

Allocation and Management of Economic Capital

Our economic capital management includes three major aspects: measurement, allocation and application. Economic capital indicators include Economic Capital ("**EC**"), Risk-Adjusted Return on Capital ("**RAROC**") and Economic Value-added ("**EVA**"). All of the above are applied in credit resource allocation, risk constraint, performance assessment, expenditure allocation, product pricing and customer management, etc.

In recent years, we continuously improved the EVA value ecosystem and leveraged the leading and driving role of capital, further optimised the economic capital measurement policy, and increased the preferential allocation to key areas such as manufacturing, green development, sci-tech innovation, strategic emerging industries and rural revitalisation. In addition, we improved the capital constraint mechanism and comprehensively strengthened capital management of domestic and overseas branches, controlled institutions and departments of the head office. We also increased the use of economic capital in incentive assessment, and actively promoted the optimisation of asset structure and the enhancement of value creation capacity.

RISK MANAGEMENT

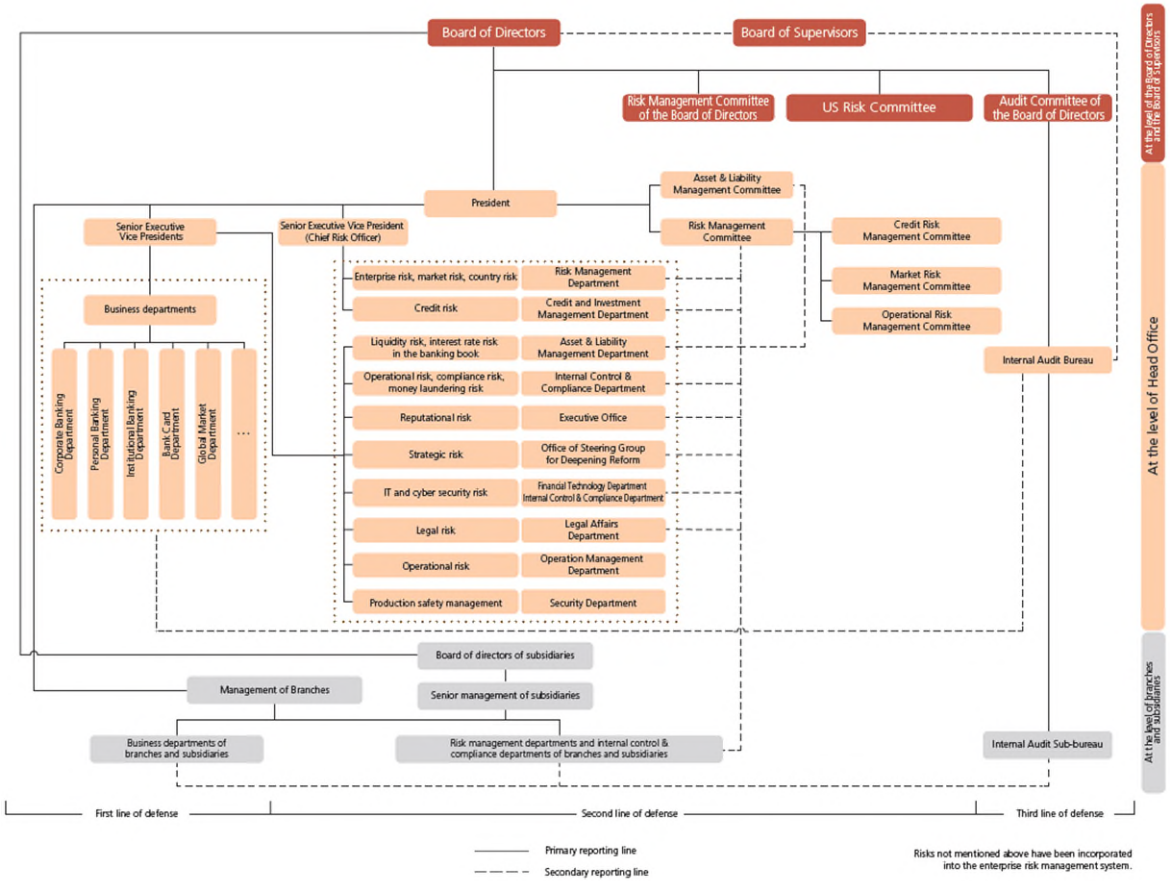
The section entitled "Risk Management" as set out on pages 160 to 175 in the Original Offering Circular shall be deleted in its entirety and replaced with the following:

ENTERPRISE RISK MANAGEMENT SYSTEM

As a commercial bank, we are subject to a number of risks, primarily including credit risk, market risk, interest rate risk in the banking book, liquidity risk, operational risk, reputational risk, country risk and information technology and cyber security risk. In order to manage these risks, we have established an enterprise risk management system, a process whereby the Board, senior management and other employees perform their respective duties and responsibilities to take effective control of different types of risks at various business levels in order to provide a reasonable guarantee of the achievement of our risk management objectives. Our risk management principles include, among others, the matching of risk with return, internal checks and balances with consideration as to efficiency, risk diversification, quantitative and qualitative analysis, dynamic adaptability adjustments and gradual improvement.

We promote the consistency and standardisation of our risk management policies, processes, models, methods and systems. Our head office guides, manages and controls the business activities of our branches through delegation and credit extension, risk limits and other risk control instruments. Our organisational structure for risk management comprises, among others, the Board and its special committees, our senior management and its special committees, our risk management department and our internal audit department.

Our risk management organisational structure is illustrated below.



The Board is responsible for the establishment and implementation of an effective internal control system for us to ensure that we operate within applicable legal and regulatory frameworks. Our senior management is responsible for implementing risk management strategies formulated by the Board, formulating risk management procedures and processes, managing risks associated with our various business lines and ensuring the various parameters are in line with our risk preference. Our chief risk officer assists our president in overseeing our risk management and making related decisions. The risk management committee of the Board is primarily responsible for reviewing and revising our risk management strategies, policies, procedures and internal control processes as well as the supervision and evaluation of risk management related work performed by our senior management and risk management departments. We have clarified the responsibilities of the respective risk management departments. In line with our risk management strategy, each of the various business departments, risk management departments, internal control departments and internal audit department performs their respective risk management responsibilities.

ACHIEVEMENTS IN RISK MANAGEMENT IN RECENT YEARS

Since our initial public offering in 2006, we have actively responded to the challenges posed by various uncertain factors and risks by enhancing corporate governance and improving internal control. We have continued to improve our enterprise risk management system, strengthened the overall construction of enterprise risk management policies, developed and completed templates for risk evaluation, gradually established an industry-leading risk information system and built up an enterprise risk management system with unique characteristics, which we continue to improve and refine.

In recent years, we have achieved a series of satisfactory results in risk management. Our achievements can be summarised as “full process, full coverage, new standards and new technologies”. In particular, we have implemented risk management throughout the entire process of risk identification, measurement, control, monitoring, evaluation and reporting covering entities from the Group level to all overseas branches and all business operations.

We have taken the initiative in the PRC in developing and researching methods and systems of measuring various risks pursuant to the new capital regulatory standards and have been maintaining a leading position in the domestic industry. We have established an industry-leading information technology support system with the capability to cover comprehensively the entire risk management process, in order to provide technical support for risk management.

Over the past few years, we have taken the following initiatives to strengthen our risk management systems:

- we further improved the enterprise risk management system, continuously upgraded risk management technologies and methods, enhanced the capacity of risk pre-judgment and dynamic control, strengthened risk data governance, and upgraded risk management technologies and methods, so as to make the enterprise risk management more forward-looking and effective;
- we further improved the enterprise risk management system, enhanced risk appetite transmission and limit management and control, intensified the capability of risk response and crisis management and enhanced effective reporting according to the latest regulatory requirements;
- we enhanced the Group’s foundation for consolidated risk management, boosted business penetration of non-banking subsidiaries, and strengthened regional risk management of overseas institutions;
- we enhanced our capacity of managing cross risks, strengthened risk management and control of cooperative institutions, and promoted the application of the Group’s investment and financing risk monitoring platform to achieve risk data integration involving different risks, markets, institutions and products;

- we actively advanced FinTech application such as big data, developed an intelligent risk monitoring system and enterprise-level anti-fraud platform, and continued to upgrade risk measurement models for better application;
- we also promoted the implementation of the latest international and domestic regulatory requirements, improved the basic policies for enterprise risk management and better managed related work of G-SIB;
- we strengthened consolidated risk management in the Group, intensified the management of risk limits for non-banking subsidiaries, and organised the risk assessment of the subsidiaries;
- we advanced country risk management by strengthening monitoring analysis, reporting and limit management, and enhanced sovereign risk control capability;
- we reinforced the management of the Group's market risk, strengthened the market risk management of overseas institutions and continued perfecting our product control; and
- we further implemented the advanced capital management approaches and continued to refine the measurement system concerning credit risk, market risk and operational risk and strengthen the monitoring, improvement, validation and management application of the risk measurement system.

Our ongoing efforts in risk management in recent years have achieved positive results. In recent years, we have maintained stable assets quality. As at 31 December 2021, 2022 and 2023, our NPL ratios were 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively.

In 2023, we adhered to the principle of "laying a sound foundation for risk control", and deeply applied the "Five-pronged Risk Management Approach" to the iterative upgrade and implementation of the enterprise risk management system. We strengthened the top-level design for risk management, ameliorated the rules for enterprise risk management and other systems, and established and improved the risk officer management mechanism. We consolidated the responsibilities of the three defence lines for risk management and enhanced the effectiveness of enterprise risk management. We conducted a comprehensive inspection of various potential risks, and continuously improved the capability of overseas institutions and subsidiaries in risk data penetration management, to reflect the overall picture of the Group's risks in a sufficient and dynamic manner. We intensified risk prevention and control throughout the whole process of digitalization and sped up the building of an enterprise-level intelligent risk control platform. We strengthened risk prevention and control in emerging fields, intensified the risk management of cooperation institutions in investment and financing business, and well conducted the risk management of products throughout their whole lifecycle.

IMPLEMENTATION OF NEW CAPITAL MANAGEMENT RULES

In June 2012, the former CBRC (now the NAFR) issued the Capital Regulation, which set out stricter requirements on capital management of commercial banks. In order to implement the relevant requirements of the NAFR, we continue to promote the adoption of advanced capital management methods. We have established an internal capital adequacy assessment system, and regularly published capital adequacy ratio reports for 2021, 2022 and 2023 in accordance with the Capital Regulation.

Continuously promoted the adoption of advanced capital management methods

In recent years, we have been preparing for the implementation of the advanced capital management methods. We have improved data quality management, optimised our risk measurement model, upgraded our information technology systems and extended their coverage abroad, expanded the application of risk measurement results and further increased our risk management capability. See "*Risk Management – Credit Risk*", "*Risk*

Management – Market Risk", and "*Risk Management – Operational Risk*" for further details regarding the measures we have adopted for credit risk, market risk, and operational risk.

Pursuant to the implementation of the advanced capital management approaches, as approved by the former CBRC, we adopted the foundation internal ratings-based approach for corporate credit risks and retail credit risks, the internal model approach for market risk and the standardised approach for operational risk meeting regulatory requirements.

Established an internal capital adequacy assessment system

Our internal capital adequacy assessment comprises the risk identification, risk assessment, capital adequacy forecast and enterprise risk stress testing. The risk identification is to make a judgment on all the major risks we are exposed to. The risk assessment system provides an assessment on all major risks of us and conducts a comprehensive analysis on the risk profile and management status of various major risks to compute our target capital adequacy ratio. The capital adequacy forecast is to forecast changes in risk-weighted assets and capital, taking into account our business planning and financial planning so as to further predict the capital adequacy levels in the following years. The enterprise risk stress testing is to set stress scenarios reflecting our business operation, asset-liability portfolio and risk features under the premise of analysis on future macroeconomic trends to work out changes in indicators such as our capital adequacy ratios under the stress scenarios.

Publication of the Capital Adequacy Ratio Report

In accordance with the Capital Regulation, we published our 2021, 2022 and 2023 capital adequacy ratio reports, which set out detailed disclosure of, among others, capital composition, measurement of risk-weighted assets, internal capital adequacy assessment, capital planning and capital adequacy management plans.

CREDIT RISK

Overview

Credit risk is the risk where loss is caused to the banking business when the borrower or counterparty fails to meet its contractual obligations. Our credit risks mainly originate from loans, treasury operations (including deposits with banks and other financial institutions, placements with banks and other financial institutions, reverse repurchase agreements, corporate bonds and financial bonds investment), receivables and off-balance sheet credit business (including guarantees, commitments and financial derivatives trading).

We strictly adhere to regulatory requirements regarding credit risk management, diligently fulfil established strategies and objectives under the leadership of the Board and the senior management and implement an independent, centralised and vertical credit risk management mode. The Board assumes the ultimate responsibility for the effectiveness of credit risk management. The senior management is responsible for executing the strategies, overall policy and system regarding credit risk management approved by the Board. The Credit Risk Management Committee of the senior management is our reviewing and decision-making organ in respect of credit risk management, is responsible for reviewing material and important affairs of credit risk management and performs its duty in accordance with the Charters of the Credit Risk Management Committee. The credit and investment management departments at different levels undertake the responsibility of coordinating credit risk management at respective levels, and the business departments implement credit risk management policies and standards for their respective business areas in accordance with their functions.

According to the regulatory requirement on loan risk classification, we implemented five-category classification management in relation to loan quality and classified loans into five categories: pass, special mention,

substandard, doubtful and loss, based on the possibility of collecting the principal and interest of loans. In order to implement sophisticated management of credit asset quality and improve risk management, we implemented the twelve-category internal classification system for corporate loans. We applied five-category classification management to personal credit assets and ascertained the category of the loans based on the number of months in default, expected loss ratio, credit rating, collateral and other quantitative and qualitative factors.

We continued to ameliorate investment and financing operation mechanisms. At the entrance end, we improved customer access management. At the threshold end, we restructured duration management system from perspectives of portfolio and concentration. At the exit end, we highlighted the governance of compliance risks in the disposal of nonperforming assets. We comprehensively empowered the construction of the intelligent credit risk control system "Three Gates, Seven-colour Pools". We deepened the management of basic rules on credit risk, refined the management framework of financial asset risk classification, continuously advanced the building of the unified investment and financing risk limit management system for integrated subsidiaries, and specified the risk management requirements for off-balance sheet business. We continued to deepen the special governance of integrity risks arising from credit areas, and adhered to the comprehensive and integrated remediation of credits, covering various investment and financing business.

We accurately grasped the layout and direction of investment and financing business and strengthened credit risk management. In terms of corporate credit business, we continued to give more support for such areas as strategic emerging industries, sci-tech innovation, digital economy and intelligent manufacturing; we actively bolstered major projects under construction and projects making up for deficiencies in the "14th Five-Year Plan"; we actively supported the urban-rural collaborative development, focusing on areas such as urban-rural integration, key county-level infrastructure, agriculture-related industry chains, and agricultural modernisation; we deeply explored and cultivated green credit market, and boosted the development of various green investment and financing business such as green loans, green bonds, green wealth management and green leasing in an all-round way; we also kept improving differentiated region credit policies with the focus on the coordinated development strategies for the regions, including Beijing-Tianjin-Hebei, Greater Bay Area, Yangtze River Delta and Chengdu-Chongqing Economic Circle. In terms of personal credit business, we strictly controlled the "entrance end" of loans and standardized personal loan business requirements based on product characteristics; we strengthened the risk prevention and control of residential mortgages, and strictly implemented the key links of substantial risk prevention and control such as authentic "customers, transactions, mortgages, housing prices, and down payments"; we enhanced the management of personal loan collateral and promoted the application of "online evaluation" of collateral; we continuously refined post-lending management, focusing on key tasks such as monitoring, collection, and disposal. We also continued to iterate and upgrade the monitoring model strategy, and pushed forward the digitalization and upgrade of post-lending management.

We earnestly implemented macro-control policies such as "16-point set of financial measures for the real estate", and maintained reasonable and moderate real estate financing, giving an impetus to the positive circulation of finance and real estate. We struck a sound balance between new supply of financing and the prevention and resolution of existing risks, actively responded to changes in the real estate market, and effectively managed risks in the real estate sector. We continuously ameliorated the direction of new financing, and promoted the high-quality and stable development of real estate investment and financing. We strictly implemented various national laws, regulations and policies on the management of local debts, and strictly secured the bottom line of legality, compliance and no regional systemic risk. For small and medium-sized financial institutions, we, based on the impacts of the measures for the risk classification of financial assets and the New Capital Regulation, stepped up routine monitoring capability to strictly prevent risk spillovers.

We fully promoted the digitalization of credit risk management, explored the multi-scenario application of big data, AI and other advanced technologies, and promoted the construction of a multi-dimensional and visual risk

monitoring and early warning system. We launched a number of digital projects, including an investment and financing operation management platform and an intelligent risk control platform for retail credits, to enhance the intelligent assistance capability of systems I management and decision-making.

Credit Risk Management for Corporate Loans

A customer must have a credit line with us to be eligible for an individual loan application. Each new corporate loan customer must first be assigned with a credit rating before being considered for a total credit line. Our corporate relationship managers conduct an initial investigation and evaluation of each new customer, which is primarily focused on the customer's operating conditions, financial condition and credit situation (as well as the guarantor and collaterals if there is a security package). As part of their investigation, our corporate relationship managers rely on our client information integration solution ("**CIIS**") system to screen out applicants with bad credit history. For new customers, the credit rating and credit line applications are processed at the same time as the individual loan applications and the initial investigations.

Customer Credit Line Approval

The total credit line that we grant to a customer is determined by taking into account its credit rating and conducting a comprehensive analysis and evaluation of the customer's credit history and financing needs. Our head office and branches may approve credit line applications within their specific authorisation limits. When a credit line application report is received from our loan origination personnel, a primary reviewer is appointed to assess the application in accordance with our internal policies and procedures. If the credit line is within the authorisation limits of the originating branch, the primary reviewer then presents his findings and recommendations to the credit approval committee of that branch for further review. Credit line applications that exceed the authorisation limits of the originating branch must be submitted to a higher tier branch or head office, as applicable, for the requisite authorisations. In addition, the preliminary decision by the relevant committee at our head office or branches must be further approved by an authorised loan approval officer who is typically a senior manager at our head office or branches.

Individual Loan Approval and Management

Initial Loan Evaluation

When a customer applies for a new loan, our initial evaluation generally consists of (i) assessing recent developments relating to the customer's financial condition and credit history; (ii) reviewing the planned use of proceeds; (iii) assessing the reliability of the primary source of repayment for the loans; (iv) evaluating the collateral or reviewing the financial conditions of the guarantor, if any; and (v) assessing the overall credit risk and potential financial returns associated with the loan.

Loan Review and Approval

Individual Loan Approval. When a corporate relationship manager recommends a loan for approval, he or she will submit the loan application package, which includes an evaluation report, to a reviewer in the relevant credit approval department for review. If the loan will be collateralised, there will be a separate evaluation of the underlying collateral. Based on an examination of the loan application package, the reviewer will prepare a report that includes his or her findings and recommendation to that branch's credit approval committee.

Project Evaluation. In reviewing applications for medium or long-term loans to fund major projects, such as acquisitions of fixed assets, expansion of production capacity, infrastructure development and property

development, a loan assessment team will be formed to evaluate the underlying project. We assess the borrowers, the co-investors in the underlying projects and the underlying projects themselves, taking into account factors such as the anticipated cash flows of the projects, the perceived repayment ability of the borrowers and other credit risks related to the relevant loans. We may seek professional advice from external parties in the course of conducting such project evaluations depending on the circumstances.

Collateral Appraisal. In principle, we conduct valuation assessments for secured loans that have specific collaterals. Afterwards, we enter into the loan approval process, conduct an independent appraisal of the collateral and approve the loan based on our appraisal. The credit approval department is responsible for arranging the collateral appraisal process.

We require all the collateral to be re-appraised on a regular basis. We utilise an appraisal management information system that allows us to maintain electronic records of titles, external appraisals, physical status and other factors that may affect the value of our collateral.

In respect of third-party guarantees, we evaluate the guarantor's financial condition, credit history and ability to meet its obligations.

Fund Disbursement

After a loan application is conditionally approved, the relevant corporate relationship manager must ensure that all the conditions are satisfied before the loan is extended. Such conditions can include, as applicable, obtaining a guarantee, securing funding for the project, obtaining government approval for the underlying project or inclusion of additional provisions in the loan document, such as financial ratio requirements and restrictions on the borrower's ability to make dividend distributions. Upon satisfaction of all conditions, an authorised loan officer will execute credit documents with the borrower, and funds are disbursed. Our loan documents are generally based on standard forms and are reviewed by our legal personnel.

Post-disbursement Management

Post-disbursement review

We conduct post-disbursement monitoring and review, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-repayment or other risks and to implement preventative measures in order to mitigate default risks or take remedial actions to minimise potential losses. The frequency of post-disbursement review depends on the credit rating of the customers and factors that would affect the customers' ability to repay the loans.

Loan Classification

All PRC commercial banks are required to classify their outstanding loans based on a five-category loan classification system. See "*Assets and Liabilities – Assets – Asset Quality of Our Loan Portfolio*". We have adopted an internal 12-grade loan classification system, which refines the five-category loan classification system, to classify our corporate loans. We continue to use the five-category loan classification system to classify our discounted bills and off-balance sheet commitments, such as guarantees, for internal purposes.

The following table illustrates our internal 12-grade loan classification system:

Pass				**Special Mention**			**Substandard**		**Doubtful**		**Loss**
Pass One	Pass Two	Pass Three	Pass Four	Special Mention One	Special Mention Two	Special Mention Three	Substandard One	Substandard Two	Doubtful One	Doubtful Two	Loss

This loan classification system takes into account both quantitative and qualitative factors, including the credit rating of the relevant borrower, the existence of a guarantee and the outstanding period of any overdue payments. The system utilises a quantified scoring model, and preliminary scores are automatically generated by our global credit management system (the "**GCMS**"). The relevant corporate relationship manager will provide a recommendation for classification based on the preliminary results generated by the system. Our credit management department will review the classification results and provide its views upon review, and the relevant person responsible for the credit management department will finalise, within his or her scope of authority, the classification of the relevant loan upon further examination. We review our loan classification on a monthly basis.

Our internal 12-grade loan classification system is designed to enable us to better monitor changes in our asset quality, to detect potential credit risks and to conduct more effectively post-disbursement management of our loan portfolio. We believe that this system has strengthened our loan monitoring function and improved our overall credit management.

Management of NPLs

The credit and investment management department at our head office as well as the credit and investment management and risk management department at our branches are primarily responsible for managing our NPLs. When a loan becomes non-performing, the management of the loan is transferred to the relevant credit and investment management department or risk management department. In order to strengthen the management of our NPLs, we optimised our procedures for NPL management. We continue to develop practical and effective measures and methods for recovering or disposing of NPLs.

We manage our NPLs primarily based on the classification of such loans. For sub-standard loans, we focus on monitoring the current assets and cash flows of the borrower, paying particular attention to any major changes in its business. For doubtful loans, we closely monitor the businesses of the borrower and the related guarantor, increase our efforts to examine and preserve the assets of the borrower and actively engage in collecting and recovering these loans. For loss loans, we write off these loans in accordance with the relevant regulatory requirements but continue to seek recovery of the relevant amounts.

To recover NPLs, we generally take, to the extent necessary, the following actions: (i) notification of collection; (ii) cash collection; (iii) restructuring of NPLs; (iv) disposal of collateral or recovery of collateral; (v) collection through legal or arbitration proceedings; (vi) bulk transfer to asset management companies; and (vii) write-offs, once all other collection actions have failed.

To manage better our restructured loans, we have formulated relevant policies that set forth the definitions pertinent to, provisions applicable to and allocation of responsibilities regarding the investigation, approval and post-restructuring management of the restructured loans. Under the relevant management rules, upon its restructuring, a restructured loan may not be initially classified to a category higher than substandard. A restructured loan may not be classified to a category higher than doubtful if, after its restructuring, the restructured loan remains overdue or the borrower remains incapable of repaying the loan. Within the six-month observation period immediately following its restructuring, a restructured loan may not be reclassified to a category higher than the one to which it was initially assigned.

Credit Risk Management for Personal Loans

In an effort to prevent potential credit risks and improve the efficiency of our personal loan approval, we have established personal loan approval centres at our first tier branches to be responsible for reviewing and

approving personal loans within their respective jurisdictions and within the authorised limit. Each step of our personal credit business process is operated through our GCMS.

Credit Origination and Evaluation

Once a personal loan application is received by the originating branch, our investigator will examine the application materials and investigate the applicant through interviews and site visits. The investigator will also search the databases such as the personal credit information database of the PBOC and our specially designated customer information system for relevant information. The investigator also categorises and scans the application materials and utilises the GCMS to determine the borrower's credit rating, loan application rating, RAROC forecast and pricing valuation. Two officers will be responsible for the investigation. After the investigation, the branch manager will verify the loan application and investigation results in the GCMS and submit the loan application materials to the personal loan approval centre.

Credit Approval

Upon receiving loan application materials, the relevant personal loan approval centre assigns an officer to conduct further review of the loan application from the perspective of credit policy, regulation and risk management. Furthermore, the officer conducts a comprehensive review of the information contained in the loan application materials to verify whether it is objective and reasonable. If this officer recommends approval of the loan application, the application will be submitted to an authorised reviewer in the personal loan approval centre for final approval. If the amount of the loan exceeds the credit authorisation limit of the originating branch, the application will be forwarded to the higher tier branch with the requisite authority.

Loan Disbursement

After a loan application is approved and the authorised person has signed and approved the loan disbursement, the designated personnel of the originating branch are responsible for further ensuring that the required guarantee, if any, is provided, that other pre-conditions required for loan disbursement are fulfilled, that the loan agreement and any other documentation is executed and that the funds are disbursed to the borrower.

Post-disbursement Management

Post-disbursement Monitoring

We conduct post-disbursement monitoring and review of our personal loans, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-payment or other risks and to implement preventive measures to reduce default risk and take remedial action to minimise potential losses. The frequency of post-disbursement review depends on the use of proceeds and factors that would affect the customers' ability to repay the loans.

Loan Classification

We use the five-category loan classification system to classify our personal loans. The GCMS automatically and quantitatively classifies personal loans based on months overdue, cross default and other parameters. Such quantitative classification result will apply directly if it can accurately reflect the quality of assets. If the quantitative classification result appears to be inaccurate based on post-disbursement monitoring, supervision, collection and other review, our first tier and second tier branches are required to initiate qualitative classification analysis procedures.

Collection of NPLs

Our personal NPLs are managed primarily by the risk management departments at our head office and branches. As part of our efforts to enhance the post-disbursement management of our personal loans, we have implemented standardised rules and procedures for the maintenance and use of our personal credit files and related records.

We have implemented standardised collection, recovery and disposal procedures and measures for our personal NPLs throughout the Bank. When necessary, we initiate legal proceedings to recover NPLs and seek the enforcement of relevant guarantee or insurance obligations.

Credit Risk Management for Credit Cards

We have adopted an applicant scoring mechanism for evaluating and approving our credit card applications, applied the scoring model to credit card approval procedures and set out minimum criteria for application risk control scoring. We have implemented various control strategies, taking into account the risk management capabilities of the institution issuing the credit cards, product feature and actual risk control situation, and we have consistently enhanced the robustness of our internal rating approach in credit card businesses. In evaluating credit card applications, we give full consideration to our CIIS system as well as the credit data provided by the PBOC and those made available by China UnionPay.

Our head office oversees all credit card-related transactions on a Bank-wide basis. We routinely monitor and analyse unusual credit card transactions to reduce credit card fraud and intentional default.

Credit Risk Management for Treasury Operations

Our treasury operations are subject to credit risk as a result of our investment activities and inter-bank lending activities. Our RMB-denominated investment portfolio primarily consists of debt securities issued by the PRC Government and other domestic issuers. The amount of the debt securities of any domestic or foreign entity (except the PRC Government) that we purchase or our interbank lending to any domestic or foreign entity is limited to the total credit lines that we have approved for that entity. Our foreign currency-denominated investment portfolio primarily consists of investment-grade bonds.

Achievements in Credit Risk Management in Recent Years

In recent years, in response to the changes in the macroeconomic environment and financial regulatory requirements, we have endeavoured to drive the real economy by financial services and proactively adjusted and improved various credit policies according to the changes in the economic environment and industrial development trends. We have expedited product innovation, optimised credit business procedures, supported the development of the real economy, made greater efforts in credit restructuring and continued the building of the credit system in the PRC. We strictly controlled our credit risks in certain key areas, strengthened credit limit management by industries, standardised the credit operation process and strengthened the construction of credit risk monitoring, verification and supervision. Furthermore, we achieved centralised monitoring of credit risk for customers, institutions, products and processes of the Group and enhanced risk control and prevention. As a result, our credit risk management has been enhanced.

We have adopted an internal rating system for retail and non-retail businesses to conduct customer rating, pricing, monitoring and analysis and have strengthened our credit risk management on the basis of risk quantification. We implemented comprehensive verification and continuous monitoring mechanism for our internal rating system, established model approval and model risk management mechanism, optimising the

customer and debt rating model based on the latest data. We utilised the rating results for pre-lending customer access screening, credit approval, risk limit management and early warning, strengthened our economic capital management via risk quantification and have achieved a balance between risks and returns by adopting the risk adjusted return on capital measurement. Furthermore, we have reinforced our credit card rating management and risk control policy, increased the management requirement of cross-default customers and further enhanced the effectiveness of rating results as a risk management tool.

With the concept of "concentration, integration, sharing and exploration", we have established a standard credit risk operation and management platform across our Group in accordance with "ONE ICBC" risk management requirements and in order to support our onshore and offshore institutions for asset business operations, risk management, operational decision and on a 24-hour basis and promote the advancement of our risk management system.

We continued to propel the optimisation and adjustment of the credit industry structure and stepped up efforts to shore up the development of the real economy. To elaborate, as compared with the end of 2022, we have increased our loans to transportation, storage and postal services in 2023, which were mainly used to strongly support key transportation projects in the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and other regions, and transportation construction projects making up for deficiencies in the western regions. We also continuously increased our loans to leasing and commercial services in 2023 mainly to meet the increased financing needs of customers in areas such as investment and asset management, and enterprise headquarters, park and commercial complex management services. In the same year, we increased our loans to manufacturing, which were mainly granted to leading backbone enterprises and key projects in high-end manufacturing such as new-generation information technology, integrated circuits, new energy vehicles, and large-scale refining and chemical projects. Our loans to production and supply of electricity, heating, gas and water also increased in 2023 mainly to enhance the adaptability with the national industrial structure adjustment, increase financing support for clean energy transformation, and achieve balanced growth in the coal power supply guarantee and clean energy fields. For major projects in the areas of new urbanisation and water conservancy facilities as well as the areas of people's livelihood such as urban public utilities and environmental remediation, we also increased our loans to water, environment and public utility management in 2023.

In general, we continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas.

We strengthened the quality management of credit assets to guarantee the stable quality of such assets. We improved our NPL forecasting and alert mechanism to facilitate timely risk response measures. We strengthened the management of NPLs in key areas and large-amount NPLs and enhanced the management, collection and disposal of NPLs. We also strengthened write-off management and carried out bad debt write-offs in an orderly manner. In addition, we proactively disposed of NPLs through bulk transfer, interest-free repayment, payment-in-kind and other means and broadened the channels for NPL disposal.

Large Exposures Management

In accordance with relevant regulatory rules, we strictly carried out various work on large exposures management in an orderly manner, and further improved the large exposures management system, including the construction of large exposure management systems, to strengthen large exposures limit management, and to continuously improve large exposures management.

MARKET RISK

Market Risk Management

Market risk is defined as the risk of loss to our on- and off-balance sheet activities caused by adverse movements in market rates (including interest rates, exchange rates, stock prices and commodity prices). We are primarily exposed to interest rate risk and currency risk (including gold). Market risk management is the process of identifying, measuring, monitoring, controlling and reporting market risk. The objective of market risk management is to control market risk exposures within a tolerable level and maximise risk-adjusted return according to our risk appetite.

We strictly comply with regulatory requirements on market risk management, have implemented an independent, centralised and coordinated market risk management model, and formed a management organisational structure featuring the segregation of the front, the middle and the back offices in the financial market business. The Board assumes the ultimate responsibility for monitoring market risk management. The senior management is responsible for executing the strategies, overall policy and system concerning market risk management approved by the Board. The Market Risk Management Committee of the senior management is our reviewing and decision-making organ in respect of market risk management, is responsible for reviewing material affairs of market risk management and performs its duty in accordance with the Working Regulations for the Market Risk Management Committee. The risk management departments at different levels undertake the responsibility of coordinating market risk management at respective levels, and the business departments implement market risk management policies and standards for their respective business areas in accordance with their functions.

In 2023, we continued to deepen our market risk management. In light of the new regulations and the latest management practices, we improved the market risk management system, and revised core institutional documents such as market risk management rules. We effectively disseminated the Group's risk appetite, approved the Group's market risk limit plan for 2023, optimised trading strategies, refined limit monitoring, and strengthened early warning and prompt, in an effort to enhance the limit management of domestic and overseas institutions. We took solid steps to promote the implementation of the New Capital Regulation, strengthened our capability of consolidated measurement of capital requirements under the new market risk standards, and actively promoted the implementation of the internal model method for market risk under the New Capital Regulation. We deeply refined the market risk management system, established and improved the model library and management mechanism, and continuously ameliorated the intelligence of the market risk management system.

Management of Market Risk in the Trading Book

We kept strengthening trading book market risk management and product control, and adopted the value-at-risk, stress testing, sensitivity analysis, exposure analysis, profit/loss analysis, price monitoring and other means to measure and manage trading book products.

Currency Risk Management

Currency risk is the risk of adverse movements of exchange rate resulting in losses to us on the foreign currency exposure, which is due to the currency structure's mismatch between foreign currency assets and liabilities. Our objective of currency risk management is to control the impact of exchange rate fluctuations on our financial position and shareholders' equity within a tolerable extent. We manage such risk principally by the limit management and hedging of risks. We carry out sensitivity analysis and stress testing of currency risk on a

quarterly basis, and the senior management and the Market Risk Management Committee review the currency risk reports on a quarterly basis.

In 2023, we kept a close eye on the changes in market trends. By adhering to the currency risk neutrality principle, we actively took multiple management measures such as limit management and hedging, and improved the matching degree of our foreign exchange asset and liability currencies.

INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk in the banking book is defined as the risk of loss in the economic value and overall profit of the banking book arising from adverse movements in the interest rate and maturity structure, etc.

Management of Interest Rate Risk in the Banking Book

Our management system for interest rate risk in the banking book conforms to the system importance, risk status and business complexity, and fits our overall development strategy and the enterprise risk management system. The system mainly consists of the following elements: a sound risk system, an effective risk governance structure; sound risk management strategies, policies and procedures; effective risk identification, measurement, monitoring, control and mitigation that cover all areas; a complete internal control and review mechanism; a fully-built risk management system; and adequate information disclosure and reporting.

We strictly complied with regulatory requirements for interest rate risk in the banking book, effectively managed our interest rate risk in the banking book and consolidated level and developed a sound governance structure for interest rate risk management in the banking book that is fully built and well-structured, with clearly defined rights and responsibilities. The Board and the senior management are vested with the ultimate and executive responsibilities, respectively, for managing interest rate risk in the banking book. The asset & liability management department of the head office takes the leading role in managing interest rate risk in the banking book, and other departments and institutions play their roles in implementing policies and standards concerning interest rate risk in the banking book. The internal audit bureau and internal control & compliance department of the head office are responsible for reviewing and evaluating duties in respect of interest rate risk in the banking book.

The objective of management of interest rate risk in the banking book: We aim to maximise the risk-adjusted net interest income within the tolerable level of interest rate risk under our risk management and risk appetite.

We formulated strategies and clarified objectives and modes for managing interest rate risk in the banking book based on risk appetite, risk status, macroeconomic and market changes. Based on the pre-judging of the interest rate trend and measurement results of the changes in overall profit and economic value, we formulated and put into practice relevant management policies, and adopted a coordinated approach to using interest rate risk control tools to mitigate and manage risks, so as to ensure our actual interest rate risks conform to our bearing capability and willingness.

On the basis of management strategies and objectives, we developed policies and clarified the modes and instruments for managing interest rate risk in the banking book. By developing and modifying such methods such as on-balance sheet adjustment and off-balance sheet hedging to manage interest rate risk, adeptly using quantity, pricing and derivative instruments regarding assets and liabilities, and applying the limit management system, business plan, performance assessment and capital evaluation in all areas for interest rate risk management and assessment, we achieved effective control of interest rate risk at the business lines, the branches, the affiliates and the products and portfolios easily affected by interest rate risk.

In line with the principles of comprehensiveness, prudence and foresight, our stress testing on interest rate risk in the banking book adopted the interest rate risk exposure measurement approach and standardised duration approach to measure the effect of interest rate exposure changes under different stress scenarios on the overall profit and economic value. Based on domestic and overseas regulatory requirements, the bank-wide asset and liability business structure, operation and management as well as risk appetite, we set stress testing scenarios for interest rate risk in the banking book by taking into account the current interest rate level, historical changes and trends, total assets and liabilities and their term characteristics, business development strategies, customer behaviours and other factors, and conducted stress testing quarterly.

In 2023, adhering to a steady and prudent interest rate risk appetite, we grasped changes in the monetary policy cycles and market expectations in a forward-looking manner, improved the mechanism for dynamic adjustment to interest rate risk management strategies, and continued to optimize the interest rate exposure and duration mismatch structure of assets and liabilities. We strengthened the ability to predict and respond to interest rate fluctuations in domestic and foreign currencies, bonds, credits, and other markets, and kept improving the digital management of interest rate risks, to consolidate the high-quality operating results from balanced, coordinated and sustainable current earnings and long-term value.

LIQUIDITY RISK

Liquidity risk is the risk that we are unable to raise funds on a timely basis at a reasonable cost to settle liabilities as they fall due, or perform other payment obligations and satisfy other funding demands arising from the normal course of business. Liquidity risk may arise from the following events or factors: material adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, mismatch between assets and liabilities, difficulties in assets realisation, operating losses, and risk associated with our affiliates.

Liquidity Risk Management

Our liquidity risk management system conforms to our overall development strategy and overall risk management system, and is commensurate with our business scale, business nature, complexity and other aspects. The system includes the following fundamental elements: a sound risk system; effective governance structure for liquidity risk management; sound strategy, policy and procedures for liquidity risk management; effective identification, measurement, monitoring and control for liquidity risk and a complete management information system.

In respect of liquidity risk management, our governance structure embodies the decision-making system comprising the Board and its special committees as well as the Asset and Liability Management Committee and the Risk Management Committee of the head office; the supervision system comprising the Board of Supervisors, the Internal Audit Bureau and the Internal Control and Compliance Department of the head office; and the execution system comprising the Asset and Liability Management Department, leading management departments of on- and off-balance sheet businesses, the information technology departments, operation management departments of the head office and relevant departments of branches. Each of these systems performs the corresponding functions of decision making, supervision and execution according to division of responsibilities.

Objectives of liquidity risk management

By establishing and improving the liquidity risk management system, we aim at realising complete identification, measurement, monitoring and control of the liquidity risk at the Group level, the Bank, the

affiliates, the branches and the business lines, and ensuring the liquidity demand is satisfied at a reasonable cost in time under the normal business scenario and the stress scenario.

Our liquidity risk management strategy and policy are formulated in accordance with our liquidity risk appetite, and they cover all businesses on- and off-balance sheet, all domestic and overseas business departments, branches and affiliates that are likely to have a material impact on the liquidity risk, and contain the liquidity risk management under normal and stressed scenarios. Our liquidity risk management strategy specifies the overall objective and mode of liquidity risk management and lists major policies and procedures. The policies for liquidity risk management are formulated in accordance with external and macro operating environments and our business development, with a view to striking an effective balance among security, liquidity and profitability.

We conduct stress testing quarterly or by subject by fully considering various macro and micro factors that may affect our liquidity changes in the external operating environment, regulatory requirements, and our business characteristics and complexity.

In 2023, we adhered to a steady and prudent liquidity management strategy, and our liquidity was stable. We intensified the monitoring of funds and maintained a proper and sufficient liquidity reserve, with stable and orderly liquidity and customer payment. We facilitated the ongoing upgrading of the liquidity risk management mechanism and system, and continuously enhanced the automation and intelligence level of liquidity risk monitoring, measurement and control. We strengthened on- and off-balance sheet liquidity risk management in local and foreign currencies in domestic and overseas institutions, optimized the multi-level and multi-dimensional liquidity monitoring and early warning system, and enhanced our liquidity risk prevention and emergency response capabilities.

INTERNAL CONTROL AND OPERATIONAL RISK

Internal Control

Our Board of Directors is responsible for formulating the basic systems for internal control and supervising the implementation of such systems; the Audit Committee of the Board of Directors is responsible for supervising the establishment of internal control system and evaluating the compliance and effectiveness of our significant business and management activities. We have set up the Internal Audit Bureau and Internal Audit Sub-bureaus under vertical management, which are accountable to and report to the Board of Directors. Our senior management is responsible for formulating systematic policies, procedures and methods, as well as taking risk control measures. Under the senior management, the Operational Risk and Internal Control Management Committee subordinated to the Risk Management Committee, performs the responsibilities related to internal control and evaluates the sufficiency and effectiveness of internal control. The head office and tier-one branches (branches directly managed by the head office) have internal control and compliance departments which are responsible for the organization, promotion and coordination of internal control.

In 2023, we promoted the building of internal control system and put forth efforts on improving the adaptability of internal control in a forward-looking manner, according to the changes in external risk situation and the need for implementation of internal operation and management strategies. We continued to implement the 2021-2023 Development Plan for Internal Control System and carried out the compliance culture activity with the theme of “Year for Value Improvement” in depth to continuously enhance our employees’ awareness of internal control compliance; in alignment with the New Capital Regulation, we deepened the application of big data and IT, improved risk assessment techniques and methods, and strove to enhance the ability to identify with foresight and to respond to “9+X” risks (which include credit risk, market risk, operational risk, liquidity risk, interest rate risk in banking book, reputational risk, strategic risk, country risk, information technology and cyber

security risk, compliance risk, money laundering risk, product risk, climate risk and other risks); we steadily promoted the development and optimization of policies, deeply implemented the optimization of procedures and system control, placed equal emphasis on improving control design and strengthening implementation, and continuously developed better capacities in the whole-process control; we deeply pushed forward the development of D-ICBC, strengthened the collection, processing and analysis of information, and facilitated smooth and effective exchange on internal and external information; we deepened the coordination of supervision and inspection, and connection of various forms of supervision, strengthened closed-loop remediation of issues and accurate and serious accountability, and enhanced the connection between "regulations, discipline and laws" for supervision cohesion to ensure high-level of security.

Operational Risk Management

Operational risk is defined as the possibility of loss resulting from insufficient or problematic internal processes, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risk. There are seven major types of operational risks that we faced, including internal fraud, external fraud, employment system and workplace safety, customers, products and business activities, damage to physical assets, IT system, execution and delivery and process management. Among these, external fraud, execution, delivery and process management constitute our major sources of operational risk losses.

We strictly comply with regulatory requirements on operational risk management. The Board, the Board of Supervisors, the senior management and its Operational Risk Management Committee are respectively responsible for decision-making, supervision and execution with respect to operational risk management, and relevant departments act as the "three lines of defence" for operational risk management pursuant to their management functions, thus forming an operational risk management system with close connection and mutual checks and balances. Institutions and departments function as the first line of defence, and they assume the direct responsibility for respective operational risk management. Classified management departments such as Internal Control & Compliance, Legal Affairs, Security, Financial Technology, Finance & Accounting, Operation Management and Human Resources as well as cross-risk management departments including Credit and Investment Management and Risk Management jointly perform the functions as the second line of defence, which are respectively responsible for the lead management of operational risk, the classified management of certain type of operational risk and the management of operational risk across credit and market risks. The Internal Audit Department performs the functions as the third line of defence and assumes the responsibility for supervision, and is responsible for supervising the effectiveness of operational risk management.

In 2023, we improved the standards for collecting operational risk data, restructured operational risk management system and consolidated the quality of operational risk loss data, in line with regulatory focuses and operational risk trends, the operational risk management requirements of NFRA, and its own management needs. We steadily advanced the project on meeting operational risk standard approach under the New Capital Regulation, and coordinated the self-assessment of operational risk and control, to enhance operational risk control in a constant manner. To improve the long-term case prevention mechanism, we consolidated the primary responsibilities for case prevention, deepened the case risk governance in key fields, optimised case assessment mechanism, stimulated internal motivation for self-examination and self-correction, and continuously and deeply carried out case warning and education. Besides, we strengthened the grid-based intelligent control mechanism for abnormal employee behavior, consolidated and examined the primary responsibility for management and control, and deepened the special governance of abnormal behavior.

LEGAL RISK

Legal risk is the risk of incurring legal sanctions, regulatory penalties, financial losses, reputational losses or other negative consequences that arises out of or in connection with the failure of a bank to comply with relevant laws, regulations, administrative rules, regulatory provisions or requirements of other relevant rules during the bank's operation; the unfavourable legal defects that exist in products, services or information provided to clients, transactions engaged in, and contracts, agreements or other documents executed by the bank; legal disputes (litigation or arbitration proceedings) between the bank and our clients, counterparties and stakeholders; important changes in relevant laws and regulations, administrative rules, regulatory provisions and other relevant rules; and other relevant legal events that occur internally and externally.

Based on the objective to ensure legal and compliant operation, we always attach great importance to establishing a sound legal risk management system, forming a full-process legal risk prevention and control mechanism to support and secure business innovation and market competition, and to prevent and eliminate various potential or practical legal risks. The Board of Directors is responsible for reviewing and determining the strategy and policy relating to legal risk management and assumes the ultimate responsibility of legal risk management. The senior management is responsible for executing the strategy and policy relating to legal risk management, examining and approving relevant important affairs. The Legal Affairs Department of the head office is in charge of legal risk management across the Group, with relevant business departments providing related support and assistance on legal risk prevention and control. Our affiliates, domestic and overseas branches undertake the responsibility of legal risk management of their respective institutions.

In 2023, we continued to strengthen legal risk management, by improving the risk prevention and control capacity in legal risk management, ensuring the legal and compliant operation, healthy business development and overall business stability of the Group. In accordance with new laws and regulations, our business rules, relevant agreements and system construction were improved, and legal risk prevention and control in key areas and links was further pushed forward in line with new requirements of financial regulators. We also conducted ongoing monitoring of legal risks and improved both the vertical interconnection and horizontal coordination mechanism between the head office and branches. By systematically embedding legal risk prevention and control into business negotiations, product design, contract signing and other links, we made risk prevention and control more prospective, proactive and targeted. We improved the cross-border coordination and management for legal work, strengthened the legal risk management of overseas institutions, and enhanced the training of legal talents for overseas business, thus properly responding to cross-border legal issues emerging in the development of international operations. Moreover, we ameliorated the function design and management mechanism for the electronic signing system, to further enhance our risk control capability and usability, and effectively prevent and control operational risk, legal risk and reputational risk caused by misuse of contract seal. We continuously reinforced authorisation management, related party management and trademark management and made efforts to constantly institutionalise risk management and control and refine the structure of the system. We devoted great energy to strongly dealing with lawsuit cases to protect our rights and interests in accordance with laws and avoid and reduce risk losses. In addition to the active assistance in online judicial inquiry and enforcement, we played a positive role in improving the efficiency of law enforcement and case handling by competent authorities and building a social credibility system. We widely carried out legal training and education activities to enhance the awareness of legality and compliance among our employees.

MONEY LAUNDERING RISK

Money laundering risk refers to the possibility that the products and services provided by a bank in the course of business operation and management are used for money laundering, terrorist financing, proliferation financing and other upstream criminal activities of money laundering, thereby causing the bank to suffer losses.

Any money laundering risk event or case may bring serious reputational risk and legal risk, and lead to customer loss, business loss and financial loss.

In strict compliance with anti-money laundering ("**AML**") laws and regulations of China and host countries (regions) of overseas institutions, we sincerely fulfilled the legal obligations and social responsibilities concerning AML, and took the initiative to adapt to the AML situation in the new era. Guided by the "risk-based" principle and focusing on "one basic framework and four management pillars", we continuously improved our AML governance structure, optimised customer due diligence mechanisms, and strengthened money laundering risk assessment and control. It deepened the construction of a digital AML ecosystem, strengthened AML supervision, inspection and auditing, and advanced AML training and team building. Besides, we gradually developed an AML management mode with its own characteristics in line with international standards, thus further improving the quality and efficiency of AML management.

Save as disclosed under "*Risk Factors – Other Risks Relating to Our Business – We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities*", we are not currently aware of any money laundering or terrorist financing activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations.

REPUTATIONAL RISK

Reputational risk is defined as the risk of negative comments on a bank from stakeholders, the public or the media as a result of the behaviours of the bank or practitioners or external events and so on, thereby damaging brand value, detrimental to normal operation, and even affecting market and social stability. Reputational risk may arise in any part of our operation and management, and usually co-exists and correlates with credit risk, market risk, operational risk and liquidity risk. Good reputation is central to the operation and management of a commercial bank. We highly value our reputation and have incorporated reputational risk management in our corporate governance and enterprise risk management system to prevent reputational risk.

The Board of Directors is responsible for reviewing and finalising bank-wide policies concerning reputational risk management that are in line with our strategic objective, establishing a bank-wide system of reputational risk management, monitoring the overall status and effectiveness of reputational risk management across the Group and assuming the ultimate responsibility for reputational risk management. The senior management is responsible for leading our reputational risk management, implementing the strategies and policies established by the Board, reviewing and finalising the rules, measures and operating procedures for reputational risk management, preparing plans for responding to and coping with extraordinarily major reputational risk events and ensuring the proper and effective operation of the reputational risk management system. We have established a special reputational risk management team to take charge of the daily management of reputational risk.

In 2023, we deepened the implementation of our reputational risk management rules and requirements, and continuously improved the group-wide and whole-process reputational risk management system and working mechanism, to improve the quality and efficiency of reputational risk management. We strengthened the normalisation of reputational risk management, and deepened the governance of risk sources, to safeguard our image. In addition, regarding the issues of social focusing, we timely responded to social concerns, organised and promoted influential brand communication activities, to enhance our brand image. Overall, we continued to lead the market in terms of network influence and reputation value.

COUNTRY RISK

Country risk is the risk incurred to a bank arising from the inability or refusal by the debtor to repay bank debt, losses suffered by the bank or its commercial presence in such country or region and other losses due to political, economic and social changes and events in a country or a region. Country risk may be triggered by the deterioration of economic conditions, political and social turmoil, asset nationalisation or expropriation, government's refusal to pay external debt, foreign exchange control or currency depreciation in a country or a region.

We strictly observe regulatory requirements on country risk management. The Board of Directors assumes the ultimate responsibility for the effectiveness of country risk management. The senior management is responsible for executing the country risk management policies approved by the Board. The Risk Management Committee of the head office is responsible for reviewing matters regarding country risk management. We manage and control country risk with a series of tools, including country risk assessment and rating, country risk limit, country risk exposure monitoring and stress testing. We review the country risk rating and limits at least once every year.

In 2023, facing the increasingly complicated and severe external environment, we strictly abode by regulatory requirements and, with consideration of its business development needs, continued to strengthen country risk management. We closely observed changes in country risk exposures, constantly tracked, monitorednand reported country risk, and timely updated and adjusted the country risk rating and limits. We continued to strengthen early warning mechanism for country risk, proactively conducted stress testing on country risk and effectively controlled country risk while steadily promoting internationalisation.

INFORMATION TECHNOLOGY AND CYBER SECURITY RISK

Information technology and cyber security risk refers to the operational, legal or reputational risk incurred in various IT activities by natural factors, human factors, technical vulnerabilities and managerial deficiencies, mainly involving areas such as technology governance, cyber and information security, innovative research and development, production and operation, business continuity, and technology outsourcing. We incorporated information technology and cyber security risk into our enterprise risk management system, and established and continuously refined the long-term mechanism of joint prevention and control for the three lines of defence.

In 2023, we coordinated development and security, and regarded the prevention and control of information technology and cyber security risk as an important part of FinTech work, for the purpose of high-quality development through high-standard security. We continuously improved cyber security capabilities, strengthened support for information system production and operation, reinforced special inspection on cyber security, and improved contingency plan for cyber security, to consolidate the foundation for production and operation safety. We strengthened the prevention and control of digital transformation risks and kept an eye on emerging and traditional risks in the digital environment.

ASSETS AND LIABILITIES

The section entitled "Assets and Liabilities" as set out on pages 176 to 195 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

Prospective investors should read the discussion and analysis of our financial condition and results of operations together with the Group's 2022 and 2023 Financial Statements together with the related notes thereto incorporated by reference in this Drawdown Offering Circular. The consolidated financial information set forth below is derived from the financial statements incorporated by reference in this Drawdown Offering Circular. Unless otherwise stated, all financial data discussed in this section are consolidated financial data.

ASSETS

As at 31 December 2021, 2022 and 2023, our total assets amounted to RMB35,171,383 million, RMB39,609,657 million (original) and RMB44,697,079 million, respectively. Our assets primarily comprise (i) loans and advances to customers, (ii) investment, (iii) cash and balances with central banks, (iv) due from banks and other financial institutions and (v) reverse repurchase agreements.

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

As at 31 December

	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Loans and advances to customers, gross	20,667,245	–	23,212,312	–	23,210,376	–	26,086,482	–
Add: Accrued interest	45,719	–	53,560	–	53,524	–	56,452	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	603,764	–	672,224	–	672,224	–	756,001	–
Net loans and advances to customers	20,109,200	57.2	22,593,648	57.0	22,591,676	57.0	25,386,933	56.8
Investment	9,257,760	26.3	10,527,292	26.6	10,533,702	26.6	11,849,668	26.5
Cash and balances with central banks	3,098,438	8.8	3,427,892	8.7	3,427,892	8.7	4,042,293	9.0
Due from banks and other financial institutions	827,150	2.4	1,042,504	2.6	1,192,532	3.0	1,116,717	2.5
Reverse repurchase agreements	663,496	1.9	864,067	2.2	864,122	2.2	1,224,257	2.7
Other	1,215,339	3.4	1,154,254	2.9	1,000,222	2.5	1,077,211	2.5
Total assets	35,171,383	100.0	39,609,657	100.0	39,610,146	100.0	44,697,079	100.0

As at 31 December 2022, we had total assets of RMB39,609,657 million (original), representing an increase of 12.6 per cent. from total assets of RMB35,171,383 million as at 31 December 2021, of which total loans and advances to customers increased by RMB2,545,067 million, or 12.3 per cent., investment increased by RMB1,269,532 million, or 13.7 per cent., and cash and balances with central banks increased by RMB329,454 million or 10.6 per cent. In terms of structure, net loans and advances to customers accounted for 57.0 per cent. of total assets, representing a decrease of 0.2 per cent. from 31 December 2021; investment accounted for 26.6

per cent. of total assets, representing an increase of 0.3 per cent. from 31 December 2021; cash and balances with central banks accounted for 8.7 per cent. of total assets, representing a decrease of 0.1 per cent. from 31 December 2021; due from banks and other financial institutions accounted for 2.6 per cent. of total assets, representing an increase of 0.2 per cent. from 31 December 2021; reverse repurchase agreements accounted for 2.2 per cent. of total assets, representing an increase of 0.3 per cent. from 31 December 2021; and other assets accounted for 2.9 per cent. of total assets, representing a decrease of 0.5 per cent. from 31 December 2021.

As at 31 December 2023, we had total assets of RMB44,697,079 million, representing an increase of 12.8 per cent. from total assets of RMB39,610,146 million as at 31 December 2022, of which total loans and advances to customers increased by RMB2,876,106 million or 12.4 per cent., investment increased by RMB1,315,966 million or 12.5 per cent., and cash and balances with central banks increased by RMB614,401 million or 17.9 per cent. In terms of structure, as at 31 December 2023, our net loans and advances to customers accounted for 56.8 per cent. of total assets, representing a decrease of 0.2 per cent. from 31 December 2022; investment accounted for 26.5 per cent. of total assets, representing a decrease of 0.1 per cent. from 31 December 2022; cash and balances with central banks accounted for 9.0 per cent. of total assets, representing an increase of 0.3 per cent. from 31 December 2022; due from banks and other financial institutions accounted for 2.5 per cent. of total assets, representing a decrease of 0.5 per cent. from 31 December 2022; reverse repurchase agreements accounted for 2.7 per cent. of total assets, representing an increase of 0.5 per cent. from 31 December 2022; and other assets accounted for 2.5 per cent. of total assets, which was consistent with the percentage as at 31 December 2022.

Loans and Advances to Customers

We provide a broad range of loan products to our customers, the majority of which are denominated in Renminbi. Loans and advances to customers are the largest component of our assets. As at 31 December 2021, 2022 and 2023, our net loans and advances to customers accounted for 57.2 per cent., 57.0 per cent. (original), 56.8 per cent., respectively, of our total assets. For a description of the loan products we offer, see "*Description of the Bank – Our Business Operations*" of the Offering Circular.

Unless otherwise indicated in the Offering Circular, the following discussion is based on our total loans and advances to customers, before taking into account the related allowance for impairment losses, rather than our net loans and advances to customers. Our loans and advances to customers are reported net of the allowance for impairment losses on our consolidated statement of financial position.

As at 31 December 2022, our total loans and advances to customers amounted to RMB23,212,312 million (original), representing an increase of 12.3 per cent. compared to 31 December 2021. As at 31 December 2023, our total loans and advances to customers amounted to RMB26,086,482 million, representing an increase of 12.4 per cent. compared to 31 December 2022.

In 2022, we planned and managed the scale, pace and structure of credit grants, and continued to improve the quality and efficiency of serving the real economy. We actively supported the construction of ongoing infrastructure projects and major projects making up for deficiencies in new urbanization and transportation areas, and effectively implemented the rural revitalization strategy. We also grasped the development opportunities of green finance comprehensively and continued to increase its investment and financing support for key fields of the advanced manufacturing industry such as intelligent manufacturing, digital economy, strategic emerging industries and transformation and upgrading of traditional industries.

In 2023, while maintaining stable and controllable asset quality, we made every effort to enhance the adaptability of credit structure to the real economy, and promoted the targeted and direct credit supply. We continued to increase credit support for key fields such as green finance, manufacturing, inclusive finance, strategic emerging industries, sci-tech innovation and rural revitalization.

As at 31 December 2022, RMB denominated loans of domestic branches were RMB21,482,964 million (original), representing an increase of 13.5 per cent. as compared to 31 December 2021. As at 31 December 2023, RMB denominated loans of domestic branches were RMB24,391,525 million, representing an increase of 13.5 per cent. as compared to 31 December 2022.

Distribution of Total Loans and Advances to Customers by Business Line

The following table sets forth a breakdown of our total loans and advances to customers by business line as at the dates indicated.

As at 31 December

	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Corporate loans	12,194,706	59.0	13,826,966	59.6	13,826,966	59.6	16,145,204	61.9
Discounted bills	527,758	2.6	1,148,785	4.9	1,148,785	4.9	1,287,657	4.9
Personal loans	7,944,781	38.4	8,236,561	35.5	8,234,625	35.5	8,653,621	33.2
Total	20,667,245	100.0	23,212,312	100.0	23,210,376	100.0	26,086,482	100.0

As at 31 December 2021, 2022 and 2023, our corporate loans accounted for 59.0 per cent., 59.6 per cent. (original) and 61.9 per cent., respectively, of our total loans and advances to customers; and our personal loans accounted for 38.4 per cent., 35.5 per cent. (original) and 33.2 per cent., respectively, of our total loans and advances to customers.

The total size of our corporate loan portfolio has continued to grow during the periods under review. As at 31 December 2022, our corporate loans increased by 13.4 per cent. from RMB 12,194,706 million as at 31 December 2021 to RMB13,826,966 million (original). As at 31 December 2023, our corporate loans increased by 16.8 per cent. from RMB13,826,966 million (original) as at 31 December 2022 to RMB16,145,204 million.

In 2023, we actively contributed to the construction of a modern industrial system, continued to strengthen its support for manufacturing, strategic emerging industries, green finance, inclusive finance, rural revitalisation and other key fields, and actively supported the construction of major projects in roads, railways, airports, urban rail transit, new urbanisation and other fields. We also supported the reasonable financing needs of real estate enterprises, and increased the financial support for rental housing. As a result, our corporate loans in key strategic areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing economic circle continued to grow.

As at 31 December 2021, 2022 and 2023, our total discounted bills accounted for 2.6 per cent., 4.9 per cent. (original) and 4.9 per cent., respectively, of our total loans and advances to customers. As at 31 December 2022, our discounted bills increased by RMB621,027 million to RMB1,148,785 million (original) from RMB527,758 million as at 31 December 2021. As at 31 December 2023, our discounted bills increased by RMB138,872 million to RMB1,287,657 million from RMB1,148,785 million (original) as at 31 December 2022.

Our personal loans increased from 31 December 2021 to 31 December 2023. As at 31 December 2022, our personal loans increased by 3.7 per cent. from RMB7,944,781 million as at 31 December 2021 to RMB8,236,561 million (original), of which, personal consumption loan grew by RMB47,062 million or 25.1 per cent. and personal business loans increased by RMB227,599 million or 32.4 per cent. In 2023, we strengthened the overall planning of personal loan business, vigorously marketed personal credit loan products, and continuously strengthened credit product innovation and service optimization through precise customer

selection, proactive credit pre-approval, online real-time lending, multi-scenario access and other measures, so as to enhance residents' efficient and convenient credit financing experience and support sustainable recovery of consumption. As at 31 December 2023, our personal loans increased by RMB418,996 million or 5.1 per cent. as compared with 31 December 2022. Specifically, personal consumption loans grew by RMB95,844 million, and personal business loans increased by RMB417,096 million as compared with 31 December 2022.

Corporate Loans

Distribution of corporate loans by maturity

The following table sets forth, as at the dates indicated, our corporate loans by maturity.

As at 31 December

	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Short-term corporate loans[(1)]	2,737,742	22.5	3,150,517	22.8	3,150,517	22.8	3,681,064	22.8
Medium to long-term corporate loans[(2)]	9,456,964	77.5	10,676,449	77.2	10,676,449	77.2	12,464,140	77.2
Total corporate loans	12,194,706	100.00	13,826,966	100.00	13,826,966	100.00	16,145,204	100.00

Notes:

(1) Short-term corporate loans represent our corporate loans that have a maturity of 12 months or less according to the respective loan contracts.

(2) Medium to long-term corporate loans represent our corporate loans that have a maturity of more than 12 months according to the respective loan contracts.

Medium to long-term corporate loans constituted a relatively large proportion of our corporate loans during the periods under review. As at 31 December 2021, 2022 and 2023, our medium to long-term corporate loans accounted for 77.5 per cent., 77.2 per cent. (original) and 77.2 per cent. respectively, of our total corporate loans. Our medium to long-term corporate loans were RMB9,456,964 million as at 31 December 2021, which increased by 12.9 per cent. to RMB10,676,449 million (original) as at 31 December 2022, and further increased by 16.7 per cent. to RMB12,464,140 million as at 31 December 2023.

As at 31 December 2021, 2022 and 2023, our short-term corporate loans accounted for 22.5 per cent., 22.8 per cent. (original), 22.8 per cent. respectively, of our total corporate loans. As at 31 December 2022, our short-term corporate loans amounted to RMB3,150,517 million (original), representing an increase by 15.1 per cent. from 31 December 2021. As at 31 December 2023, our short-term corporate loans amounted to RMB3,681,064 million, representing an increase by 16.8 per cent. from 31 December 2022.

Distribution of corporate loans by industry

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

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Transportation, storage and postal services	2,816,789	25.8	3,149,183	25.1	3,149,183	25.1	3,583,967	24.1
Manufacturing	1,654,610	15.1	1,949,461	15.5	1,949,461	15.5	2,351,044	15.8
Leasing and commercial services	1,667,376	15.2	1,892,850	15.1	1,892,850	15.1	2,295,720	15.5
Production and supply of electricity, heat, gas and water	1,065,459	9.7	1,211,580	9.6	1,211,580	9.6	1,594,025	10.7
Water, environment and public utility management	1,370,252	12.5	1,511,785	12.0	1,511,785	12.0	1,722,981	11.6
Wholesale and retail	464,169	4.2	531,845	4.2	531,845	4.2	679,049	4.6
Real estate	705,714	6.5	724,802	5.8	724,802	5.8	762,226	5.1
Construction	312,849	2.9	359,345	2.9	359,345	2.9	432,570	2.9
Mining	203,130	1.9	226,500	1.8	226,500	1.8	295,219	2.0
Science, education, culture and sanitation	287,601	2.6	340,146	2.7	340,146	2.7	383,799	2.6
Lodging and catering	73,063	0.7	–	–	–	–	–	–
Other	317,641	2.9	657,994	5.3	657,994	5.3	761,866	5.1
Total	10,938,653	100.0	12,555,491	100.0	12,555,491	100.0	14,862,466	100.0

As at 31 December 2022 and 2023, a majority of the corporate loan customers of our domestic branches operated in the (i) transportation, storage and postal services, (ii) leasing and commercial services, (iii) manufacturing, (iv) water, environment and public utility management and (v) production and supply of electricity, heat, gas and water which accounted for approximately 25.1 per cent. (original), 15.1 per cent. (original), 15.5 per cent. (original), 12.0 per cent. (original) and 9.6 per cent. (original), respectively, of the total corporate loans of our domestic branches as at 31 December 2022 and approximately 24.1 per cent., 15.5 per cent., 15.8 per cent., 11.6 per cent. and 10.7 per cent., respectively, of the total corporate loans of our domestic branches as at 31 December 2023.

In 2023, we continued to propel the optimization and adjustment of the credit industry structure and stepped up efforts to shore up the development of the real economy. As at 31 December 2023, loans to transportation, storage and postal services increased by RMB434,784 million or 13.8 per cent. over 31 December 2022, which were mainly used to strongly support key transportation projects in the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area and other regions, and transportation construction projects making up for deficiencies in the western regions. Loans to leasing and commercial services increased by RMB402,870 million or 21.3 per cent. as compared with 31 December 2022, which were mainly used to meet the increased financing needs of customers in areas such as investment and asset management, and enterprise headquarters, park and commercial complex management services. Loans to manufacturing increased by RMB401,583 million or 20.6 per cent. as compared with 31 December 2022, mainly granted to leading backbone enterprises and key projects in high-end manufacturing such as new-generation information technology, integrated circuits, new energy vehicles, and large-scale refining and chemical projects. Loans to production and supply of electricity, heating, gas and water increased by RMB382,445 million as compared with 31 December 2022, representing a growth rate of 31.6 per cent., mainly to enhance the adaptability with the national industrial structure adjustment, increase financing support for clean energy transformation, and achieve balanced growth

in the coal power supply guarantee and clean energy fields. Loans to water, environment and public utility management grew by RMB211,196 million or 14.0 per cent. as compared with 31 December 2022, mainly for major projects in the areas of new urbanization and water conservancy facilities as well as the areas of people's livelihood such as urban public utilities and environmental remediation.

We continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable.

Personal Loans

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

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Residential mortgages	6,362,685	80.1	6,431,991	78.1	6,431,991	78.1	6,288,468	72.7
Personal consumption loans	187,316	2.4	234,378	2.8	232,442	2.8	328,286	3.8
Personal business loans	702,441	8.8	930,040	11.3	930,040	11.3	1,347,136	15.6
Credit card overdrafts	692,339	8.7	640,152	7.8	640,152	7.8	689,731	8.0
Total personal loans	7,944,781	100.0	8,236,561	100.0	8,234,625	100.0	8,653,621	100.0

Residential mortgages are the largest component of our personal loans. Our residential mortgages were RMB6,362,685 million as at 31 December 2021. As at 31 December 2022, our residential mortgages increased by RMB69,306 million or 1.1 per cent. to RMB6,431,991 million (original) as compared to 31 December 2021. As at 31 December 2023, our residential mortgages decreased by RMB143,523 million or 2.2 per cent. to RMB6,288,468 million as compared to 31 December 2022.

Our personal consumption loans were RMB187,376 million as at 31 December 2021. As at 31 December 2022, our personal consumption loans increased by RMB47,062 million or 25.1 per cent. to RMB234,378 million (original) as compared to 31 December 2021. As at 31 December 2023, our personal consumption loans increased by RMB95,844 million or 41.2 per cent. to RMB328,286 million as compared to 31 December 2022.

Our personal business loans were RMB702,441 million as at 31 December 2021. As at 31 December 2022, our personal business loans increased by RMB227,599 million or 32.4 per cent. over 31 December 2021. As at 31 December 2023, our personal business loans further increased by RMB417,096 million or 44.8 per cent. to RMB1,347,136 million.

Our credit card overdrafts were RMB692,339 million as at 31 December 2021. As at 31 December 2022, our credit card overdrafts decreased by RMB52,187 million or 7.5 per cent. to RMB640,152 million (original) as compared to 31 December 2021. As at 31 December 2023, our credit card overdrafts increased by RMB49,579 million or 7.7 per cent. to RMB689,731 million as compared to 31 December 2022.

Distribution of Total Loans and Advances to Customers by Geographic Area

We classify loans and advances to customers geographically based on the location of the branch that originates the loan. There is generally a high correlation between the location of the borrower and the location of the branch that originates the loan, except in the case of our head office. The following table sets forth, as at the dates indicated, the distribution of our total loans to customers by geographic area.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Head Office	791,994	3.8	747,980	3.2	747,980	3.2	754,746	2.9
Yangtze River Delta	4,163,732	20.2	4,798,204	20.7	4,798,204	20.7	5,616,187	21.5
Pearl River Delta	3,134,781	15.2	3,621,603	15.6	3,621,603	15.6	4,055,692	15.5
Bohai Rim	3,371,325	16.3	3,816,621	16.5	3,816,621	16.5	4,285,481	16.4
Central China	3,133,539	15.2	3,561,290	15.3	3,561,290	15.3	4,064,415	15.6
Western China	3,746,867	18.1	4,225,369	18.2	4,225,369	18.2	4,766,575	18.3
Northeastern China	895,238	4.3	978,246	4.2	978,246	4.2	1,082,666	4.2
Overseas and other	1,429,769	6.9	1,462,999	6.3	1,461,063	6.3	1,460,720	5.6
Total loans and advances to customers	20,667,245	100.0	23,212,312	100.0	23,210,376	100.0	26,086,482	100.0

Our loan business spans the PRC, with each of the Yangtze River Delta, Pearl River Delta, Bohai Rim, Central China and Western China regions representing more than 10 per cent. of our total loans and advances to customers during the periods under review. The Yangtze River Delta region was our largest loan concentration during the periods under review, representing 20.2 per cent., 20.7 per cent. (original) and 21.5 per cent., respectively, of our total loans and advances to customers as at 31 December 2021, 2022 and 2023. Our loans in the Yangtze River Delta region were RMB4,163,732 million as at 31 December 2021. As at 31 December 2022, our loans in the Yangtze River Delta region further increased by 15.2 per cent. to RMB4,798,204 million (original) as compared to 31 December 2021. As at 31 December 2023, our loans in the Yangtze River Delta region further increased by 17.0 per cent. to RMB5,616,187 million as compared to 31 December 2022.

As at 31 December 2022, our overseas and other loans increased by RMB33,230 million or 2.3 per cent. to RMB 1,462,999 million (original) as compared to 31 December 2021. As at 31 December 2023, our overseas and other loans decreased by RMB343 million to RMB1,460,720 million as compared to 31 December 2022.

Borrower Concentration

As at 31 December 2021, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.6 per cent. and 14.2 per cent. of our net capital, respectively. As at 31 December 2022, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.8 per cent. (original) and 16.0 per cent. (original) of our net capital, respectively. As at 31 December 2023, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 4.5 per cent. and 23.5 per cent. of our net capital, respectively. As at 31 December 2021, 2022 and 2023, the total amount of loans granted to the top ten single borrowers was RMB554,249 million, RMB684,780 million (original) and RMB1,105,393 million, respectively, accounting for 2.7 per cent., 3.0 per cent. (original) and 4.2 per cent. of the total loans as at that date.

Loan Interest Rate Profile

In recent years, as part of the overall reform of the PRC banking system, the PBOC has implemented a series of initiatives to gradually liberalise interest rates and move towards a more market-based interest rate regime. In July 2013, the PBOC removed the lower limit of the floating range of lending interest rates, providing more flexibility to commercial banks in the PRC to determine their own lending interest rates. To manage interest rate risk, we usually set a floating interest rate for loans with a maturity period of more than one year. We generally set a fixed interest rate for loans with a maturity period equal to or less than one year. For personal

loans with floating interest rates, we generally adjust our interest rates on the first day of the year that is subsequent to the year in which the benchmark interest rates are adjusted. For corporate loans with floating interest rates, we generally adjust our interest rates on the anniversary of the date upon which the loan agreement was executed.

On 25 October 2013, PBOC introduced a new prime lending rate, officially known as LPR, which is based on a weighted average of lending rates from nine commercial banks. For the purposes of deepening the market-oriented reform of interest rate, on 17 August 2019, the PBOC issued the Announcement on the Decision to Reform and Improve the Formation Mechanism of Loan Prime Rate (LPR) (Announcement No. 15 [2019] of the PBOC) (中國人民銀行公告[2019]第 15 號–關於中國人民銀行決定改革完善貸款市場報價利率(LPR)形成機制的公告) (the "**Announcement**"). According to the Announcement, all banks shall take the LPR as the major pricing reference for the newly granted loans and adopt the LPR as the pricing benchmark in the floating-rate loan contracts. Furthermore, the types of LPR quoting banks are expanded to include urban commercial banks, rural commercial banks, foreign-funded banks, and private banks, in addition to the original national banks, and the number of quoting banks is 18. The list of such banks will be assessed and adjusted on a regular basis.

Asset Quality of Our Loan Portfolio

In determining the classification of our loan portfolio, we assess, on a case-by-case basis, the likelihood of repayment by the borrower and the collectability of principal and interest on the loan. Our assessment is generally based on a series of general principles that are derived from guidelines of the former CBIRC (now the NAFR) and PBOC. These general principles focus on a number of factors, including (i) the borrower's ability to repay the loan, based on such factors as the borrower's financial condition, its profitability and cash flow; (ii) the borrower's repayment history; (iii) the borrower's willingness to repay; (iv) the level of security provided depending on the type and value of collateral; (v) the prospect for support from any financially responsible guarantor; (vi) the remaining maturity of the loan; (vii) the structure and the seniority of the loan; and (viii) the length of time by which payment of principal or interest on a loan is overdue.

The following is a summary of these general principles:

Pass. Loans may be classified as "pass" only if the borrowers are able to honour the terms of their loans and there is no reason to doubt that the principal and interest payments will not be made in full and on a timely basis. Loans in the pass category generally demonstrate one or more of the following characteristics:

- the borrower maintains sound operations and generates adequate cash flows.
- principal and interest payments on the loan are made on a timely basis.
- the guarantee or collateral securing the loan, if any, is valid, effective and sufficient.

Special mention. Loans may be classified as "special mention" if the borrowers have the current ability to repay principal and interest on the loans but the following adverse circumstances exist:

- the operational and financial status of the borrower has changed.
- the value of collateral has decreased or the operational and financial status of the guarantor has changed.
- macroeconomic, industry or market conditions have changed.

Substandard. Loans may be classified as "substandard" if the borrowers' inability to repay loans becomes evident to the extent that they are unable to rely solely on their ordinary course of operations to repay principal or interest on the loans and it becomes evident that we will incur certain loan losses even if any collateral or

guarantees securing the loans are enforced. Loans in the substandard category generally demonstrate the following characteristics:

- the borrower has difficulty in repaying the loan.
- the loan needs to be restructured due to adverse changes in the borrower's financial condition or its inability to make payments.

Doubtful. Loans may be classified as "doubtful" if the borrowers become unable to repay principal and interest on the loans in full and it becomes evident that we will incur significant loan losses even if any collateral or guarantees securing the loans are enforced. Loans in the doubtful category generally demonstrate the following characteristics:

- the borrower has completely or partially suspended its operations.
- the project for which the loan was extended has been terminated or suspended due to funding shortages, worsening operating conditions, litigation or other reasons.
- the loan is still overdue or the borrower is still unable to repay the loan in full notwithstanding its restructuring.

Loss. Loans may be classified as a "loss" if none or only a small portion of the principal and interest on the loans can be recovered after exhausting all possible measures and legal remedies.

Distribution of Loans by Five-Category Loan Classification System

The following table sets forth, as at the dates indicated, our loans to customers in each category of our five-category loan classification system. Loans classified as Substandard, Doubtful or Loss are considered NPLs.

	As at 31 December							
	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Pass	19,961,778	96.59	22,439,514	96.67	22,437,578	96.67	25,250,275	96.79
Special mention	412,038	1.99	451,628	1.95	451,628	1.95	482,705	1.85
Subtotal	20,373,816	98.58	22,891,142	98.62	22,889,206	98.62	25,732,980	98.64
Substandard	134,895	0.66	158,372	0.68	158,372	0.68	98,527	0.38
Doubtful	128,983	0.62	118,574	0.51	118,574	0.51	116,527	0.45
Loss	29,551	0.14	44,224	0.19	44,224	0.19	138,448	0.53
Subtotal	293,429	1.42	321,170	1.38	321,170	1.38	353,502	1.36
Total loans and advances to customers	20,667,245	100.00	23,212,312	100.00	23,210,376	100.0	26,086,482	100.00
NPL ratio[(1)]		1.42		1.38		1.38		1.36

Note:

(1) Calculated by dividing the balance of NPLs by total balance of total loans and advances to customers.

As at 31 December 2021, 2022 and 2023, the NPL ratios of our total loan portfolio were 1.42 per cent., 1.38 per cent. (original) and 1.36 per cent., respectively. As at 31 December 2022, the NPL ratio decreased 4 basis points from the end of 2021 and the overdue loan rate decreased by 1 basis point from the end of 2021. As at

31 December 2023, the NPL ratio decreased 2 basis points from the end of 2022, and the overdue loan rate increased by 5 basis points from the end of 2022.

As at 31 December 2021, 2022 and 2023, our allowance to NPLs was 205.84 per cent., 209.47 per cent. (original) and 213.97 per cent. respectively and our allowance to total loan ratios was 2.92 per cent., 2.90 per cent. (original) and 2.90 per cent. respectively.

Distribution of NPLs by Business Line

The following table sets forth, as at the dates indicated, our NPLs by business line.

	As at 31 December											
	2021			2022 (original)			2022 (restated)			2023		
	Amount	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*
	(in RMB millions, except for percentages)											
Corporate loans	254,887	86.86	2.09	271,615	84.57	1.96	271,615	84.57	1.96	292,745	82.81	1.81
Discounted bills	–	–	–	–	–	–	–	–	–	–	–	–
Personal loans	38,542	13.14	0.49	49,555	15.43	0.60	49,555	15.43	0.60	60,757	17.19	0.70
Total NPLs	293,429	100.00	1.42	321,170	100.00	1.38	321,170	100.00	1.38	353,502	100.00	1.36

Note:

(1) Calculated by dividing the balance of NPL in each category by total balance of total loans and advances to customers in that category.

As at 31 December 2022, the balance of non-performing corporate loans stood at RMB271,615 million (original), representing an NPL ratio of 1.96 per cent. and an increase of RMB16,728 million or 6.5 per cent. from RMB254,887 million as at 31 December 2021. As at 31 December 2023, the balance of non-performing corporate loans stood at RMB292,745 million, representing an NPL ratio of 1.81 per cent. and a decrease of RMB21,130 million or 7.78 per cent. from RMB271,615 million (original) as at 31 December 2022.

As at 31 December 2022, the balance of non-performing personal loans stood at RMB49,555 million (original), representing an NPL ratio of 0.6 per cent. and an increase of RMB11,013 million or 28.6 per cent. from RMB38,542 million as at 31 December 2021. As at 31 December 2023, the balance of non-performing personal loans stood at RMB60,757 million, representing an NPL ratio of 0.70 per cent. and an increase of RMB11,202 million or 22.61 per cent. from RMB49,555 million (original) as at 31 December 2022.

As at 31 December 2021 and 2022 and 2023, the balance of non-performing discounted bills stood at nil.

Distribution of NPLs by Geographic Areas

The following table sets forth, as at the dates indicated, the distribution of our NPLs by geographic areas.

	As at 31 December											
	2021			2022 (original)			2022 (restated)			2023		
	Amount	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*
	(in RMB millions, except for percentages)											
Head Office	21,668	7.38	2.74	18,443	5.74	2.47	18,443	5.74	2.47	29,793	8.43	3.95

	As at 31 December											
	2021			2022 (original)			2022 (restated)			2023		
	Amount	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*
	(in RMB millions, except for percentages)											
Yangtze River Delta	35,149	11.98	0.84	32,910	10.25	0.69	32,910	10.25	0.69	36,930	10.45	0.66
Pearl River Delta	33,860	11.54	1.08	47,328	14.74	1.31	47,328	14.74	1.31	57,869	16.37	1.43
Bohai Rim	72,241	24.62	2.14	69,989	21.79	1.83	69,989	21.79	1.83	63,835	18.06	1.49
Central China	40,046	13.65	1.28	40,888	12.73	1.15	40,888	12.73	1.15	43,192	12.22	1.06
Western China	47,031	16.03	1.26	71,038	22.12	1.68	71,038	22.12	1.68	68,298	19.32	1.43
Northeastern China	30,600	10.43	3.42	29,203	9.09	2.99	29,203	9.09	2.99	22,301	6.31	2.06
Overseas and other	12,834	4.37	0.90	11,371	3,54	0.78	11,371	3,54	0.78	31,284	8.85	2.14
Total NPLs	293,429	100.00	1.42	321,170	100.00	1.38	321,170	100.00	1.38	353,502	100.00	1.36

Note:

(1) Calculated by dividing the balance of NPL from each geographic area by total balance of total loans and advances to customers in that region.

Comparing to 31 December 2021, as at 31 December 2022, the Pearl River Delta and Western China regions witnessed increases in NPL ratios, while the head office, Yangtze River Delta, Bohai Rim, Central China, Northeastern China, and Overseas and others regions witnessed decreases in NPL ratios. Comparing to 31 December 2022, as at 31 December 2023, the head office, Pearl River Delta and Overseas and others regions witnessed increases in NPL ratios, while Yangtze River Delta, Bohai Rim, Central China, Western China and Northeastern China regions witnessed decreases in NPL ratios.

Distribution of Non-performing Corporate Loans of Domestic Branches by Industry

The following table sets forth, as at the dates indicated, the distribution of our non-performing corporate loans of domestic branches (excluding discounted bills) by industry.

	As at 31 December											
	2021			2022 (original)			2022 (restated)			2023		
	Amount	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*	*Amount*	*% of total*	*NPL ratio[(1)]*
	(in RMB millions, except for percentages)											
Transportation, storage and postal services	24,762	10.2	0.88	19,324	7.4	0.61	19,324	7.4	0.61	17,530	6.7	0.49
Manufacturing	61,602	25.4	3.72	58,944	22.6	3.02	58,944	22.6	3.02	55,359	21.1	2.35
Production and supply of electricity, heat, gas and water	8,653	3.6	0.81	8,406	3.2	0.69	8,406	3.2	0.69	12,537	4.8	0.79
Leasing and commercial services	33,824	14.0	2.03	38,188	14.6	2.02	38,188	14.6	2.02	43,958	16.7	1.91
Water, environment and public utility management	11,379	4.7	0.83	23,864	9.1	1.58	23,864	9.1	1.58	20,493	7.8	1.19
Wholesale and retail	38,558	15.9	8.31	31,696	12.2	5.96	31,696	12.2	5.96	29,886	11.4	4.40
Real estate	33,820	14.0	4.79	44,531	17.1	6.14	44,531	17.1	6.14	40,957	15.6	5.37

	As at 31 December											
	2021			2022 (original)			2022 (restated)			2023		
	Amount	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*	*Amount*	*% of total*	*NPL ratio(1)*
	(in RMB millions, except for percentages)											
Mining	3,470	1.4	1.71	2,706	1.0	1.19	2,706	1.0	1.19	2,619	1.0	0.89
Construction	5,538	2.3	1.77	7,513	2.9	2.09	7,513	2.9	2.09	14,078	5.4	3.25
Science, education, culture and sanitation	6,947	2.9	2.42	8,337	3.2	2.45	8,337	3.2	2.45	8,882	3.4	2.31
Lodging and catering	8,095	3.3	11.08	–	–	–	–	–	–	–	-	–
Other	5,732	2.3	1.80	17,422	6.7	2.65	17,422	6.7	2.65	16,474	6.3	2.16
Total	242,380	100.0	2.22	260,931	100.0	2.08	260,931	100.0	2.08	262,773	100.0	1.77

Note:

(1) Calculated by dividing the balance of NPL from each category by the total balance of total loans and advances to customers in that category.

The NPL ratio of our loans in the manufacturing sector amounted to 3.72 per cent. as at 31 December 2021, then decreased to 3.02 per cent. (original) as at 31 December 2022, and further decreased to 2.35 per cent. as at 31 December 2023.

The NPL ratio of our loans in the wholesale and retail sector amounted to 8.31 per cent. as at 31 December 2021. As at 31 December 2022, the NPL ratio of our loans in the wholesale and retail sector decreased to 5.96 per cent. (original), and further decreased to 4.40 per cent. as at 31 December 2023.

The NPL ratio of our loans in the transportation, storage and postal services sector amounted to 0.88 per cent. as at 31 December 2021, then decreased to 0.61 per cent. (original) as at 31 December 2022, and decreased to 0.49 per cent. as at 31 December 2023.

The NPL ratio of our loans in the real estate sector amounted to 4.79 per cent. as at 31 December 2021, increased to 6.14 per cent. (original) as at 31 December 2022, then decreased to 5.37 per cent. as at 31 December 2023.

Loan Aging Schedule

The following table sets forth, as at the dates indicated, our loan aging schedule for our total loans and advances to customers. The following table sets forth, as at the dates indicated, our loan aging schedule for our total loans and advances to customers.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Current loans	20,412,344	98.77	22,928,281	98.78	22,926,345	98.78	25,756,058	98.73
Loans past due(1) for:								
Less than 3 months	72,444	0.35	93,802	0.40	93,802	0.40	107,236	0.42
3 months to 1 year	70,057	0.34	79,509	0.34	79,509	0.34	101,889	0.39
1 to 3 years	93,247	0.45	91,177	0.40	91,177	0.40	87,118	0.33
Over 3 years	19,153	0.09	19,543	0.08	19,543	0.08	34,181	0.13

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Subtotal	254,901	1.23	284,031	1.22	284,031	1.22	330,424	1.27
Total loans and advances to customers	20,667,245	100.00	23,212,312	100.00	23,210,376	100.00	26,086,482	100.00

Note:

(1) Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by instalments, the total amount of loans is deemed overdue if part of the instalments is overdue.

The proportion of our loans and advances to customers that were deemed overdue was 1.23 per cent. as at 31 December 2021, which then decreased to 1.22 per cent. (original) as at 31 December 2022, and increased to 1.27 per cent. as at 31 December 2023.

Allowance for Impairment Losses on Loans and Advances to Customers

From 1 January 2018, we adopted IFRS 9 which introduced new requirements for measurement of impairment for financial assets. The new impairment model in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss ("**ECL**")" model. Under the ECL model, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Instead, we are required to recognise and measure either a 12-month expected credit loss or lifetime expected credit loss, depending on the asset and the facts and circumstances which results in an early recognition of credit losses. Except for credit-impaired corporate loans and advances to customers, we continued to measure our ECL based on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. For the impairment loss on credit-impaired corporate loans and advances to customers, we applied the cash flow discount method. The amount of the impairment loss on credit-impaired corporate loans and advances is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate, and the allowance for impairment loss is deducted in the carrying amount.

For a description of our methods in calculating the estimated recoverable amount of loans, see Notes 4(10) and 50(a) to the Group's 2022 Financial Statements incorporated by reference in the Offering Circular.

Changes to Allowance for Impairment Losses

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2023:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
Balance at 1 January 2023	278,715	141,586	251,923	672,224
Transfer:				
To stage 1	46,568	(42,004)	(4,564)	–
To stage 2	(7,253)	12,411	(5,158)	–
To stage 3	(2,596)	(44,930)	47,526	–
Charge for the year	27,041	89,529	26,736	143,306

	Stage 1	Stage 2	Stage 3	Total
		(in RMB millions)		
Write-offs and transfer out	–	–	(72,721)	(72,721)
Recoveries of loans and advances previously written off	–	–	14,915	14,915
Other movements	255	(352)	(1,626)	(1,723)
Balance at 31 December 2023	342,730	156,240	257,031	756,001

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost (original) for the year ended 31 December 2022:

	Stage 1	Stage 2	Stage 3	Total
		(in RMB millions)		
Balance at 1 January 2022	269,376	110,649	223,739	603,764
Transfer:				
To stage 1	31,002	(28,109)	(2,893)	–
To stage 2	(11,705)	15,684	(3,979)	–
To stage 3	(4,594)	(49,676)	54,270	–
Charge for the year	(6,642)	92,227	57,271	142,856
Write-offs and transfer out	–	–	(85,157)	(85,157)
Recoveries of loans and advances previously written off	–	–	9,529	9,529
Other movements	1,278	811	(857)	1,232
Balance at 31 December 2022	278,715	141,586	251,923	672,224

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2021:

	Stage 1	Stage 2	Stage 3	Total
		(in RMB millions)		
Balance at 1 January 2021	223,703	89,151	217,446	530,300
Transfer:				
To stage 1	17,860	(15,581)	(2,279)	–
To stage 2	(9,856)	14,056	(4,200)	–
To stage 3	(3,534)	(35,319)	38,853	–
Charge for the year	41,831	58,906	67,614	168,351
Write-offs and transfer out	–	–	(100,447)	(100,447)
Recoveries of loans and advances previously written off	–	–	9,020	9,020
Other movements	(628)	(564)	(2,268)	(3,460)
Balance at 31 December 2021	269,376	110,649	223,739	603,764

Our allowance for impairment losses on loans as at 31 December 2022 amounted to RMB672,762 million (original), representing an increase of RMB68,779 million or 11.4 per cent. as compared to 31 December 2021. As at 31 December 2023, our allowance for impairment losses on loans amounted to RMB756,391 million, representing an increase of RMB83,629 million or 12.4 per cent. as compared to 31 December 2022.

Investment

Our investment portfolio consists of listed and unlisted Renminbi-denominated and foreign currency-denominated securities and other financial assets. Investment represented 26.3 per cent., 26.6 per cent. (original), and 26.5 per cent., respectively, of our total assets as at 31 December 2021, 2022 and 2023.

We dynamically adjusted the structure of investment portfolios, actively promoted investment in non-USD currencies, such as AUD and EUR, and improved the use efficiency of foreign currency funds. We also increased support for green finance and steadily advanced "Southbound Connect" transactions. Our investment portfolio increased by 13.7 per cent. from RMB9,257,760 million as at 31 December 2021 to RMB10,527,292 million (original) as at 31 December 2022. For the year ended 31 December 2023, we actively utilized cross- and counter-cyclical adjustment policies, focused on primary responsibilities and core businesses, and optimized financial supply. Our investment portfolio further increased by 12.5 per cent. to RMB11,849,668 million as at 31 December 2023.

As at 31 December 2023, our financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost amounted to RMB811,957 million, RMB2,230,862 million and RMB 8,806,849 million, respectively.

Distribution of Our Investment by Investment Category

The following tables set forth, as at the dates indicated, the distribution of our investments by category.

	As at 31 December							
	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Bonds	8,817,345	95.2	10,059,499	95.6	10,063,570	95.5	11,357,727	95.9
Equity instruments	190,186	2.1	190,869	1.8	190,869	1.8	187,835	1.6
Funds and other[(1)]	148,166	1.6	166,434	1.6	168,855	1.6	183,391	1.5
Accrued interest	102,063	1.1	110,490	1.0	110,408	1.1	120,715	1.0
Total investment	9,257,760	100.0	10,527,292	100.0	10,533,702	100.0	11,849,668	100.0

Note:

(1) Includes assets invested by funds raised by the issuance of principal-guaranteed wealth management products by the Bank.

Debt Instruments

Our debt instruments consist of debt securities issued primarily by governments, central banks, policy banks and other institutions.

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by issuer type.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Government bonds	6,371,607	72.3	7,419,005	73.8	7,422,555	73.8	8,720,977	76.8
Central bank bonds	38,207	0.4	56,817	0.5	56,817	0.5	38,260	0.3
Policy bank bonds	754,719	8.6	761,736	7.6	762,209	7.6	811,946	7.1
Other bonds	1,652,812	18.7	1,821,941	18.1	1,821,989	18.1	1,786,544	15.8
Total investment in bonds	8,817,345	100.0	10,059,499	100.0	10,063,570	100.0	11,357,727	100.0

As at 31 December 2022, our investment in bonds increased by 14.1 per cent. to RMB10,059,499 million (original) as compared to RMB8,817,345 million as at 31 December 2021. As at 31 December 2023, our investment in bonds further increased by 12.9 per cent. to RMB11,357,727 million as compared to 31 December 2022.

Distribution of investment in bonds by remaining maturity

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by remaining maturity.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Undated[(1)]	167	0.0	284	0.0	284	0.0	117	0.0
Less than 3 months	514,685	5.8	694,455	6.9	694,517	6.9	690,280	6.0
3 to 12 months	1,228,144	13.9	1,371,872	13.6	1,372,035	13.6	1,495,238	13.2
1 to 5 years	3,517,415	39.9	3,649,193	36.3	3,649,538	36.3	4,219,958	37.2
Over 5 years	3,556,934	40.4	4,343,695	43.2	4,347,196	43.2	4,952,134	43.6
Total investment in bonds	8,817,345	100.0	10,059,499	100.0	10,063,570	100.0	11,357,727	100.0

Note:

(1) Refers to overdue bonds.

As at 31 December 2022, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB323,498 million from 31 December 2021, representing an increase of 18.6 per cent. as compared to 31 December 2021, and bonds beyond 5-year maturity grew by RMB786,761 million or 22.1 per cent. as compared to 31 December 2021.

As at 31 December 2023, bonds that have less than 3 months in remaining maturity decreased by RMB4,237 million or 0.6 per cent. from 31 December 2022, and bonds that have 3 to 12 months in maturity increased by RMB123,203 million or 9.0 per cent. from 31 December 2022, and bonds beyond 5-year maturity grew by RMB604,938 million or 13.9 per cent. as compared to 31 December 2022.

Distribution of investment in bonds by currency

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by currency.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
RMB-denominated bonds.....	8,110,061	92.0	9,213,230	91.6	9,217,302	91.6	10,497,153	92.4
USD-denominated bonds	450,447	5.1	559,753	5.6	559,753	5.6	554,737	4.9
Other foreign currency bonds	256,837	2.9	286,516	2.8	286,515	2.8	305,837	2.7
Total investment in bonds...	8,817,345	100.0	10,059,499	100.0	10,063,570	100.0	11,357,727	100.0

As at 31 December 2022, our RMB-denominated bonds increased by RMB1,103,169 million, or 13.6 per cent., USD-denominated bonds increased by an equivalent of RMB109,306 million or 24.3 per cent. and other foreign currency bonds increased by an equivalent of RMB29,679 million or 11.6 per cent., respectively, as compared to 31 December 2021. In 2022, we improved the investment portfolio structure of foreign currency bonds, reasonably arranged the currency structure in consideration of bond liquidity, security and profitability, and improved the efficiency of foreign-currency fund use.

As at 31 December 2023, our RMB-denominated bonds increased by RMB1,279,851 million or 13.9 per cent., U.S. dollar-denominated bonds decreased by an equivalent of RMB5,016 million or 0.9 per cent., and other foreign currency bonds increased by an equivalent of RMB19,322 million or 6.7 per cent., respectively, as compared to 31 December 2022. For the year ended 31 December 2023, we reasonably arranged the currency structure based on foreign-currency fund positions, in consideration of bond liquidity, security and profitability.

Investment in bonds related to restructuring

During the period from 1999 to 2001, we disposed of non-performing assets with a book value of RMB407.7 billion to Huarong and received 10-year non-transferrable bonds issued by Huarong with a nominal value of RMB3 13.0 billion as well as RMB94.7 billion in cash as consideration. Huarong is a wholly state-owned non-bank financial institution that has been approved by the State Council and was established in October 1999 primarily to acquire and manage non-performing assets from large commercial banks, including us. The Huarong Bonds have a fixed interest rate of 2.25 per cent. per annum.

During the period from 2010 to 2011, the Huarong Bonds held by us matured. In accordance with the "Letter from MOF in Respect of the Bonds Issued by Huarong held by Industrial and Commercial Bank of China" (Cai Jin Han [2010] No. 105), the MOF agreed that the term of the Huarong Bonds held by us would be extended for 10 years after their expiration, the terms of the bonds such as the interest rate would remain unchanged and MOF would continue its support for the principal and interest payments in relation to the Huarong Bonds held by us. After the first extension expired, we received a further notice from MOF that the term of the Huarong Bonds would be extended for another 10 years to 12 December 2031. In 2020, we received a further notice from the MOF to adjust the interest rate of the Huarong Bonds, which will be determined on a yearly basis with reference to the average level of five-year government bond yields in the previous year. As at 31 December 2023, we received accumulated early repayments of RMB222,687 million under the Huarong Bonds.

Equity Investments

As at 31 December 2021, 2022 and 2023, our equity investments amounted to RMB190,186 million, RMB190,869 million (original) and RMB187,835 million, respectively.

Other Components of Our Assets

Other components of our assets primarily consist of (i) cash and balances with central banks, (ii) due from banks and other financial institutions, net and (iii) reverse repurchase agreements.

Cash and balances with central banks primarily consist of cash on hand, mandatory reserve deposits, which consist of statutory reserve deposits with the PBOC, surplus reserve deposits and other restricted deposits. As at 31 December 2022, our cash and balances with central banks increased to RMB3,427,892 million (original). As at 31 December 2023, our cash and balances with central banks further increased to RMB4,042,293 million.

Due from banks and other financial institutions consists primarily of Renminbi-denominated and foreign currency-denominated inter-bank deposits and money-market placements with banks and other financial institutions. As at 31 December 2022, our due from banks and other financial institutions increased by 26.0 per cent. to RMB1,042,504 million (original) as compared to 31 December 2021. As at 31 December 2023, our due from banks and other financial institutions decreased by 6.4 per cent. to RMB1,116,717 million.

Reverse repurchase agreements consist of cash paid (including accrued interest) to purchase assets under agreements to resell at a specified future date. As at 31 December 2022, our reverse repurchase agreements increased by 30.2 per cent. to RMB864,067 million (original) as compared to 31 December 2021. As at 31 December 2023, our reverse repurchase agreements increased by 41.7 per cent. to RMB1,224,257 million as compared to 31 December 2022.

LIABILITIES AND SOURCES OF FUNDS

Our total liabilities as at 31 December 2021, 2022 and 2023 amounted to RMB31,896,125 million, RMB36,095,831 million (original) and RMB40,920,491 million, respectively. Our liabilities comprise primarily (i) due to customers, (ii) due to banks and other financial institutions, (iii) repurchase agreements, (iv) debt securities issued and (v) other liabilities.

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

	As at 31 December							
	2021		**2022 (original)**		**2022 (restated)**		**2023**	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Due to customers	26,441,774	82.9	29,870,491	82.8	29,870,491	82.8	33,521,174	81.9
Due to banks and other financial institution	2,921,029	9.2	3,185,564	8.8	3,187,712	8.8	3,369,858	8.2
Repurchase agreements	365,943	1.1	574,778	1.6	574,778	1.6	1,018,106	2.5
Debt securities issued	791,375	2.5	905,953	2.5	905,953	2.5	1,369,777	3.3
Other[(1)]	1,376,004	4.3	1,559,045	4.3	1,555,793	4.3	1,641,576	4.1
Total liabilities	31,896,125	100.0	36,095,831	100.0	36,094,727	100.0	40,920,491	100.0

Note:

(1) Others primarily consist of financial liabilities measured at fair value through profit or loss, other liabilities, income tax payable, certificates of deposit, derivative financial liabilities, due to central banks and deferred tax liabilities.

Our total liabilities increased by 13.2 per cent. from RMB31,896,125 million as at 31 December 2021 to RMB36,095,831 million (original) as at 31 December 2022, and further increased by 13.4 per cent. to RMB40,920,491 million as at 31 December 2023.

Due to customers is our primary source of funding and represented 82.9 per cent., 82.8 per cent. (original) and 81.9 per cent. of our total liabilities as at 31 December 2021, 2022 and 2023, respectively.

Due to Customers

We provide demand and time deposit products to corporate and personal customers. The following table sets forth, as at the dates indicated, our deposits from customers by business line and maturity term.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Demand deposits								
Corporate customers	7,533,110	28.5	8,076,256	27.0	8,076,256	27.0	7,366,691	22.0
Personal customers	5,390,582	20.4	5,991,387	20.1	5,991,387	20.1	6,083,841	18.1
Subtotal	12,923,692	48.9	14,067,643	47.1	14,067,643	47.1	13,450,532	40.1
Time deposits								
Corporate customers	5,798,353	21.9	6,594,898	22.1	6,594,898	22.1	8,843,237	26.4
Personal customers	7,107,386	26.9	8,553,919	28.6	8,553,919	28.6	10,481,727	31.3
Subtotal	12,905,739	48.8	15,148,817	50.7	15,148,817	50.7	19,324,964	57.7
Other deposits[(1)]	250,349	0.9	199,465	0.7	199,465	0.7	210,185	0.6
Accrued interest	361,994	1.4	454,566	1.5	454,566	1.5	535,493	1.6
Total due to customers	26,441,774	100.0	29,870,491	100.0	29,870,491	100.0	33,521,174	100.0

Note:

(1) Includes outward remittance and remittance payables.

As at 31 December 2022, the balance due to customers increased from RMB26,441,774 million as at 31 December 2021 by 13.0 per cent. to RMB29,870,491 million (original). As at 31 December 2023, the balance due to customers further increased by 12.2 per cent. to RMB33,521,174 million from the end of 2022.

In terms of customer structure, as at 31 December 2022, the balance of corporate deposits increased by RMB1,339,691 million or 10.0 per cent. from 31 December 2021, and further increased by RMB1,538,774 million or 10.5 per cent. as at 31 December 2023. As at 31 December 2022, the balance of personal deposits increased by RMB2,020,262 million or 13.9 per cent. to RMB16,565,568 million as at 31 December 2023. The proportion of corporate deposits over total due to customers decreased from 50.4 per cent. as at 31 December 2021 to 49.1 per cent. (original) as at 31 December 2022, and further decreased to 48.4 per cent. as at 31 December 2023.

In terms of maturity structure, as at 31 December 2022, the balance of time deposits increased by RMB2,243,078 million or 17.4 per cent. over 31 December 2021, and further increased by RMB4,176,147 million or 27.6 per cent. as at 31 December 2023. As at 31 December 2022, the balance of demand deposits increased by RMB1,143,951 million or 8.9 per cent. over 31 December 2021, and decreased by RMB617,111 million or 4.4 per cent. as at 31 December 2023. The proportion of demand deposits over total due to customers

decreased from 48.9 per cent. as at 31 December 2021 to 47.1 per cent. as at 31 December 2022, then further decreased to 40.1 per cent. as at 31 December 2023.

Distribution of Due to Customers by Geographic Area

We classify deposits geographically based on the location of the branch taking the deposit. There is generally a high correlation between the location of the depositor and the location of the branch taking the deposit. The following table sets forth our due to customers by geographic area as at the dates indicated.

	As at 31 December							
	2021		2022 (original)		2022 (restated)		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)							
Head Office	38,290	0.1	35,579	0.1	35,579	0.1	32,408	0.1
Yangtze River Delta	5,436,282	20.6	6,249,754	20.9	6,249,754	20.9	7,120,750	21.2
Pearl River Delta	3,495,325	13.2	4,048,164	13.6	4,048,164	13.6	4,618,362	13.8
Bohai Rim	6,885,411	26.0	7,629,312	25.5	7,629,312	25.5	8,811,355	26.3
Central China	3,900,441	14.8	4,455,782	14.9	4,455,782	14.9	4,855,178	14.5
Western China	4,320,355	16.3	4,776,285	16.0	4,776,285	16.0	5,219,348	15.6
Northeastern China	1,410,376	5.3	1,608,543	5.4	1,608,543	5.4	1,768,620	5.3
Overseas and other	955,294	3.7	1,067,072	3.6	1,067,072	3.6	1,095,153	3.2
Total due to customers	26,441,774	100.0	29,870,491	100.0	29,870,491	100.0	33,521,174	100.0

The following table sets forth, as at the dates indicated, the distribution of our due to customers by remaining maturity.

	As at 31 December					
	2021		2022		2023	
	Amount	*% of total*	*Amount*	*% of total*	*Amount*	*% of total*
	(in RMB millions, except for percentages)					
Overdue/repayable on demand	13,002,739	49.2	14,271,619	47.8	13,683,549	40.8
Less than 3 months	3,037,609	11.4	3,597,174	12.0	4,155,951	12.4
3 to 12 months	4,409,851	16.7	5,432,348	18.2	6,986,876	20.8
1 to 5 years	5,972,715	22.6	6,551,322	21.9	8,679,518	25.9
Over 5 years	18,860	0.1	18,028	0.1	15,280	0.1
Total due to customers	26,441,774	100.0	29,870,491	100.0	33,521,174	100.0

Other Components of Our Liabilities

Other components of our liabilities primarily include (i) due to banks and other financial institutions, (ii) repurchase agreements and (iii) debt securities issued.

Amounts due to banks and other financial institutions refer to deposits by banks and other financial institutions. As at 31 December 2022, our amounts due to banks and other financial institutions then increased by 9.0 per

cent. to RMB3,185,564 million (original). As at 31 December 2023, our amounts due to banks and other financial institutions decreased by 5.7 per cent. to RMB3,369,858 million.

Amounts due on repurchase agreements consist primarily of sales of assets under agreements to repurchase equivalent assets. As at 31 December 2022, amounts due on repurchase agreements then increased by 57.1 per cent. to RMB574,778 million (original). As at 31 December 2023, amounts due on repurchase agreements further increased by 77.1 per cent. to RMB1,018,106 million.

Debt securities issued consists of subordinated bonds and other debt securities. As at 31 December 2022, debt securities issued increased by 14.5 per cent. to RMB905,953 million (original) as compared with 31 December 2021. As at 31 December 2023, debt securities issued increased by 51.2 per cent. or RMB463,824 million to RMB1,369,777 million.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The section entitled "Directors, Supervisors and Senior Management" as set out on pages 196 to 205 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

The table below sets forth the particulars of the Bank's directors, supervisors and senior management as at the date of this Drawdown Offering Circular:

Name	Position	Gender	Birth year
Liao Lin[(1)]	Chairman, Executive Director	Male	1966
Wang Jingwu	Executive Director, Senior Executive Vice President, Chief Risk Officer	Male	1966
Lu Yongzhen	Non-executive Director	Male	1967
Feng Weidong	Non-executive Director	Male	1964
Cao Liqun	Non-executive Director	Female	1971
Chen Yifang	Non-executive Director	Female	1964
Dong Yang	Non-Executive Director	Male	1966
Yang Siu Shun	Independent Non-executive Director	Male	1955
Shen Si	Independent Non-executive Director	Male	1953
Fred Zuliu Hu	Independent Non-executive Director	Male	1963
Norman Chan Tak Lam	Independent Non-executive Director	Male	1954
Herbert Walter	Independent Non-executive Director	Male	1953
Huang Li	Employee Supervisor	Male	1964
Zhang Jie	External Supervisor	Male	1965
Liu Lanbiao	External Supervisor	Male	1966
Zhang Weiwu	Senior Executive Vice President	Male	1975
Duan Hongtao[(2)]	Senior Executive Vice President	Male	1969
Yao Mingde	Senior Executive Vice President	Male	1970
Xiong Yan	Chief Business Officer	Female	1964
Song Jianhua	Chief Business Officer	Male	1965
Tian Fenglin	Chief Business Officer	Male	1967

Notes:

(1) As at the date of this Drawdown Offering Circular, Mr. Liao Lin also performs the duties and powers of president in accordance with the regulations and the Articles of Association of the Bank, and shall continue to perform such duties and powers to the date on which the new president of the Bank officially takes office.

(2) *As at the date of this Drawdown Offering Circular, Mr. Duan Hongtao also performs the duties of the board secretary after the resignation of Mr. Guan Xueqing in accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange. See "Recent Developments – Resignation of Board Secretary" for further details.*

The business address of each of the directors, supervisors and senior management is No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC 100140.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Liao Lin, Chairman, Executive Director

Mr. Liao has served as Chairman and Executive Director of the Bank since February 2024, Vice Chairman, Executive Director and President of the Bank since March 2021, Executive Director of the Bank since July 2020, and Senior Executive Vice President, Senior Executive Vice President and concurrently Chief Risk Officer since November 2019. Mr. Liao joined China Construction Bank in 1989, and was appointed as Deputy General Manager of Guangxi Branch of China Construction Bank, General Manager of Ningxia Branch, Hubei Branch and Beijing Branch of China Construction Bank, Chief Risk Officer, Executive Vice President and concurrently Chief Risk Officer of China Construction Bank. Mr. Liao graduated from Guangxi Agricultural University. He obtained a Doctorate degree in management science from Southwest Jiaotong University. Mr. Liao is a senior economist.

Wang Jingwu, Executive Director, Senior Executive Vice President, Chief Risk Officer

Mr. Wang has served as Executive Director, Senior Executive Vice President and concurrently Chief Risk Officer since September 2021, and as Senior Executive Vice President of the Bank since April 2020. He joined PBOC in August 1985, and has successively served as Supervision Commissioner (Deputy Director level) of PBOC Shijiazhuang Central Sub-branch, Head of PBOC Shijiazhuang Central Sub-branch and concurrently Director of State Administration of Foreign Exchange (SAFE) Hebei Branch, Head of PBOC Hohhot Central Sub-branch and concurrently Director of SAFE Inner Mongolia Branch, Head of PBOC Guangzhou Branch and concurrently Director of SAFE Guangdong Branch, and Director-General of PBOC Financial Stability Bureau since January 2002. Mr. Wang graduated from the Hebei Banking School, and he received a doctorate degree in economics from Xi an Jiaotong University. He is a research fellow.

Lu Yongzhen, Non-executive Director

Mr. Lu has served as Non-executive Director of the Bank since August 2019. He joined Huijin in 2019. Mr. Lu previously served as Deputy Director of the Administrative Office of the Economic Research Consultation Centre of the State Economic and Trade Commission, Director of the Specific Research Department of the Economic Research Centre of the State Economic and Trade Commission, Director of the Capital Markets Research Department of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council, and Director Assistant of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council with the concurrent post as the Director of the Capital Markets Research Department, and Deputy Director of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council. Mr. Lu obtained a Bachelor's degree and a Master's degree in History from Peking University, and a Doctorate degree in Economics from Southwestern University of Finance and Economics. He is a researcher.

Feng Weidong, Non-executive Director

Mr. Feng has served as Non-executive Director of the Bank since January 2020. He joined MOF in 1986. He previously served as Deputy Director of Academic Affairs Division of Chinese Accounting Correspondence School of Accounting Department of MOF (deputy division chief level), Person in charge of Teaching Material Department of National Accountant Certification Examination Leading Group Office, Director of Accounting

Personnel Management Division and Director of Institutional System Division I of Accounting Department of MOF, Deputy Director (deputy director-general level), Deputy Director (person in charge), Director (director-general level), Secretary of the Party Committee and Director of National Accountant Assessment & Certification Centre of MOF. He concurrently serves as a Managing Director of the 8th Council of the Accounting Society of China, a part-time professor and off-campus practice tutor for postgraduate students of the School of Economics and Management of Beijing Jiaotong University, and a visiting tutor for postgraduate students in the Accounting School of the Central University of Finance and Economics. Mr. Feng obtained a Bachelor's degree in Economics from Dongbei University of Finance & Economics and Doctorate degree from Beijing Jiaotong University. Mr. Feng Weidong is a senior accountant, researcher, non-practicing certified public accountant and is a recipient of the Special Government Allowance by the State Council of China.

Cao Liqun, Non-executive Director

Ms. Cao has served as Non-executive Director of the Bank since January 2020. She joined Huijin in 2020. Ms. Cao previously served as Deputy Director of Regulations Division, General Affairs Department, Director of Regulations Division, General Affairs Department, Director of Non-Financial Institutions Inspection Division, Supervision and Inspection Department, Director of General Affairs Division, Supervision and Inspection Department, Deputy Director-General of Supervision and Inspection Department, Inspector of General Affairs Department (Policy and Regulation Department), Level-Two Inspector of General Affairs Department (Policy and Regulation Department) of State Administration of Foreign Exchange, and acted as Deputy Director of Administrative Committee of Beijing's Zhongguancun Science Park. Ms. Cao obtained a Bachelor's degree in Law from China University of Political Science and Law, a Master's degree in Finance from Renmin University of China, and a Master's degree in Public Administration from Peking University. Ms. Cao is an economist.

Chen Yifang, Non-executive Director

Ms. Chen has served as Non-executive Director of the Bank since August 2021. She joined MOF in August 1985. She previously served as Deputy Division Chief of Payment Management Division and Deputy Director of Charge Bill Regulatory Centre of General Affairs and Reform Department of MOF, Deputy Division Chief of the Charging Fund Policy Management Division of the Comprehensive Department of MOF, Division Chief of Charging Fund Division of Policy Planning Department of MOF, Division Chief of Housing and Land Division of the Comprehensive Department of MOF, Deputy Director-General of the Comprehensive Department of MOF, Member of the Party Group, Inspector and Deputy Secretary of the Party Group of Shenzhen Finance Supervision Commissioner Office of MOF, Deputy Secretary of the Party Group, Inspector and Level-one Inspector of Shenzhen Regulatory Bureau of MOF, and Level-one Inspector of Fiscal Notes Supervision Centre of MOF. Ms. Chen obtained a Bachelor's degree in Economics from Jiangxi University of Finance and Economics.

Dong Yang, Non-executive Director

Mr. Dong has served as Non-executive Director of the Bank since January 2022. He joined MOF in August 1989. He previously served as assistant researcher, researcher and secretary (director level) of the Department of National Defense of MOF, a member of the CPC Committee, Deputy Inspector, and Discipline Inspection Team Leader of the Commissioner's Office of MOF in Heilongjiang, a member of the CPC Committee, Deputy Inspector and Discipline Inspection Leader of the Commissioner's Office of MOF in Beijing, a member of the CPC Committee, Deputy Director, and Discipline Inspection Team Leader of the Beijing Regulatory Bureau of MOF. Mr. Dong graduated from the Beijing Normal University and obtained a Master's degree in Management from Harbin Engineering University.

Yang Siu Shun, Independent Non-executive Director

Mr. Yang has served as Independent Non-executive Director of the Bank since April 2016. He previously served as Chairman and Principal Partner of PricewaterhouseCoopers Hong Kong, Executive Chairman and Principal Partner of PricewaterhouseCoopers Chinese Mainland and Hong Kong, member of five-people leading group of global leadership committee of PricewaterhouseCoopers, Chairman of PricewaterhouseCoopers Asia-Pacific region, Director and Chairman of Audit Committee of Hang Seng Management College, Vice Chairman of the Council of the Open University of Hong Kong and a member of the Exchange Fund Advisory Committee of the HKMA. Mr. Yang currently serves as a member of the 13th National Committee of the Chinese People's Political Consultative Conference, a member of the board of directors of the Hong Kong Jockey Club and an Independent Non-executive Director of Tencent Holdings Limited. Mr. Yang graduated from the London School of Economics and Political Science. He was awarded the degree of Honorary Doctor of Social Sciences by The Open University of Hong Kong. He is a Justice of the Peace in Hong Kong. Mr. Yang holds the qualification of Chartered Accountants, and is a senior member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

Shen Si, Independent Non-executive Director

Mr. Shen has served as Independent Non-executive Director of the Bank since March 2017. Previously, he served as Deputy Division Chief and Division Chief of Zhejiang Branch of PBOC, Deputy General Director of the Investigation and Statistics Department of the Head Office of PBOC, and Deputy President of the Hangzhou Branch of Shanghai Pudong Development Bank, Board Secretary of Shanghai Pudong Development Bank and Executive Director and concurrently Board Secretary of Shanghai Pudong Development Bank. He obtained a Master's degree in Economics from Zhejiang University and an EMBA degree. He is a senior economist.

Fred Zuliu Hu, Independent Non-executive Director

Mr. Hu has served as Independent Non-executive Director of the Bank since April 2019. He previously served as a senior economist at the International Monetary Fund, Head of Research at the World Economic Forum, the chairman for Greater China and a partner at Goldman Sachs Group, Inc., an independent non-executive director of Great Wall Pan Asia Holdings Limited (formerly known as SCMP Group Limited), an independent non-executive director of Hang Seng Bank Limited, the non-executive director of China Asset Management Co., Ltd., an independent director of Dalian Wanda Commercial Management Group Co., Ltd., an independent director of Shanghai Pudong Development Bank and the independent non-executive director of Hong Kong Exchanges and Clearing Limited, etc. Mr. Hu currently serves in various positions such as the chairman of Primavera Capital Group, the non-executive chairman of Yum China Holdings, Inc, the independent non-executive director of Ant Group Co., Ltd., the director of UBS Group AG, the co-chair of The Nature Conservancy's Asia Pacific Council and the director of the China Medical Board. Mr. Hu is also a member of the Global Board of Advisors for the Council on Foreign Relations, the 21st Century Council of the Berggruen Institute, the Harvard Global Advisory Council, the Harvard Kennedy School Mossavar-Rahmani Centre for Business and Government, the Stanford Centre for International Development, and the Jerome A. Chazen Institute of International Business at Columbia University etc. He concurrently serves as the co-director of the National Centre for Economic Research and a professor at Tsinghua University, and he is also an adjunct professor at the Chinese University of Hong Kong and Peking University. Mr. Hu obtained a master's degree in engineering science from Tsinghua University, and a master's degree and a PhD in economics from Harvard University.

Norman Chan Tak Lam, Independent Non-executive Director

Mr. Chan has served as Independent Non-executive Director of the Bank since September 2022. He currently serves as Chairman of the Board of Directors of RD Wallet Technologies Limited, Chairman of the Board of Directors of RD ezLink Limited, Chairman and Executive Director of HK Acquisition Corporation, Senior

Adviser of the Hong Kong Academy of Finance and Chairman of the Board of Trustees of Chung Chi College of The Chinese University of Hong Kong. He previously served as Chief Executive of the HKMA, Deputy Director of the Office of the Exchange Fund of Hong Kong, Director of the Chief Executive's Office of the Hong Kong Special Administrative Region Government and Vice Chairman, Asia of Standard Chartered Bank. Mr. Chan obtained a Bachelor's degree in Social Sciences from The Chinese University of Hong Kong in 1976, an Honorary Fellowship from The Chinese University of Hong Kong in 2003, an Honorary Doctorate of Business Administration from City University of Hong Kong in 2020 and an Honorary Doctorate of Business Administration from Lingnan University in 2021. Mr. Chan was awarded the Silver Bauhinia Star by the Hong Kong Special Administrative Region in 1999 and the Gold Bauhinia Star by the Hong Kong Special Administrative Region in 2012. He was appointed as a Fellow of The Hong Kong Institute of Bankers in 2012. He was awarded the IFTA FinTech Achievement Award in 2020, the Leadership Lifetime Achievement Award by The Asian Banker in 2021 and was appointed as Honorary Advisory President by The Hong Kong Institute of Bankers in 2022.

Herbert Walter, Independent Non-executive Director

Mr. Walter is currently an Independent Non-executive member of the Supervisory Board of AKBANK AG. He previously served as Chairman of the Board of Dresdner Bank AG, a member of the Holding Board of Allianz SE, a member of the Group Executive Committee and the Global Head of Retail, Private and Commercial Banking of Deutsche Bank. Mr. Walter previously served as Chairman of the German Financial Market Stabilisation Authority (FMSA), and served as Chairman of the German National Resolution Authority (NRA) and as a Plenary Member of the European Single Resolution Board (SRB). He also previously served as an Independent Non-executive member of the Supervisory Boards of financial institutions and other companies, including Banco Português de Investimento (BPI), S.A. (Porto), and DEPFA Bank plc (Dublin), ERGO Insurance Group AG, Deutsche Börse Group AG, E.ON Ruhrgas AG and Lufthansa Group AG. Mr. Walter was Chairman of the Advisory Board of the Institute for Law and Finance at the Goethe University Frankfurt am Main and the Karajan Academy of the Berlin Philharmonic Orchestra, and a member of the Advisory Boards of Amundi Asset Management Group (Germany), Consileon Consultancy Group and Scope European Ratings Group. Mr. Walter obtained a Master's degree in Business Administration from the Ludwig Maximilian University in Munich and holds a Doctorate in Political Science.

Huang Li, Employee Supervisor

Mr. Huang has served as Employee Supervisor of the Bank since June 2016. He joined the Bank in 1994 and is currently the Head of Beijing Branch of the Bank. He served as Deputy General Manager and General Manager of the Banking Department as well as Deputy Head and Head of Guizhou Branch of the Bank. Mr. Huang graduated from The University of Hong Kong with an MBA degree. He is a senior economist.

Zhang Jie, External Supervisor

Mr. Zhang has served as External Supervisor of the Bank since November 2021. He is currently a professor and doctoral supervisor of the Renmin University of China, director of the International Monetary Institute, a distinguished professor of the Ministry of Education's "Changjiang Scholars Programme", a famous teacher of the national "Ten Thousand Talents Programme", and a national candidate of the "New Century Talents Project". Mr. Zhang is a recipient of the special government allowance provided by the State Council to experts, and is engaged in research on the topics of institutional finance, China's financial system and financial development. He was the Dean of the School of Finance of Shaanxi Institute of Finance and Economics, the Associate Dean of the School of Economics and Finance of Xi'an Jiaotong University, the Associate Dean of the School of Finance of Renmin University of China, and the first Secretary General of the College Finance Teaching Steering Committee of the Ministry of Education. At present, he is concurrently a researcher of the Finance Research Institute of the Counsellor's Office of the State Council, and an executive director of the China Society

for Finance and Banking. Mr. Zhang graduated from Shaanxi University of Finance and Economics with a Doctorate degree in Economics.

Liu Lanbiao, External Supervisor

Mr. Liu has served as External Supervisor of the Bank since June 2022. He is currently a Vice Dean of the School of Finance of Nankai University, Member of the Branch Party Committee, professor, doctoral supervisor of the School of Finance of Nankai University, a co-advisor at postdoctoral research station of Nankai University, Director of the Northeast Asia Financial Cooperation Research Centre of Nankai University and Government Debt Management Research Centre of the School of Finance of Nankai University. Mr. Liu has long been engaged in research in areas such as commercial bank management, monetary economics, systemic financial risk management, local government debt management, financial technology and international financial cooperation. Mr. Liu was a Vice Dean of the Institute of State Economy of Nankai University and External Supervisor of Liaoshen Bank Co., Ltd. At present, Mr. Liu is concurrently an expert at the MOF Financial Risk Research Centre, Government Debt Expert Consultant at the MOF Debt Research and Assessment Centre, Member of the China Financial Standardization Technical Committee, Deputy Director of the Asia-Pacific Profession Committee at the Chinese Social and Economic Systems Analysis Research Association, Independent Director of NYOCOR Co., Ltd, Chief Expert for the key special program "Research on the Prevention and Management of China's Debt Crisis and Effective Mitigation Measures" under the National Social Science Fund of China. Mr. Liu graduated from Nankai University with a Doctorate degree in Economics.

Zhang Weiwu, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since June 2021. He joined the Bank in July 1999, and was appointed as General Manager of ICBC (Europe) Amsterdam Branch in January 2011, General Manager of Singapore Branch in February 2013 and General Manager of the International Banking Department of the head office of the Bank in January 2017. Mr. Zhang graduated from the Northwest University in China and obtained a Master's degree in Political Economy and an MBA from Hitotsubashi University in Japan. He is a senior economist.

Duan Hongtao, Senior Executive Vice President

Mr. Duan has served as Senior Executive Vice President of the Bank since March 2023. Mr. Duan joined the Bank from China Construction Bank, and he has successively served as the General Manager of Yangtze River Sub-branch of Hubei Branch, the General Manager of the Compliance Department, and the General Manager of the Human Resources Department of Hubei Branch. Since July 2009, he has successively served as the Assistant to General Manager and Deputy General Manager of Hubei Branch, General Manager of Qingdao Branch in December 2014, General Manager of Shandong Branch in August 2016, and Director of the Executive Office of the Head Office in October 2020. Mr. Duan Hongtao graduated from Wuhan University of Technology and obtained a Doctorate degree in Management. He is a senior economist.

Yao Mingde, Senior Executive Vice President

Mr. Yao joined Agricultural Bank of China in August 1998, he has successively served as Deputy General Manager of the Financial Accounting Department and Deputy General Manager of the Financial Accounting Department/County Area Banking Accounting and Assessment Center of the Head Office of Agricultural Bank of China since April 2009, General Manager of the Financial Accounting Department/ Office of Assessment Center/County Area Banking Accounting and Assessment Center (County Area Banking/Inclusive Finance Accounting and Assessment Center) of the Head Office since March 2017 and President of Shenzhen Branch since May 2022 (he served concurrently as Chairman of Agricultural Bank of China (Moscow) Limited from May 2021 to August 2022). Mr. Yao obtained a Bachelor's degree in Central University of Finance and

Economics and obtained a Doctor's degree in Management from Central University of Finance and Economics. He is a senior accountant.

Xiong Yan, Chief Business Officer

Ms. Xiong has served as Chief Business Officer of the Bank since April 2020. She joined the Bank in 1984, and served as Deputy Director-General of Kunming Sub-bureau of the Internal Audit Bureau, Deputy General Manager of Yunnan Branch, Deputy Director-General of the Sub-bureau directly managed by the Internal Audit Bureau, Deputy General Manager of the Corporate Banking Department I (Corporate Banking Department) and General Manager of the Institutional Banking Department of the Head Office. Ms. Xiong graduated from Hunan University, and obtained a degree of International Master of Business Administration (IMBA) from Fudan University and The University of Hong Kong. She is a senior economist.

Song Jianhua, Chief Business Officer

Mr. Song has served as Chief Business Officer of the Bank since April 2020. He joined the Bank in 1987. He was appointed as Deputy General Manager of Jiangsu Branch and General Manager of the Personal Banking Department of the Head Office. Mr. Song graduated from Peking University and obtained a Doctorate degree in management science and engineering from Nanjing University. He is a senior economist.

Tian Fenglin, Chief Business Officer

Mr. Tian Fenglin joined the Bank in July 1992. He served as Deputy General Manager of Singapore Branch in May 2007, Executive Director, General Manager of ICBC (Malaysia) in April 2010, Vice Chairman of ICBC (Argentina) in October 2013, Deputy General Manager of Jiangsu Branch and General Manager of Suzhou Branch in June 2016, General Manager of Jiangsu Branch in June 2018 and General Manager of the Corporate Banking Department and General Manager of the Investment Banking Department of the Head Office in September 2020. Mr. Tian graduated from Huazhong Agricultural University with a Master's degree in Economics, and he has also obtained an MBA degree from the University of Chicago. He is a senior economist.

CORPORATE GOVERNANCE

We have made constant efforts to improve the corporate governance and checks and balances mechanism comprising the shareholders' general meeting, the Board, the board of supervisors and the senior management featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, and to optimize responsibilities of the authority organ, decision-making organ, supervisory organ and executive organ. As a result, the corporate governance operation mechanism with scientific decision-making process, effective supervision and steady operation has been in place.

Shareholders' General Meeting

As the organ of power of the Bank, the shareholders' general meeting involves all shareholders. The shareholders' general meeting is responsible for, among others, deciding on business policies and significant investment plans of the Bank; examining and approving the Bank's annual financial budget, final account proposals, plans for profit distribution and loss make-up; electing and replacing directors, supervisors appointed from the shareholder representatives and external supervisors; examining and approving work report of the board of directors and work report of the board of supervisors; adopting resolutions on merger, division, dissolution, liquidation, change of corporate form, increase or decrease of the Bank's registered capital, issuance of corporate bonds or other securities and public listing, repurchase of the shares and issuance of preference shares; and amending the Articles of Association of the Bank.

Board of Directors

As the decision-making organ of the Bank, the board of directors is accountable to, and shall report its work to, the shareholders' general meeting. The board of directors is responsible for, among others, convening the shareholders' general meeting; implementing the resolutions of the shareholders' general meeting; deciding on the business plans, investment proposals and development strategies of the Bank; formulating annual financial budget and final accounts of the Bank; formulating plans for profit distribution and loss recovery of the Bank; formulating plans for the increase or decrease of the Bank's registered capital, capital replenishment and financial restructuring of the Bank; formulating basic management systems of the Bank such as risk management system and internal control system, and supervising the implementation of such systems; appointing or removing president and the board secretary, and appointing or removing senior executive vice presidents and other senior management members (except for the board secretary) who shall be appointed or removed by the board of directors under relevant laws according to the nomination of the president and deciding on their compensation, bonus and penalty matters; deciding on or authorising the president to decide on the establishment of relevant offices of the Bank; regularly evaluating and improving corporate governance of the Bank; managing information disclosure of the Bank; and supervising and ensuring the president and other senior management members to perform their management duties effectively.

Board Committees

The board of directors delegates certain responsibilities to various committees. In accordance with relevant PRC laws and regulations, we have formed strategy, corporate social responsibility and consumer protection, audit, risk management, nomination, compensation, related party transactions control and US risk committees.

Strategy Committee

The Strategy Committee is mainly responsible for considering our strategic development plan, risk events that bear material influence on the overall situation, business and institutional development plan, major investment and financing plan, annual social responsibility report and other major matters critical to our development, making recommendations to the board of directors, and examining and assessing the soundness of the corporate governance framework to ensure financial reporting, risk management and internal control are compliant with our corporate governance criteria. The Strategy Committee consists of seven directors, including Chairman and Executive Director, Mr. Liao Lin; Non-executive Directors, Mr. Lu Yongzhen, Ms. Chen Yifang and Mr. Dong Yang and Independent Non-executive Directors, Mr. Fred Zuliu Hu, Mr. Norman Chan Tak Lam and Mr. Herbert Walter. Mr. Liao Lin is the chairman of the committee.

Corporate Social Responsibility and Consumer Protection Committee

The Corporate Social Responsibility and Consumer Protection Committee is mainly responsible for considering the Bank's fulfilment of social responsibilities with respect to environment, society, corporate governance, precision poverty alleviation, and corporate culture, the strategy, policy and target of consumer protection, green finance strategy, the development plan, basic policy, annual operating plan and assessment method of inclusive finance, and making recommendations to the board of directors. The Corporate Social Responsibility and Consumer Protection Committee consists of four directors, including Chairman and Executive Director, Mr. Liao Lin; Non-executive Directors, Ms. Cao Liqun and Ms. Chen Yifang; and Independent Non-executive Director, Mr. Herbert Walter. Mr. Liao Lin is the chairman of the committee.

Audit Committee

The Audit Committee is mainly responsible for constantly overseeing the Bank's internal control system, and supervising, inspecting and evaluating financial information and internal audit of the Bank, proposing the engagement or replacement of external auditors, reviewing the reports of external auditors, and coordinating the communication between the internal audit departments and external auditors, and assessing mechanisms for the Bank's staff to report misconducts in financial statements, internal control, etc., and assessing the

mechanism for the Bank to conduct independent and fair investigations and take appropriate actions in relation to the reported matters. The Audit Committee consists of seven directors, including Non-executive Directors, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si, Mr. Fred Zuliu Hu, Mr. Norman Chan Tak Lam and Mr. Herbert Walter. Mr. Shen Si is the chairman of the committee.

Risk Management Committee

The Risk Management Committee is primarily responsible for constantly overseeing the Bank's risk management system, reviewing and revising the strategy, policy and procedures of risk management and internal control process of the Bank, and supervising and evaluating the performance of senior management members and risk management departments in respect of risk management. The Risk Management Committee consists of eight directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu, Non-executive Directors, Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun and Mr. Dong Yang and Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Norman Chan Tak Lam. Mr. Norman Chan Tak Lam is the chairman of the committee.

Nomination Committee

The Nomination Committee is mainly responsible for making recommendations to the board of directors on candidates for directors, supervisors and senior management members, nominating candidates for chairmen and members of special committees of the board of directors, and formulating the standards and procedures for selection and appointment of directors, supervisors and senior management members as well as the training and development plans for senior management members and key reserved talents. The Nomination Committee is also responsible for assessing the structure, size and composition of the board of directors on a yearly basis and making recommendations to the board of directors based on our development strategy. The Nomination Committee consists of five directors, including Chairman and Executive Director, Mr. Liao Lin; Non-executive Director, Mr. Feng Weidong and Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Fred Zuliu Hu and Mr. Norman Chan Tak Lam. Mr. Fred Zuliu Hu is the chairman of the committee.

Compensation Committee

The Compensation Committee is mainly responsible for formulating assessment measures on the performance of duties and compensation plans for directors, organising the assessment on the performance of duties of directors, putting forth the proposals on remuneration distribution for directors, formulating and reviewing the assessment measures and compensation plans for senior management members and evaluating the performance and behaviours of senior management members. The Compensation Committee consists of six directors, including Non-executive Directors, Mr. Lu Yongzhen and Ms. Chen Yifang and Independent Non-executive Directors, Mr. Shen Si, Mr. Fred Zuliu Hu, Mr. Norman Chan Tak Lam and Mr. Herbert Walter. Mr. Shen Si is the chairman of the committee.

Related Party Transactions Control Committee

The Related Party Transactions Control Committee is mainly responsible for developing the basic policies governing the management of related party transactions, identifying our related parties, approving related party transactions and other related matters within the authority granted by the board, receiving related party transaction statistics for filing purpose, reviewing the related party transactions that are subject to the approval of the board of directors or the shareholders general meeting, and reporting to the board of directors on the implementation of the related party transaction management policies as well as the conditions on these transactions. The Related Party Transactions Control Committee consists of four directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu and Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Herbert Walter. Mr. Yang Siu Shun is the chairman of the committee.

US Risk Committee

In accordance with the relevant requirements in the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations established by the Federal Reserve Board, the US Risk Committee supervised the implementation of the US business-related risk management framework and relevant policies. The US Risk Committee consists of eight directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu, Non-Executive Directors, Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun and Mr. Dong Yang and Independent Non-executive Directors, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Norman Chan Tak Lam. Mr. Norman Chan Tak Lam is the chairman of the committee.

Board of Supervisors

Responsibilities of the Board of Supervisors

As the supervisory body of the Bank, the board of supervisors is accountable to, and shall report to, the shareholders' general meeting. The board of supervisors is responsible for, among others, supervising the performance and due diligence of directors, supervisors and senior management members; supervising the performance of duties of the board of directors and the senior management; conducting exit audits on retiring or resigning directors, supervisors and senior management members where appropriate; examining and supervising the Bank's financial activities; examining financial information such as financial reports, business reports and profit distribution plans to be submitted to the shareholders' general meeting by the board of directors; inspecting and supervising the business decision-making, risk management and internal control of the Bank and guiding the internal audit department of the Bank; formulating performance evaluation measures of the board of directors and the senior management and their members as well as supervisors; evaluating the performance of the board of directors and the senior management and their members as well as supervisors, and reporting to the shareholders' general meeting for approval; presenting proposals to the shareholders' general meeting; proposing to convene an extraordinary general meeting, and convening and presiding over the extraordinary general meeting in case the board of directors fails to perform its duty of convening shareholders' general meeting; proposing to convene an extraordinary meeting of the board of directors.

Operation of the Board of Supervisors

The board of supervisors convenes regular and special meetings to discuss official matters. Regular meetings shall be held at least four times a year. There is a supervisory board office under the board of supervisors that functions in accordance with authorisation from the board of supervisors and reports to the board of supervisors. The supervisory board office under the board of supervisors is its day-to-day administrative organ. It is responsible for supervising and scrutinising matters such as corporate governance, financial activities, risk management and internal control of the Bank; for organising meetings of the board of supervisors and its special committee; and for preparing meeting documents and minutes for the meetings.

PRINCIPAL SHAREHOLDERS

The section entitled "Principal Shareholders" as set out on pages 206 to 207 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

As at 31 March 2024, the Bank had a total number of 613,660 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 107,656 holders of H shares and 506,004 holders of A shares.

The table below sets out the particulars of the Bank's top 10 ordinary shareholders as at 31 March 2024.

Name of shareholder	Nature of shareholder	Class of shares	Share-holding percentage (%)	Total number of shares held	Number of pledged, locked-up or marked shares	Increase/ decrease of shares as compared to the end of 2023
Huijin	State-owned	A share	34.79	124,004,660,940	None	-
MOF	State-owned	A share	31.14	110,984,806,678	None	-
HKSCC Nominees Limited[5]	Foreign legal person	H share	24.17	86,158,755,863	Unknown	14,635,257
National Council for Social Security Fund[6]	State-owned	A share	3.46	12,331,645,186	None	-
Hong Kong Securities Clearing Company Limited[7]	Foreign legal person	A share	0.80	2,850,997,465	None	597,154,210
China Securities Finance Co., Ltd.	State-owned legal person	A share	0.68	2,416,131,540	None	-
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A share	0.28	1,013,921,700	None	-
ICBC — SSE 50 Exchange Traded Securities Investment Funds[8]	Other entities	A share	0.16	586,977,295	None	159,718,100
Industrial and Commercial Bank of China – Huatai-PB CSI 300 ETF[9]	Other entities	A share	0.11	378,709,457	None	116,934,400
Hexie Health Insurance Co., Ltd. – Universal insurance products	Other entities	A share	0.10	362,132,300	None	-10,300,000

Notes:

(1) The above data are based on the Bank's register of shareholders as at 31 March 2024.

(2) The Bank had no shares subject to restrictions on sales.

(3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Huijin. Save as disclosed above, the Bank is not aware of any connected relations or acting-in-concert relations among the aforementioned shareholders.

(4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.

(5) The number of shares held by HKSCC Nominees Limited as at 31 March 2024 refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 31 March 2024, which included H shares of the Bank held by National Council for Social Security Fund.

(6) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), MOF transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than three-year lock-up period as of the date of the receipt of transferred shares. As at 31 March 2024, according to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund also held 6,738,200,180 H shares of the Bank and 19,069,845,366 A and H shares in aggregate, accounting for 5.35 per cent. of the Bank's total ordinary shares.

(7) The number of shares held by Hong Kong Securities Clearing Company Limited as at 31 March 2024 refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 31 March 2024.

(8) "ICBC – SSE 50 Exchange Traded Securities Investment Funds" are securities investment funds raised as approved by CSRC Zheng Jian Ji Jin Zi [2004] No. 196 Document dated 22 November 2004, with China Asset Management Co., Ltd. as the fund manager and the Bank as fund custodian.

(9) The "Industrial and Commercial Bank of China Limited — Huatai-PB CSI 300 ETF" is a securities investment fund approved by CSRC in CSRC Document [2012] No. 392 dated 23 March 2012. Huatai - PineBridge Fund Management Co., Ltd. acts as the fund manager and ICBC acts as the fund custodian.

PARTICULARS OF CONTROLLING SHAREHOLDERS

The Bank's largest single shareholder is Huijin. Huijin is a state-owned company founded by the State according to the Company Law of the People's Republic of China on 16 December 2003. As at 31 December 2023, its registered capital is equal to its paid-in capital at RMB828,209 million. Its registered address is New Poly Plaza, 1 Chaoyangmen North Street, Dongcheng District, Beijing. Its unified social credit code is 911000007109329615 and its legal representative is Peng Chun. Huijin is a wholly-owned subsidiary of China Investment Corporation. It, in accordance with authorisation by the State Council, makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not engage in any other business activities and does not intervene in the day-to-day business operations of the key state-owned financial institutions it controls. As at 31 March 2024, Huijin held approximately 34.79 per cent. of the Bank's ordinary shares.

The Bank's second single largest shareholder is MOF, which held approximately 31.14 per cent. of the Bank's ordinary shares as at 31 March 2024. MOF is a department under the State Council and is responsible for overseeing the State's fiscal revenue and expenditure, formulating the financial and taxation policies and supervising State finance at a macro level.

TAXATION

The sub-section "Hong Kong" included in the section entitled "Taxation" as set out on pages 210 to 211 of the Original Offering Circular shall be deleted in its entirety and replaced with the following:

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**")) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Based on the definition of "deposit" in the Banking Ordinance (Cap. 155) of Hong Kong and provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the relevant Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or

business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the "**Amendment Ordinance**") came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

No stamp duty is payable on the issue or transfer of the Notes.

GENERAL INFORMATION

The sub-sections entitled "Listing", "Authorisation", "Legal and Arbitration Proceedings", "Significant/Material Change" and "Auditor" in "General Information" as set out on pages 226 to 228 of the Original Offering Circular shall be amended and replaced with the following:

1. LISTING

Application will be made to the Hong Kong Stock Exchange for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only. The issue price of each series of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of the nominal amount of such series of Notes. It is expected that dealings will, if permission is granted to deal in and for the listing of the Notes, commence on or about the date of listing of the Notes.

Application will be made for the listing and quotation of the Notes on the SGX-ST. Admission of the Notes on the Official List of the SGX-ST and quotation of the Notes on the SGX-ST are not to be taken as an indication of the merits of the relevant Branch Issuer, the Bank, their respective subsidiaries, their respective affiliates or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in the Original Offering Circular and this Drawdown Offering Circular.

For so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies). In addition, for so long as any series of Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the relevant Branch Issuer will appoint and maintain a paying agent in Singapore, where the relevant Notes may be presented or surrendered for payment or redemption, in the event that the global note certificate is exchanged for any series of Notes in definitive form. In addition, in the event that the global note certificate is exchanged for any series of Notes in definitive form, announcement of such exchange shall be made by or on behalf of the relevant Branch Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of such Notes in definitive form, including details of the paying agent in Singapore.

Application will be made to the SGX-ST for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.

Application will be made to the London Stock Exchange for the Notes to be admitted to trading on the ISM and to be displayed on the SBM. The ISM is not a regulated market for the purposes of UK MiFIR. Such admission to trading is expected to be effective on or after 24 May 2024.

2. AUTHORISATION

The issuances of the Notes were authorised by:

(i) Approval on Hong Kong Branch to issue the USD Green Bonds under the Global Medium Term Note (GMTN) Programme dated 1 February 2024;

(ii) Approval on Singapore Branch to issue the CNY Green Bonds under the Global Medium Term Note (GMTN) Programme dated 1 February 2024; and

(iii) Approval on London Branch to issue the EUR Green Bonds under the Global Medium Term Note (GMTN) Programme dated 1 February 2024,

of Industrial and Commercial Bank of China Limited. Each relevant Branch Issuer has obtained all necessary consents, approvals and authorisations in connection with the issue of its respective Notes and the performance of its obligations under such Notes.

3. LEGAL AND ARBITRATION PROCEEDINGS

The Bank is involved in legal proceedings in the ordinary course of its business. Most of the legal proceedings were initiated by the Bank for recovering NPLs, while some legal proceedings arose from customer disputes. Each of the Bank and the relevant Branch Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened) of which the Bank or the relevant Branch Issuer is aware, which may have, or have had during the 12 months prior to the date of this Drawdown Offering Circular, a significant effect on the financial or trading position or profitability of the Group.

The Uniform Social Credit Code of Industrial and Commercial Bank of China Limited is 91100000100003962T.

4. SIGNIFICANT/MATERIAL CHANGE

Save as disclosed in this Drawdown Offering Circular, since 31 December 2023, there has been no material adverse change in the financial position or prospects nor has there been, any significant change in the financial or trading position or prospects of the Group.

5. AUDITORS

Deloitte has been the auditor of the Group since 2021 and has audited and issued independent auditor's report (the "**Group's 2021 Audit Report**") in relation to the consolidated financial statements of the Group as at and for the year ended 31 December 2021 (the "**Group's 2021 Financial Statements**") prepared and presented in accordance with the IFRSs. The Group's 2021 Audit Report or the Group's 2021 Financial Statements are not incorporated into, and do not form part of, the Offering Circular.

The audited consolidated financial statements of the Group as at and for the years ended 31 December 2022 (including comparative financial information of the Group as at and for the year ended 31 December 2021) and 2023 incorporated by reference in this Drawdown Offering Circular have been prepared and presented in accordance with the IFRSs and audited by Deloitte as stated in its reports appearing therein.

The following shall be added at the end of the section:

10. NO CONFLICTS OF INTEREST

There are no potential conflicts of interest between any duties to the Bank of the Bank's directors, supervisors and senior management and their private interests or other duties.

CHAPTER TWO
HONG KONG BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Hong Kong Branch

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

U.S.$1,000,000,000 Floating Rate Notes due 2027 (the "USD Notes")
issued under the
U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the USD Notes: 100.00 per cent.

The USD Notes are issued by the Hong Kong Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the USD Notes shall be U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof.

The USD Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Hong Kong Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Hong Kong Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The USD Notes will be issued in registered form and initially represented by a global note certificate which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with, a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").

Paragraph 21 of the Hong Kong SFC Code of Conduct: As paragraph 21 of the Hong Kong SFC Code of Conduct applies to this offering of the USD Notes, prospective investors should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors*" appearing on page iv in the Original Offering Circular, and CMIs (as defined in the Original Offering Circular) should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code Of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages 213 to 214 in the Original Offering Circular.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Hong Kong Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the USD Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

ICBC (Asia)	**Agricultural Bank of China Limited Hong Kong Branch**	**Bank of China**	**CMB Wing Lung Bank Limited**
Crédit Agricole CIB	**HSBC**		**Standard Chartered Bank**

Joint Lead Managers and Joint Bookrunners

ICBC	**Agricultural Bank of China**	**Bank of Communications**	**China Construction Bank**
China CITIC Bank	**China Everbright Bank Hong Kong Branch**	**China Galaxy International**	**China Industrial Securities International**
China International Capital Corporation	**China Minsheng Banking Corp., Ltd.**	**China Securities International**	**Citigroup**
CITIC Securities	**DBS Bank Ltd.**	**Guotai Junan International**	**Hua Xia Bank Co., Limited Hong Kong Branch**
Huatai International	**Industrial Bank Co., Ltd. Hong Kong Branch**	**Shanghai Pudong Development Bank Hong Kong Branch**	**United Overseas Bank**

DESCRIPTION OF HONG KONG BRANCH ISSUER

The Bank commenced operations in Hong Kong in 1995 through its branch set-up in Hong Kong (the "**Hong Kong Branch**"). The Bank was registered in Hong Kong under Part XI of the predecessor Companies Ordinance (Cap. 32 of Hong Kong) on 18 July 1996 with business registration number of 18119178-000-05-23-1. The registered office of the Hong Kong Branch is at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong.

Business Activities

The Hong Kong Branch is a fully licensed bank in Hong Kong and currently focuses on the development of its wholesale banking business. A broad range of financial services are offered by the Hong Kong Branch to serve clients' specific needs, including:

- trade finance including issuance of letters of credit, shipping guarantees, trust receipts, inward collections, advising and confirmation of letters of credit, letters of credit negotiation, outward collections, bill discounts and packing loans;
- corporate finance in the forms of commercial paper issuance, bond underwriting and derivative dealings;
- treasury products, foreign exchange and derivative products, capital markets services, risk management as well as asset and liability management consultancy services;
- lending services including syndicated loans, commercial lending and mortgage lending;
- deposits and remittances; and
- issuance of certificates of deposit.

Hong Kong Regulatory Guidelines

The banking industry in Hong Kong is regulated under the provisions of the Banking Ordinance (Cap. 155 of Hong Kong) (the "**Banking Ordinance**") and subject to the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only banks which have been granted a banking licence by the HKMA may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**licensed banks**").

The provisions of the Banking Ordinance are implemented by the HKMA, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The HKMA supervises licensed banks through, *inter alia*, a regular information gathering process, the main features of which are as follows:

- each licensed bank must submit a monthly return to the HKMA setting out the assets and liabilities of its principal place of business in Hong Kong and all local branches and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, unless the HKMA permits returns to be made at less frequent intervals;
- the HKMA may order a licensed bank, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary in the interests of the depositors or potential depositors of the licensed bank concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The HKMA may also require a report by a licensed bank's auditors (approved by the HKMA for the purpose of preparing the report) confirming whether or not such information or return is correctly compiled in all material respects;

- licensed banks may be required to provide information to the HKMA regarding companies in which they have an aggregate of 20 per cent. or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller (as defined in the Banking Ordinance), with common features in their names or a concert party arrangement to promote the licensed bank's business;
- licensed banks are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations;
- the HKMA may direct a licensed bank to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the licensed bank or the adequacy of the systems of control of the licensed bank or other matters as the HKMA may reasonably require; and
- the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any licensed bank, and in the case of a licensed bank incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such licensed bank. Such inspections are carried out by the HKMA on a regular basis.

In addition, we are also subject to the FIRO. Please refer to "*Risk Factors – Risks relating to the Notes issued under the Programme – The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch*" in the Original Offering Circular for further information.

RISK FACTORS

The section entitled "Risk Factors – Risks Relating to a Particular Issue of Notes" of the Original Offering Circular shall be supplemented with Chapter One of this Drawdown Offering Circular.

PRICING SUPPLEMENT FOR THE USD NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Bank and the Issuer confirm that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**HKSE**") on that basis. Therefore, the Bank and the Issuer confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The offering circular dated 16 October 2023 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 16 May 2024 (except for Chapter Three and Chapter Four of the drawdown offering circular dated 16 May 2024 which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Application will be made for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Application will be made to the SGX-ST for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Pricing Supplement dated 16 May 2024

Industrial and Commercial Bank of China Limited, Hong Kong Branch

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

Issue of U.S.$1,000,000,000 Floating Rate Notes due 2027 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:	Industrial and Commercial Bank of China Limited, Hong Kong Branch
2.	(i) Series Number:	MTN70
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	United States Dollars ("**U.S.$**")
4.	Aggregate Nominal Amount:	U.S.$1,000,000,000
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	U.S.$1,000,000,000
6.	(i) Specified Denominations:	U.S.$200,000 and integral multiples of U.S.$1,000 in excess thereof
	(ii) Calculation Amount:	U.S.$1,000
7.	(i) Issue Date:	23 May 2024
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	Interest Payment Date falling on or nearest to 23 May 2027
9.	Interest Basis:	SOFR Compounded Index + 0.48 per cent. per annum Floating Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Date of regulatory approval for Notes obtained:	Approval by the Enterprise Overseas Debt Borrowing Examination and Registration Certificate (企业借用外债审核登记证明)(发改办外债[2023]225 号) issued by the National Development and Reform Commission of the People's Republic of China on 28 July 2023.

14.	Listing and trading:	Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only. Expected effective listing date of the Notes on the HKSE is 24 May 2024. Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 24 May 2024. Application will be made to the London Stock Exchange plc for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 24 May 2024.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Not Applicable
17.	**Floating Rate Note Provisions**	Applicable
	(i) Interest Period(s):	Each period beginning on (and including) the Interest Commencement Date or any Specified Interest Payment Date and ending on (but excluding) the next Specified Interest Payment Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(ii) Specified Period:	Not Applicable
	(iii) Specified Interest Payment Dates:	23 February, 23 May, 23 August and 23 November in each year, commencing on the First Interest Payment Date and ending on the Maturity Date, in each case subject to adjustment in accordance with the Business Day Convention set out in (v) below
	(iv) First Interest Payment Date:	The Specified Interest Payment Date falling on or nearest to 23 August 2024
	(v) Business Day Convention:	Modified Following Business Day Convention
	(vi) Additional Business Centre(s):	Not Applicable. For the avoidance of doubt, New York City shall be the Principal Financial Centre
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination (SOFR)
	(viii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	The Issuing and Paying Agent shall be the Calculation Agent
	(xi) Screen Rate Determination:	Not Applicable
	(x) Screen Rate Determination (SOFR)	

	• Reference Rate:	SOFR Benchmark – SOFR Compounded Index
	• Compounded SOFR Average Method:	Not Applicable
	• Interest Determination Date(s):	The fifth U.S. Government Securities Business Day prior to the last day of each Interest Period
	• Lookback Days:	Not Applicable
	• SOFR Observation Shift Days:	Five (5) U.S. Government Securities Business Days
	• SOFR Rate Cut-Off Date:	Not Applicable
	• Interest Payment Delay Days:	Not Applicable
	• SOFR $\text{Index}_{\text{Start}}$:	Five (5) U.S. Government Securities Business Days
	• SOFR $\text{Index}_{\text{End}}$:	Five (5) U.S. Government Securities Business Days
	(xi) ISDA Determination:	Not Applicable
	(xii) Margin(s):	+0.48 per cent. per annum
	(xiii) Minimum Rate of Interest:	Not Applicable
	(xiv) Maximum Rate of Interest:	Not Applicable
	(xv) Day Count Fraction:	Actual/360
	(xvi) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Benchmark Event (SOFR)
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	U.S.$1,000 per Calculation Amount
24.	**Early Redemption Amount**	U.S.$1,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation	

	reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction:	PRC, Hong Kong
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Industrial and Commercial Bank of China (Asia) Limited Agricultural Bank of China Limited Hong Kong Branch Bank of China (Hong Kong) Limited Bank of China Limited CMB Wing Lung Bank Limited Crédit Agricole Corporate and Investment Bank The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank

		Joint Lead Managers and Joint Bookrunners ICBC International Securities Limited Industrial and Commercial Bank of China (Macau) Limited Industrial and Commercial Bank of China Limited, Singapore Branch ABCI Capital Limited Agricultural Bank of China Limited Macao Branch Bank of Communications Co., Ltd. Hong Kong Branch CCB International Capital Limited China CITIC Bank International Limited China Construction Bank (Asia) Corporation Limited China Everbright Bank Co., Ltd., Hong Kong Branch China Galaxy International Securities (Hong Kong) Co., Limited China Industrial Securities International Brokerage Limited China International Capital Corporation Hong Kong Securities Limited China Minsheng Banking Corp., Ltd., Hong Kong Branch China Securities (International) Corporate Finance Company Limited Citigroup Global Markets Limited CLSA Limited CMBC Securities Company Limited CNCB (Hong Kong) Capital Limited DBS Bank Ltd. Guotai Junan Securities (Hong Kong) Limited Hua Xia Bank Co., Limited Hong Kong Branch Huatai Financial Holdings (Hong Kong) Limited Industrial Bank Co., Ltd. Hong Kong Branch Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch United Overseas Bank Limited, Hong Kong Branch (together, the "**Joint Lead Managers**")
	(ii) Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private bank rebate/commission:	Not Applicable

38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Singapore Sales to Institutional Investors and Accredited Investors only:	Applicable
42.	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
43.	ISIN Code:	XS2817144574
44.	Common Code:	281714457
45.	CMU Instrument Number:	Not Applicable
46.	CUSIP:	Not Applicable
47.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40.
48.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
49.	Delivery:	Delivery against payment
50.	Additional Paying Agent(s) (if any):	Not Applicable
51.	**HONG KONG SFC CODE OF CONDUCT**	
	Contact email addresses of the Joint Lead Managers where underlying investor information in relation to omnibus orders should be sent:	emily.my.zheng@icbcasia.com qiruixiao.tracy@icbcasia.com lisixuan.hester@icbcasia.com abchk.dcm@abchina.com icbcmtn@bochk.com dcmhk@bocgroup.com bondissuance@cmbwinglungbank.com GCDCM.execution@ca-cib.com HKG-Syndicate@ca-cib.com hk_syndicate_omnibus@hsbc.com.hk SYNHK@sc.com project_cassia@icbci.icbc.com.cn am_dcmdepartment@mc.icbc.com.cn shuhong.ye@sg.icbc.com.cn abcic.dcm@abci.com.hk treasurymo@abchina.com dcm@bankcomm.com.hk DCM@ccbintl.com CNCBI_TMG_DCM_execution@cncbinternational.com ccba_dcm@asia.ccb.com dcm.cebhk@cebbank.com.hk DCM@chinastock.com.hk

		dcm@xyzq.com.hk hkdcm@cmbc.com.cn dcm.omnibus@citi.com ib.dcm.fig@clsa.com dcm@cmbccap.com dcm@cncbinvestment.com dcm@hxb.com.cn dcm@hxb.com.hk hkdebtcapitalmarkets@uobgroup.com
GENERAL		
52.	The aggregate principal amount of Notes issued has been translated into U.S. dollars, producing a sum of (for Notes not denominated in U.S. dollars):	Not Applicable
53.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1**.** *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any one of the Joint Lead Managers appointed and acting in its capacity as a Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FINAL TERMS

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, HONG KONG BRANCH

By: _____
Duly authorised

HONG KONG BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Hong Kong Branch
33/F, ICBC Tower
3 Garden Road
Central
Hong Kong

AUDITOR OF THE BANK

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT, TRANSFER AGENT, CALCULATION AGENT AND REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 26, HSBC Main Building
1 Queen's Road Central
Hong Kong

LEGAL ADVISERS

To the Hong Kong Branch Issuer as to PRC law

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One ICC Shanghai International Commerce Center
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Xuhui District
Shanghai, 200031
P.R. China

To the Hong Kong Branch Issuer as to English law and Hong Kong law

Linklaters
11th Floor
Alexandra House
Chater Road
Hong Kong

To the Joint Lead Managers as to PRC law

Jingtian & Gongcheng
34th Floor, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District,
Beijing
China

To the Joint Lead Managers as to English law and Hong Kong law

Allen Overy Shearman Sterling
9th Floor
Three Exchange Square
Central
Hong Kong

CHAPTER THREE
SINGAPORE BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Singapore Branch
(a joint stock limited company incorporated in the People's Republic of China with limited liability)

CNY3,000,000,000 2.88 per cent. Notes due 2027 (the "CNY Notes") issued under the

U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the CNY Notes: 100.00 per cent.

The CNY Notes are issued by the Singapore Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the CNY Notes shall be CNY1,000,000 and integral multiples of CNY10,000 in excess thereof.

The CNY Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Singapore Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Singapore Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The CNY Notes will be issued in registered form and initially represented by a global note certificate (the "**CNY Notes Global Note Certificate**") which will be registered in the name of the Hong Kong Monetary Authority (the "**HKMA**") and deposited on or about the Issue Date with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**"), operated by the HKMA. Interests in the CNY Notes Global Note Certificate will be shown on, and transfers thereof will be effected only through, records maintained by the CMU. For persons seeking to hold a beneficial interest in the CNY Notes through Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream**"), such persons will hold their interest through an account opened and held by Euroclear or Clearstream with the CMU.

Paragraph 21 of the Hong Kong SFC Code of Conduct: As paragraph 21 of the Hong Kong SFC Code of Conduct applies to this offering of the CNY Notes, prospective investors should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors*" appearing on page iv in the Original Offering Circular, and CMIs (as defined in the Original Offering Circular) should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code Of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages 213 to 214 in the Original Offering Circular.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Singapore Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the CNY Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

There are potential Singapore tax consequences for investors in relation to the CNY Notes. Before making an investment decision, persons considering the purchase of the CNY Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any CNY Notes and how to comply with relevant tax obligations under Singapore tax laws. See "*Singapore Taxation*" in this Chapter Three.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

ICBC Singapore	**Agricultural Bank of China Singapore Branch**	**Bank of China (Hong Kong)**	**CCBSG**
Crédit Agricole CIB		**Standard Chartered Bank**	

Joint Lead Managers and Joint Bookrunners

ICBC	**Agricultural Bank of China**	**Bank of China**	**Bank of Communications**
BOSC International	**China CITIC Bank International**	**China Construction Bank (Asia)**	**China Everbright Bank Hong Kong Branch**
China Galaxy International	**China Industrial Securities International**	**China International Capital Corporation**	**China Merchants Bank Singapore Branch**
China Minsheng Banking Corp., Ltd., Hong Kong Branch	**China Securities International**	**Citigroup**	**CITIC Securities**
CMB Wing Lung Bank Limited	**CMBC Capital**	**DBS Bank Ltd.**	**Guotai Junan International**
HSBC	**Huatai International**	**Industrial Bank Co., Ltd. Hong Kong Branch**	**J.P. Morgan**
MUFG		**Shanghai Pudong Development Bank Hong Kong Branch**	

DESCRIPTION OF SINGAPORE BRANCH ISSUER

The Bank sees its Singapore branch (the "**Singapore Branch**") as its business centre for the South East Asian region. Over the years, with in-depth understanding of Chinese policies and the China market, the Singapore Branch has developed strategic alliances with many leading multinational companies, Chinese companies, Singapore large corporations and SMEs, enabling it to expand its trade and investment in and out of China.

The Singapore Branch was registered with the Accounting and Corporate Regulatory Authority on 27 August 1993. The registered office of the Singapore Branch is at #23-01, 6 Raffles Quay, Singapore, its UEN number is S93FC4609L.

Business Activities

The Singapore Branch was established in 1993 and is the Bank's first overseas branch. The Singapore Branch provides a range of banking services, including:

- cash management, deposits and remittances;
- overdraft facilities, revolving credit facilities, short-term to long-term financing, syndicated financing, ship/aircraft financing, project financing, pre-export finance, export bills purchase, receivables financing and structured trade financing;
- banker's guarantees, issuance of documentary credits, shipping and airway guarantees, trust receipts, back-to-back letters of credit, forfaiting, letters of credit and telegraphic transfer reimbursement refinancing;
- treasury products, foreign exchange and derivative products, capital markets services and investment banking services;
- financial services for the Shanghai Free Trade Zone; and
- fund administration services, asset management and escrow services.

Singapore Regulatory Guidelines

The Singapore Branch was granted a Wholesale Banking Licence by the Monetary Authority of Singapore ("**MAS**") in 2003. Following the signing of the enhanced banking services commitments under the China-Singapore Free Trade Agreement in July 2012, the Singapore Branch was granted a Qualifying Full Bank ("**QFB**") Licence with effect from 5 October 2012.

The QFB Licence provides greater privileges as a QFB Licensed bank may conduct the full range of banking businesses permitted under the Banking Act 1970 of Singapore. These privileges allow such banks to operate up to 25 locations in Singapore, share ATMs among other QFB Licensed banks, relocate sub-branches freely, negotiate with the local banks on a commercial basis to permit credit card holders to obtain cash advances through the local bank's automated teller machines ("**ATMs**") networks, provide debit services through an "electronic funds transfer at point of sale" network, offer Supplementary Retirement Scheme and CPF Investment Scheme accounts and accept fixed deposits under the Central Provident Fund Investment Scheme and Minimum Sum Scheme.

Leveraging on its newly conferred QFB privileges, the Singapore Branch converted two of its existing remittance centres into full-fledged sub-branches on 20 October 2013, offering greater coverage to the Bank's retail banking clients. There are currently nine sub-branches situated at various locations across the island as at the end of 2023.

On 2 April 2013, the Singapore Branch was authorised by the PBOC as the sole Renminbi ("**RMB**") clearing bank to provide RMB clearing and settlement services in Singapore. Under this arrangement, the banks participating in the RMB clearing and settlement services (the "**Participating Banks**") will be able to access the payment systems and financial markets in China through the Singapore Branch to conduct RMB payments and financial market transactions. On 1 August 2015, the Singapore Branch extended its clearing service window to 24 hours a day, becoming the first commercial bank to launch a 24 hours continuous clearing service for RMB clearing globally. As a testament to the internationalisation of the RMB and the Singapore Branch's commitment towards developing Singapore as a key offshore RMB hub, the Singapore Branch achieved an accumulated clearing volume in excess of RMB566 trillion by the end of 2023.

RISK FACTORS

The section entitled "Risk Factors – Risks Relating to a Particular Issue of Notes" of the Original Offering Circular shall be supplemented with Chapter One of this Drawdown Offering Circular and the following:

SINGAPORE TAXATION RISK

The CNY Notes are intended to be "qualifying debt securities" for the purposes of the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the "**ITA**"), subject to the fulfilment of certain conditions more particularly described in the section entitled "*Singapore Taxation*" below in this Chapter Three.

However, there is no assurance that the CNY Notes will continue to enjoy the tax exemptions or concessions in connection therewith should the relevant tax laws be amended or revoked at any time.

PRICING SUPPLEMENT FOR THE CNY NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Bank and the Issuer confirm that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**HKSE**") on that basis. Therefore, the Bank and the Issuer confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The offering circular dated 16 October 2023 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 16 May 2024 (except for Chapter Two and Chapter Four of the drawdown offering circular dated 16 May 2024 which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

Application will be made for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Application will be made to the SGX-ST for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Pricing Supplement dated 16 May 2024

Industrial and Commercial Bank of China Limited, Singapore Branch

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

Issue of CNY3,000,000,000 2.88 per cent. Notes due 2027 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the "**ITA**"), shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

1.	Issuer:	Industrial and Commercial Bank of China Limited, Singapore Branch
2.	(i) Series Number:	MTN71
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	Renminbi ("**CNY**")
4.	Aggregate Nominal Amount:	CNY3,000,000,000
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	CNY3,000,000,000
6.	(i) Specified Denominations:	CNY1,000,000 and integral multiples of CNY10,000 in excess thereof
	(ii) Calculation Amount:	CNY10,000
7.	(i) Issue Date:	23 May 2024
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	Interest Payment Date falling on or nearest to 23 May 2027
9.	Interest Basis:	2.88 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable

13.	Date of regulatory approval for Notes obtained:	Approval by the Enterprise Overseas Debt Borrowing Examination and Registration Certificate (企业借用外债审核登记证明)(发改办外债[2023]225 号) issued by the National Development and Reform Commission of the People's Republic of China on 28 July 2023.
14.	Listing and trading:	Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only. Expected effective listing date of the Notes on the HKSE is 24 May 2024. Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 24 May 2024. Application will be made to the London Stock Exchange plc for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 24 May 2024.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate of Interest:	2.88 per cent. per annum payable semi-annually in arrear
	(ii) Interest Payment Date(s):	23 May and 23 November in each year, commencing on 23 November 2024, up to and including the Maturity Date, subject to adjustment so that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "**Business Day**" means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments in Renminbi and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and Singapore.
	(iii) Fixed Coupon Amount(s):	Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction

		and rounding the resultant figure to the nearest CNY0.01 (CNY0.005 being rounded upwards)
	(iv) Day Count Fraction:	Actual/365 (Fixed)
	(v) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	CNY10,000 per Calculation Amount
24.	**Early Redemption Amount**	CNY10,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable

32.	Relevant Tax Jurisdiction:	PRC, Singapore
33.	Any applicable currency disruption/fallback provisions:	Not Applicable
34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i) If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** Industrial and Commercial Bank of China Limited, Singapore Branch Agricultural Bank of China Limited, Singapore Branch Bank of China (Hong Kong) Limited China Construction Bank Corporation Singapore Branch Crédit Agricole Corporate and Investment Bank, Singapore Branch Standard Chartered Bank (Singapore) Limited **Joint Lead Managers and Joint Bookrunners** ICBC International Securities Limited Industrial and Commercial Bank of China (Asia) Limited Industrial and Commercial Bank of China (Macau) Limited ABCI Capital Limited Agricultural Bank of China Limited Hong Kong Branch Agricultural Bank of China Limited Macao Branch Bank of China Limited, Singapore Branch Bank of Communications Co., Ltd. Hong Kong Branch BOSC International Securities Limited China CITIC Bank International Limited China Construction Bank (Asia) Corporation Limited China Everbright Bank Co., Ltd., Hong Kong Branch China Galaxy International Securities (Hong Kong) Co., Limited China Industrial Securities International Brokerage Limited

		China International Capital Corporation Hong Kong Securities Limited China Merchants Bank Co., Ltd China Minsheng Banking Corp., Ltd., Hong Kong Branch China Securities (International) Corporate Finance Company Limited Citigroup Global Markets Limited CLSA Limited CMB Wing Lung Bank Limited CMBC Securities Company Limited DBS Bank Ltd. Guotai Junan Securities (Hong Kong) Limited The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch Huatai Financial Holdings (Hong Kong) Limited Industrial Bank Co., Ltd. Hong Kong Branch J.P. Morgan Securities Asia Private Limited MUFG Securities Asia Limited Shanghai Pudong Development Bank Co., Ltd., Hong Kong Branch (together, the "**Joint Lead Managers**")
	(ii) Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private bank rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Singapore Sales to Institutional Investors and Accredited Investors only:	Applicable
42.	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
43.	ISIN Code:	HK0001015327
44.	Common Code:	281920006
45.	CMU Instrument Number:	HSBCFN24066

46.	CUSIP:	Not Applicable
47.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
48.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
49.	Delivery:	Delivery against payment
50.	Additional Paying Agent(s) (if any):	Not Applicable
51.	**HONG KONG SFC CODE OF CONDUCT**	
	Contact email addresses of the Joint Lead Managers where underlying investor information in relation to omnibus orders should be sent:	shuhong.ye@sg.icbc.com.cn dcmsg@abchina.com icbcmtn@bochk.com GCDCM.execution@ca-cib.com HKG-Syndicate@ca-cib.com SYNHK@sc.com project_cassia@icbci.icbc.com.cn emily.my.zheng@icbcasia.com qiruixiao.tracy@icbcasia.com linziying.lavinia@icbcasia.com am_dcmdepartment@mc.icbc.com.cn abcic.dcm@abci.com.hk fmd.dcm@abchina.com dcm@bankcomm.com.hk BOSCI_DCM@boscinternational.com CNCBI_TMG_DCM_execution@cncbinternational.com ccba_dcm@asia.ccb.com dcm.cebhk@cebbank.com.hk dcm.execution@chinastock.com.hk dcm@xyzq.com.hk CM_SYN_HK@cicc.com.cn wang_jian@cmbchina.com hkdcm@cmbc.com.cn Dcm_hk@csci.hk debtsyndicate@csci.hk dcm.omnibus@citi.com ib.dcm.fig@clsa.com bondissuance@cmbwinglungbank.com dcm@cmbccap.com dcm.ig@gtjas.com.hk investor.info.hk.bond.deals@jpmorgan.com

GENERAL

52.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of U.S.$1: CNY7.22, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$415,512,465.37

53.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1. *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any of the Joint Lead Managers named as Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FINAL TERMS

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, SINGAPORE BRANCH

By: _____
Duly authorised

SINGAPORE TAXATION

*The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines and circulars issued by Inland Revenue Authority of Singapore ("**IRAS**") and the Monetary Authority of Singapore (the "**MAS**") in force as at the date of this Drawdown Offering Circular and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis including amendments to the Income Tax (Qualifying Debt Securities) Regulations to include the conditions for the income tax and withholding tax exemptions under the qualifying debt securities ("**QDS**") scheme for early redemption fee (as defined in the Income Tax Act 1947 of Singapore, as amended or modified from time to time (the "**ITA**") and redemption premium (as such term has been amended by the ITA). These laws, guidelines and circulars are also subject to various interpretations and no assurance can be given that the relevant tax authorities or the courts will agree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Drawdown Offering Circular are intended or are to be regarded as advice on the tax position of any holder of the CNY Notes or of any person acquiring, selling or otherwise dealing with the CNY Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the CNY Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the CNY Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant financial sector incentive(s)) may be subject to special rules or tax rates. The statements should not be regarded as advice on the tax position of any person and should be treated with appropriate caution. The statements also do not consider any specific facts or circumstances that may apply to any particular purchaser. Holders and prospective holders of the CNY Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of the acquisition, ownership of or disposal of the CNY Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Singapore Branch Issuer, the relevant Joint Lead Managers and any other persons involved in the issue of the CNY Notes accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the CNY Notes.*

INTEREST AND OTHER PAYMENTS

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is:

  (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or

  (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident

individuals is 24.0 per cent. with effect from the Year of Assessment 2024. However, if the payment is derived by a person who is not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from specified financial instruments is exempt from Singapore tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) early redemption fee or redemption premium from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

WITHHOLDING TAX EXEMPTION ON PAYMENTS BY (AMONGST OTHERS) LICENSED BANKS

Pursuant to Section 45I of the ITA, payments of income which are deemed under Section 12(6) of the ITA to be derived from Singapore and which are made by a specified entity are exempt from withholding tax if such payments are liable to be made by such specified entity for the purpose of its trade or business under a debt security which is issued during the period from 17 February 2012 to 31 December 2026 (both dates inclusive)[2], provided further that the payment does not arise from a transaction to which the general-anti-avoidance rule in Section 33 of the ITA applies.

Notwithstanding the above, permanent establishments in Singapore of non-resident persons are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax). A specified entity includes a bank or merchant bank licensed under the Banking Act 1970 of Singapore.

QUALIFYING DEBT SECURITIES

Debt securities that are issued on or after 15 February 2023 must be substantially arranged in Singapore by specified licensed persons in order to satisfy the requirement to be QDS for the purposes of the ITA. If the CNY Notes are issued under the Programme on or after the date of this Drawdown Offering Circular and on or before 31 December 2028 and more than half of the CNY Notes are distributed by specified licensed entities, the CNY Notes (the "**Relevant Notes**") issued as debt securities would be "qualifying debt securities" for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS for the Relevant Notes within such period as the relevant authorities may specify, and such other particulars in connection with the Relevant Notes as the MAS may require), and the inclusion by the Singapore Branch Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, early redemption fee or redemption premium from the Relevant Notes is derived by a person who is not resident in Singapore and who

[2] The end date of 31 December 2026 does not apply for payments made to Singapore branches of non-resident companies as there is a waiver of withholding tax on all section 12(6) ITA and 12(7) ITA payments made to such entities.

carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for "qualifying debt securities" shall not apply if the non-resident person acquires the Relevant Notes using the funds from that person's operations through the Singapore permanent establishment, interest, discount income (not including discount income arising from secondary trading), early redemption fee and redemption premium (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a holder who is not resident in Singapore and who:

(i) does not have any permanent establishment in Singapore; or

(ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore,

are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities to the MAS in respect of the Relevant Notes within such period as the MAS may specify, and such other particulars in connection with the Relevant Notes as the MAS may require), Qualifying Income from the Relevant Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant financial sector incentive(s), who may be taxed at different rates); and

(c) subject to:

(i) the Singapore Branch Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing to the MAS of a return on debt securities for the Relevant Notes within such period as the MAS may specify, and such other particulars in connection with the Relevant Notes as the MAS may require,

payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Singapore Branch Issuer.

Where interest, discount income, early redemption fee or redemption premium is derived from any of the Relevant Notes by any person who (i) is not resident in Singapore and (ii) carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for qualifying debt securities (subject to certain conditions) under the ITA shall not apply if such person acquires such Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, early redemption fee or redemption premium derived from the Relevant Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

However, notwithstanding the foregoing:

(a) if during the primary launch of the Relevant Notes, the Relevant Notes are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Singapore Branch Issuer, such Relevant Notes would not qualify as QDS; and

(b) even though the Relevant Notes are QDS, if at any time during the tenure of such Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded directly or indirectly,

by any related party(ies) of the Singapore Branch Issuer, Qualifying Income derived from such Relevant Notes held by:

(i) any related party of the Singapore Branch Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Singapore Branch Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person ("**A**"), means any person (a) who directly or indirectly controls A, b) who is being controlled directly or indirectly by A, or (c) who, together with A, is directly or indirectly under the control of a common person.

For the purposes of the ITA and/or this Singapore tax disclosure:

(a) "**early redemption fee**" means, in relation to debt securities and qualifying debt securities, any fee payable by the issuer of the securities on the early redemption of the securities;

(b) "**redemption premium**" means, in relation to debt securities and qualifying debt securities, any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities; and

(c) "**specified licensed persons**" means any of the following persons:

(i) a bank or merchant bank licensed under the Banking Act 1970 of Singapore;

(ii) a finance company licensed under the Finance Companies Act 1967 of Singapore;

(iii) a person who holds a capital markets services licence under the Securities and Futures Act 2001 of Singapore to carry on a business in any of the following regulated activities:

(A) advising on corporate finance; or

(B) dealing in capital markets products; or

(iv) such other person as may be prescribed by rules made under Section 7 of the ITA.

GAINS ON DISPOSAL OF NOTES

Any gains considered to be in the nature of capital made from the sale of the CNY Notes will generally not be taxable in Singapore. However, any gains derived by any person from the sale of the CNY Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature. In addition, any foreign-sourced disposal gains received in Singapore from outside Singapore from the sale of the CNY Notes that occurs on or after 1 January 2024 by an entity of a multinational group that does not have adequate economic substance in Singapore may be taxable as further described in Section 10L of the ITA.

Holders of the CNY Notes who apply or are required to apply Singapore Financial Reporting Standard 39 – Financial Instruments: Recognition and Measurement ("**FRS 39**"), Singapore Financial Reporting Standard 109 – Financial Instruments ("**FRS 109**") or Singapore Financial Reporting Standard (International) 9 (Financial Instruments) ("**SFRS(I) 9**") (as the case may be) may for Singapore income tax purposes be required to recognise gains or losses (not being gains or losses in the nature of capital) on the CNY Notes, irrespective of disposal, in accordance with FRS 39, FRS 109 or SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 Or SFRS(I) 9 Treatment For Singapore Income Tax Purposes*".

ADOPTION OF FRS 39, FRS 109 OR SFRS(I) 9 TREATMENT FOR SINGAPORE INCOME TAX PURPOSES

Section 34A of the ITA requires taxpayers who adopt or are required to adopt FRS 39 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 39, subject to certain exceptions provided in that section and certain "opt-out" provisions. The IRAS has also issued an e-Tax Guide entitled "*Income Tax Implications Arising from the Adoption of FRS 39 – Financial Instruments: Recognition and Measurement*" to provide guidance on the Singapore income tax treatment of financial instruments.

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who adopt or who are required to adopt FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions provided in that section. The IRAS has also issued an e-Tax Guide entitled "*Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 – Financial Instruments*".

Holders of the CNY Notes who may be subject to the tax treatment under the FRS 39 tax regime, FRS 109 tax regime or the SFRS(I) 9 tax regime should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the CNY Notes.

ESTATE DUTY

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

SINGAPORE BRANCH ISSUER

Industrial and Commercial Bank of China Limited, Singapore Branch
6 Raffles Quay #23-01
Singapore 048580

AUDITOR OF THE BANK

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT, TRANSFER AGENT, CALCULATION AGENT AND REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 26, HSBC Main Building
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To the Singapore Branch Issuer as to PRC law

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P.R. China

To the Joint Lead Managers as to PRC law

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To the Joint Lead Managers as to English law and Singapore law

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50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

CHAPTER FOUR
LONDON BRANCH ISSUER

Industrial and Commercial Bank of China Limited, London Branch

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

EUR300,000,000 3.697 per cent. Notes due 2027 (the "EUR Notes")
issued under the
U.S.$20,000,000,000 Global Medium Term Note Programme

Issue Price for the EUR Notes: 100.00 per cent.

The EUR Notes are issued by the London Branch Issuer pursuant to the Programme, and should be read in conjunction with the Original Offering Circular and this Drawdown Offering Circular. The denomination of the EUR Notes shall be EUR100,000 and integral multiples of EUR1,000 in excess thereof.

The EUR Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the London Branch Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the London Branch Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

The EUR Notes will be issued in registered form and initially represented by a global note certificate which will be registered in the name of a nominee of, and shall be deposited on or about the Issue Date with a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking S.A. ("**Clearstream**").

Paragraph 21 of the Hong Kong SFC Code of Conduct: As paragraph 21 of the Hong Kong SFC Code of Conduct applies to this offering of the EUR Notes, prospective investors should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors*" appearing on page iv in the Original Offering Circular, and CMIs (as defined in the Original Offering Circular) should refer to the section on "*Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code Of Conduct – Important Notice to CMIs (including private banks)*" appearing on pages 213 to 214 in the Original Offering Circular.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the London Branch Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the EUR Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the EUR Notes has led to the conclusion that: (i) the target market for the EUR Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the EUR Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the EUR Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is

responsible for undertaking its own target market assessment in respect of the EUR Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the EUR Notes has led to the conclusion that: (i) the target market for the EUR Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the EUR Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the EUR Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the EUR Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

There are potential UK tax consequences for investors in relation to the EUR Notes. Before making an investment decision, persons considering the purchase of the EUR Notes should consult their own tax and legal advisers concerning the possible tax consequences of buying, holding or selling any EUR Notes and how to comply with relevant tax obligations under UK tax laws. See "*UK Taxation*" in this Chapter Four.

Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners

ICBC Standard Bank	**Barclays**	**Crédit Agricole CIB**	**J.P. Morgan**
Natixis	**Société Générale Corporate & Investment Banking**		**Standard Chartered Bank**

Joint Lead Managers and Joint Bookrunners

ICBC	**Agricultural Bank of China**	**Bank of China**	**Bank of Communications**
China CITIC Bank International	**CCB Europe**	**China International Capital Corporation**	**China Minsheng Banking Corp., Ltd., Hong Kong Branch**
China Securities International	**Citigroup**	**CITIC Securities**	**CMB Wing Lung Bank Limited**
HSBC	**Hua Xia Bank Co., Limited Hong Kong Branch**		**Huatai International**

DESCRIPTION OF LONDON BRANCH ISSUER

On 8 September 2014, the Prudential Regulation Authority (the "**PRA**") and the Financial Conduct Authority (the "**FCA**") authorised the Bank to establish a branch in London (the "**London Branch**"). The registered office of the London Branch is at 81 King William Street, London EC4N 7BG, United Kingdom, with company number FC031145 and branch number BR016211. The London Branch is also authorised and regulated by the NAFR.

Business Activities

The establishment of the London Branch expands the Bank's capacity in the UK, particularly in the UK wholesale financial services markets, to support further business and trade development between the UK and China. The London Branch provides a range of diversified financial products to its Chinese, UK and international clients in various sectors including commodities, manufacturing, commercial real estate and financial services. Products offered include commercial lending (syndicated loans), trade finance, clearing and cash management. The London Branch is able to take advantage of the Group's regional resources to provide comprehensive financial services for Chinese and international companies globally while attracting target customers on the local market.

Legal Status

In order for a branch of a bank incorporated outside the UK to operate in the UK, it must register with the Registrar of Companies (England and Wales) pursuant to The Overseas Companies Regulations 2009 (SI 2009/1801) (Regulations). Pursuant to the Companies Act 2006, section 1048(3), an alternative name registered with the Registrar of Companies (England and Wales) by an overseas company is treated for all purposes of law applying in the UK as that company's corporate name. Therefore, "Industrial and Commercial Bank of China Limited, London Branch" is merely the corporate name of the Bank in the UK, and the London Branch has no separate legal personality from the Bank. As a result of the foregoing, in the case of any default by the London Branch under the EUR Notes and any subsequent enforcement of an arbitral award in connection therewith, all claims of the holders of the EUR Notes against the London Branch shall rank *pari passu* with the claims of other senior unsecured creditors of the Bank.

Overview of the UK Regulatory Framework

Prudential Regulation Authority

The PRA, as part of the Bank of England (the "**BoE**"), is the UK's prudential regulator for deposit-takers, insurance companies and designated investment firms.

The PRA was given a general objective to promote the safety and soundness of the firms it regulates, focusing on the adverse effects that they can have on the stability of the UK financial system. The PRA also has a secondary objective to act in a way (so far as is reasonably possible) to facilitate effective competition in the markets for services provided by PRA-authorised firms.

The Prudential Regulation Committee (the "**Committee**") is the body within the BoE responsible for exercising the BoE's functions as the PRA. The Committee is independent in all its decision-making functions, including making rules and the PRA's most important supervisory and policy decisions.

Financial Conduct Authority

The FCA:

- is responsible for the conduct of business regulation of all firms authorised under the Financial Services and Markets Act 2000;

- is responsible for the prudential regulation of firms not regulated by the PRA. These firms are sometimes referred to as FCA-only firms or FCA-authorised firms; and
- is responsible for the regulation of conduct in retail and wholesale financial markets and supervision of the trading infrastructure that supports those markets.

The FCA has a strategic objective and three operational objectives:

- The strategic objective is to ensure that the "relevant markets" function well.
- The operational objectives are:
    - to secure an appropriate degree of protection for consumers;
    - to protect and enhance the integrity of the UK financial system; and
    - to promote effective competition in the interests of consumers.

The FCA is also obliged to discharge its general functions in a way that promotes competition.

RISK FACTORS

The section entitled "*Risk Factors – Risks Relating to a Particular Issue of Notes*" of the Original Offering Circular shall be supplemented with Chapter One of this Drawdown Offering Circular.

PRICING SUPPLEMENT FOR THE EUR NOTES

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Bank and the Issuer confirm that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**HKSE**") on that basis. Therefore, the Bank and the Issuer confirm that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The HKSE has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the HKSE is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the HKSE take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The offering circular dated 16 October 2023 (the "**Original Offering Circular**") as amended and supplemented by the drawdown offering circular dated 16 May 2024 (except for Chapter Two and Chapter Three of the drawdown offering circular dated 16 May 2024, which do not apply to the Notes) (the "**Drawdown Offering Circular**" and, together with the Original Offering Circular, the "**Offering Circular**") (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

MiFID II product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers'/ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

UK MiFIR product governance/Professional investors and ECPs only target market – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturers' target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.

Application will be made for the listing and quotation of the Notes on the Official List of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Admission to the Official List of the SGX-ST and listing of the Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Group (as defined in the Offering Circular) or the Notes. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in the Offering Circular or this Pricing Supplement.

Application will be made to the SGX-ST for the Notes to be recognised under the SGX Sustainable Fixed Income initiative on SGX-ST. There is no guarantee that such application for recognition under the SGX Sustainable Fixed Income initiative will be approved. Recognition under the SGX Sustainable Fixed Income initiative does not guarantee that the Notes will satisfy any investor's expectations or requirements on its sustainability-related performance or impact. If approved, SGX-ST may remove the recognition from the Notes at its discretion. The latest list of fixed income securities that have been granted recognition under the SGX Sustainable Fixed Income initiative is available at the website of the SGX-ST.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and are Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Pricing Supplement dated 16 May 2024

Industrial and Commercial Bank of China Limited, London Branch
(a joint stock limited company incorporated
in the People's Republic of China with limited liability)

Issue of EUR300,000,000 3.697 per cent. Notes due 2027 (the "Notes")
under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Offering Circular.

1.	Issuer:	Industrial and Commercial Bank of China Limited, London Branch
2.	(i) Series Number:	MTN72
	(ii) Tranche Number:	001
3.	Specified Currency or Currencies:	Euros ("**EUR**")
4.	Aggregate Nominal Amount:	EUR300,000,000
5.	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Gross Proceeds:	EUR300,000,000
6.	(i) Specified Denominations:	EUR100,000 and integral multiples of EUR1,000 in excess thereof

	(ii) Calculation Amount:	EUR1,000
7.	(i) Issue Date:	23 May 2024
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date:	23 May 2027
9.	Interest Basis:	3.697 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis:	Redemption at par
11.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Date of regulatory approval for Notes obtained:	Approval by the Enterprise Overseas Debt Borrowing Examination and Registration Certificate (企业借用外债审核登记证明)(发改办外债[2023]225 号) issued by the National Development and Reform Commission of the People's Republic of China on 28 July 2023.
14.	Listing and trading:	Application will be made to the HKSE for the listing of, and permission to deal in, the Notes by way of debt issues to Professional Investors only. Expected effective listing date of the Notes on the HKSE is 24 May 2024. Application will be made for the listing and quotation of the Notes on the Official List of the SGX-ST. Expected effective listing date of the Notes on the SGX-ST is 24 May 2024. Application will be made to the London Stock Exchange plc for the Notes to be admitted to trading on the International Securities Market and to be displayed on the Sustainable Bond Market. Such admission to trading is expected to be effective on 24 May 2024.
15.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	**Fixed Rate Note Provisions**	Applicable
	(i) Rate of Interest:	3.697 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	23 May in each year, commencing on 23 May 2025 up to and including the Maturity Date
	(iii) Fixed Coupon Amount(s):	EUR36.97 per Calculation Amount
	(iv) Day Count Fraction:	Actual/Actual (ICMA)

	(v) Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
17.	**Floating Rate Note Provisions**	Not Applicable
18.	**Zero Coupon Note Provisions**	Not Applicable
19.	**Index-Linked Interest Note/other variable-linked interest Note Provisions**	Not Applicable
20.	**Dual Currency Note Provisions**	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21.	**Call Option**	Not Applicable
22.	**Put Option**	Not Applicable
23.	**Final Redemption Amount of each Note**	EUR1,000 per Calculation Amount
24.	**Early Redemption Amount**	EUR1,000 per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	
GENERAL PROVISIONS APPLICABLE TO THE NOTES		
25.	**Form of Notes:**	**Registered Notes:** Global Note Certificate exchangeable for Individual Note Certificates in the limited circumstances described in the Global Note Certificate
26.	Additional Financial Centre(s) or other special provisions relating to payment dates:	Not Applicable
27.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	No
28.	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made:	Not Applicable
29.	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	Not Applicable
30.	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31.	Consolidation provisions:	Not Applicable
32.	Relevant Tax Jurisdiction:	PRC, England
33.	Any applicable currency disruption/fallback provisions:	Not Applicable

34.	Other terms or special conditions:	Not Applicable

DISTRIBUTION

35.	(i)	If syndicated, names of Joint Lead Managers:	**Joint Global Coordinators, Joint Lead Managers and Joint Bookrunners** ICBC Standard Bank Plc Barclays Bank PLC Crédit Agricole Corporate and Investment Bank J.P. Morgan Securities plc Natixis Société Générale Standard Chartered Bank **Joint Lead Managers and Joint Bookrunners** Industrial and Commercial Bank of China (Asia) Limited Industrial and Commercial Bank of China (Europe) S.A. Industrial and Commercial Bank of China Limited, Singapore Branch ABCI Capital Limited Agricultural Bank of China Limited Hong Kong Branch Bank of China (Hong Kong) Limited Bank of China Limited, London Branch Bank of Communications Co., Ltd. Hong Kong Branch China CITIC Bank International Limited China Construction Bank (Europe) S.A. China International Capital Corporation Hong Kong Securities Limited China Minsheng Banking Corp., Ltd., Hong Kong Branch China Securities (International) Corporate Finance Company Limited Citigroup Global Markets Limited CLSA Limited CMB Wing Lung Bank Limited HSBC Bank plc Hua Xia Bank Co., Limited Hong Kong Branch Huatai Financial Holdings (Hong Kong) Limited (together, the "**Joint Lead Managers**")

	(ii) Stabilisation Manager(s) (if any):	Any of the Joint Lead Managers appointed and acting in the capacity as a Stabilisation Manager
36.	If non-syndicated, name and address of Dealer:	Not Applicable
37.	Private bank rebate/commission:	Not Applicable
38.	U.S. Selling Restrictions:	Reg. S Category 2 TEFRA Not Applicable
39.	Prohibition of Sales to EEA Retail Investors:	Not Applicable
40.	Prohibition of Sales to UK Retail Investors:	Not Applicable
41.	Singapore Sales to Institutional Investors and Accredited Investors only:	Applicable
42.	Additional selling restrictions:	Not Applicable
OPERATIONAL INFORMATION		
43.	ISIN Code:	XS2819075578
44.	Common Code:	281907557
45.	CMU Instrument Number:	Not Applicable
46.	CUSIP:	Not Applicable
47.	Legal Entity Identifier:	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40
48.	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	Not Applicable
49.	Delivery:	Delivery against payment
50.	Additional Paying Agent(s) (if any):	Not Applicable
51.	**HONG KONG SFC CODE OF CONDUCT**	
	Contact email addresses of the Joint Lead Managers where underlying investor information in relation to omnibus orders should be sent:	DCM@icbcstandard.com GCDCM.execution@ca-cib.com HKG-Syndicate@ca-cib.com Project.Kirin.2024@natixis.com list.hkg-dcm@sgcib.com yannick.lakoue-derant@sgcib.com SYNHK@sc.com jackie.jq.chen@icbcasia.com emily.my.zheng@icbcasia.com linziying.lavinia@icbcasia.com qiruixiao.tracy@icbcasia.com lijun.tan@sg.icbc.com.cn abcic.dcm@abci.com.hk abchk.dcm@abchina.com icbcmtn@bochk.com

		dcm.emea@uk.bankofchina.com dcm@bankcomm.com.hk CNCBI_TMG_DCM_execution@cncbinternation al.com hkdcm@cmbc.com.cn Dcm_hk@csci.hk, debtsyndicate@csci.hk dcm.omnibus@citi.com ib.dcm.fig@clsa.com bondissuance@cmbwinglungbank.com dcm@hxb.com.cn

GENERAL

52.	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of EUR1: U.S.$1.086, producing a sum of (for Notes not denominated in U.S. dollars):	U.S.$325,800,000
53.	Ratings:	The Notes to be issued are expected to be rated: Moody's: A1. *A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*

USE OF PROCEEDS

As disclosed in the "*Use of Proceeds*" section in the Drawdown Offering Circular.

STABILISATION

In connection with this issue, any of the Joint Lead Managers named as Stabilisation Manager in this Pricing Supplement (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilisation Manager (or persons acting on behalf of a Stabilisation Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.

FINAL TERMS

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of
INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED, LONDON BRANCH

By: _____
Duly authorised

UK TAXATION

*The comments below are of a general nature based on current UK tax law as applied in England and Wales and HM Revenue and Customs ("**HMRC**") practice (which may not be binding on HMRC), in each case as at the latest practicable date before the date of this Drawdown Offering Circular and are not intended to be exhaustive. They assume that there will be no substitution of the Branch Issuers or further issues of securities that will form a single series with the Notes, and do not address the consequences of any such substitution or further issue (notwithstanding that such substitution or further issue may be permitted by the terms and conditions of the Notes). They relate only to the position of persons who hold their Notes as investments (regardless of whether the holder also carries on a trade, profession or vocation through a permanent establishment, branch or agency to which the Notes are attributable) and only apply to persons who are absolute beneficial owners of the Notes. In particular, Noteholders holding their Notes via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. The comments below do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. Certain classes of person such as dealers, certain professional investors, or persons connected with the Bank or the Branch Issuers may be subject to special rules and this summary does not apply to such Noteholders. Noteholders who are in doubt as to their own tax position, or who may be subject to tax in a jurisdiction other than the UK, should consult their professional advisers. In particular, Noteholders should be aware that the tax legislation of any jurisdiction where a Noteholder is resident or otherwise subject to taxation (as well as the jurisdiction discussed below) may have an impact on the tax consequences of an investment in the Notes including in respect of any income received from the Notes.*

WITHHOLDING TAX ON PAYMENTS OF INTEREST ON NOTES THAT HAS A UK SOURCE (THE "UK NOTES")

References to "interest" in this section mean interest as understood for UK withholding tax purposes. Any redemption premium may constitute "interest" for these purposes, although the position will depend upon the particular terms and conditions.

While the UK Notes are and continue to be listed on a recognised stock exchange within the meaning of Section 1005 Income Tax Act 2007 ("**ITA 2007**"), or admitted to trading on a multilateral trading facility operated by a UK, Gibraltar or an EEA regulated recognised stock exchange within the meaning of Sections 987 and 1005 ITA 2007, payments of interest on the UK Notes which carry a right to interest may be made without withholding or deduction for or on account of UK income tax. The Hong Kong Stock Exchange is a recognised stock exchange for these purposes. The UK Notes will satisfy this requirement if they are both officially listed in Hong Kong on the Main Board of the Hong Kong Stock Exchange in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area and are admitted to trading on the Hong Kong Stock Exchange. The SGX-ST is a recognised stock exchange for these purposes. The UK Notes will satisfy this requirement if they are both officially listed in Singapore on the Main Board of the SGX-ST in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area and are admitted to trading on the SGX-ST. The International Securities Market is a multilateral trading facility operated by a UK, Gibraltar or EEA regulated recognised stock exchange (the London Stock Exchange) for these purposes.

In other cases, an amount must generally be withheld from payments of interest that has a UK source on account of UK income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for a lower rate of withholding tax (or for no tax to be withheld) in relation to a Noteholder, HMRC can issue a notice to the London Branch Issuer to pay interest

to the Noteholder without deduction of tax (or for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

If interest were paid under deduction of UK income tax (e.g. if the Notes lost their listing or admission to trading), Noteholders who are not resident in the UK may be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.

WITHHOLDING TAX ON PAYMENTS OF INTEREST ON NOTES ISSUED BY THE BANK WHICH DO NOT HAVE A UK SOURCE

The analysis set out in the above paragraphs apply to payments of interest where such interest has a UK source. In the case of interest which does not have a UK source, payments of interest on the Notes may be made without withholding or deduction for or on account of UK income tax.

LONDON BRANCH ISSUER

Industrial and Commercial Bank of China Limited, London Branch
81 King William Street,
London EC4N 7BG
United Kingdom

AUDITOR OF THE BANK

Deloitte
Certified Public Accountants
35/F One Pacific Place
88 Queensway
Hong Kong

ISSUING AND PAYING AGENT, TRANSFER AGENT AND REGISTRAR

The Hongkong and Shanghai Banking Corporation Limited
Level 26, HSBC Main Building
1 Queen's Road Central
Hong Kong

LEGAL ADVISERS

To the London Branch Issuer as to PRC law

King & Wood Mallesons
17th Floor One ICC
Shanghai International Commerce Center
999 Middle Huai Hai Road
Xuhui District
Shanghai, 200031
P.R. China

To the London Branch Issuer as to English laws

Linklaters
11th Floor
Alexandra House
Chater Road
Hong Kong

To the Joint Lead Managers as to PRC law

Jingtian & Gongcheng
34th Floor, Tower 3
China Central Place
77 Jianguo Road
Chaoyang District,
Beijing
China

To the Joint Lead Managers as to English laws

Allen Overy Shearman Sterling LLP
50 Collyer Quay
#09-01 OUE Bayfront
Singapore 049321

ANNEX 1 – ORIGINAL OFFERING CIRCULAR DATED 16 OCTOBER 2023

IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") ("QIBs") OR (2) NON-U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) PURCHASING THE SECURITIES OUTSIDE THE UNITED STATES IN AN "OFFSHORE TRANSACTION" (AS DEFINED IN REGULATION S) IN RELIANCE ON REGULATIONS.

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this page (the "**Offering Circular**"), and you are therefore advised to read this carefully before reading, accessing or making any other use of the Offering Circular. In accessing the Offering Circular, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND SECURITIES IN BEARER FORM ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE SECURITIES MAY NOT BE OFFERED OR SOLD OR (IN THE CASE OF NOTES IN BEARER FORM) DELIVERED WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

THIS OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED, IN WHOLE OR IN PART, TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER, AND IN PARTICULAR, MAY NOT BE FORWARDED TO ANY ADDRESS IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Offering Circular or make an investment decision with respect to the securities, investors must be either (I) QIBs or (II) non-U.S. persons eligible to purchase the securities outside the United States in an "offshore transaction" in reliance on Regulation S. This Offering Circular is being sent at your request and by accepting the email and accessing this Offering Circular, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons eligible to purchase the securities outside the United States and in an "offshore transaction" in reliance on Regulation S and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States and (2) that you consent to delivery of such Offering Circular by electronic transmission.

You are reminded that this Offering Circular has been delivered to you on the basis that you are a person into whose possession this Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Offering Circular to any other person.

The materials relating to the offering of securities to which this Offering Circular relates do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering is made by a licensed broker or dealer and a relevant Dealer (as defined below) or any affiliate of the relevant Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the Bank (as defined below) in such jurisdiction.

This Offering Circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of Industrial and Commercial Bank of China Limited (the "**Bank**"), the Arranger or the Dealer (each as defined in this Offering Circular), any person who controls any of the Arranger or the Dealer, any director, officer, employee nor agent of the Bank or the Arranger or the Dealer, or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Arranger or the Dealer.

If you gained access to this transmission contrary to the foregoing restrictions, you are not allowed to purchase any of the securities described in the attached.

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

Industrial and Commercial Bank of China Limited

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

U.S.$20,000,000,000
Global Medium Term Note Programme

Under the Global Medium Term Note Programme (the "**Programme**"), Industrial and Commercial Bank of China Limited (the "**Bank**"), or such branch of the Bank (including Industrial and Commercial Bank of China Limited, Hong Kong Branch (the "**Hong Kong Branch**")) (each a "**Branch Issuer**"), as specified in the applicable Pricing Supplement (each an "**Issuer**") may from time to time issue medium term notes (the "**Notes**"), subject to compliance with all relevant laws, regulations and directives, denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). This Offering Circular supersedes the offering circular dated 23 May 2022. Any Notes issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein save for, in the case of the terms and conditions of the Notes, any Notes issued on or after the date of this Offering Circular so as to be consolidated and form a single series with any Series (as defined under "*Terms and Conditions of the Notes*") of the Notes issued before the date of this Offering Circular.

Notes may be issued in bearer or registered form. The aggregate nominal amount of Notes outstanding will not at any time exceed U.S.$20,000,000,000 (or its equivalent in other currencies subject to increase as described herein). The Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" or any additional Dealer appointed under the Programme from time to time by an Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the "**relevant Dealer**" shall, in the case of an issue of Notes being (or intended to be) subscribed for by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

Application has been made to The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for the listing of the Programme by way of debt issues to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only during the 12-month period after the date of this document on the Hong Kong Stock Exchange. This document is for distribution to Professional Investors only.

Notice to Hong Kong investors: the Bank confirms that each Tranche (as defined under "*Terms and Conditions of the Notes*") of the Notes to be issued under the Programme is intended for purchase by Professional Investors only and, the Programme and the Notes, to the extent that such Notes are to be listed on the Hong Kong Stock Exchange, will be listed on the Hong Kong Stock Exchange on that basis. Accordingly, the Bank confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Bank or the relevant Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the Pricing Supplement (as defined below) which, with respect to Notes to be listed in Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange, on or before the date of issue of the Notes of such Tranche.

The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or any other stock exchange.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs/IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Notes of each Series issued in bearer form ("**Bearer Notes**") will be represented on issue by a temporary global note in bearer form (each a "**Temporary Global Note**") or a permanent global note in bearer form (each a "**Permanent Global Note**") (collectively, the "**Global Notes**"). Bearer Notes that are issued in compliance with U.S. Treasury Regulations §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**")) ("**TEFRA D Rules**") must be initially represented by a Temporary Global Note and interests in a Temporary Global Note will be exchangeable, in whole or in part, for interests in a Permanent Global Note on or after the date 40 days after the relevant issue date, upon certification as to non-U.S. beneficial ownership. Global Notes may be deposited on the relevant issue date with a common depositary on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**"), or with a sub-custodian for the Central Moneymarkets Unit Service (the "**CMU**") operated by the Hong Kong Monetary Authority (the "**HKMA**"). In the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream or CMU, or delivered outside a clearing system, the Global Notes may be deposited on the relevant issue date as agreed between the relevant Issuer and the relevant Dealer. The provisions governing the exchange of interests in Global Notes for other Global Notes and Definitive Notes are described in "*Summary of Provisions Relating to the Notes while in Global Form*".

Notes in registered form ("**Registered Notes**") and which are sold in an "offshore transaction" within the meaning of Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended (the "**Securities Act**") ("**Unrestricted Notes**") will initially be represented by a permanent registered global note certificate (each an "**Unrestricted Global Note Certificate**") without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream with a common depositary on behalf of Euroclear and Clearstream, (b) in the case of a Series intended to be cleared through the CMU, with a sub-custodian for the CMU, (c) in the case of a Series intended to be cleared through The Depositary Trust Company ("**DTC**"), with a custodian (the "**DTC Custodian**") for, and registered in the name of Cede & Co. as nominee for DTC, or (d) in the case of a Series intended to be cleared through a clearing system other than, or in addition to, Euroclear and/or Clearstream, DTC and/or the CMU, or delivered outside a clearing system, as agreed between the relevant Issuer and the relevant Dealer. Registered Notes which are sold in the United States to "qualified institutional buyers" (each, a "**QIB**") within the meaning of Rule 144A ("**Rule 144A**") under the Securities Act ("**Restricted Notes**") will initially be represented by a permanent registered global note certificate (each a "**Restricted Global Note Certificate**" and, together with the relevant Unrestricted Global Note Certificate, the "**Global Note Certificates**"), without interest coupons, which may be deposited on the relevant issue date (a) in the case of a Series intended to be cleared through Euroclear and/or Clearstream, with a common depositary on behalf of Euroclear and Clearstream, or (b) in the case of a Series intended to be cleared through DTC, with a DTC Custodian for, and registered in the name of Cede & Co. as nominee for, DTC.

The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and the Notes may include Bearer Notes that are subject to U.S. tax law requirements. Accordingly, the Notes are being offered and sold only (i) in the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (ii) outside the United States to, or for the account or benefit of, non-U.S. persons (as defined in Regulation S under the Securities Act) in offshore transactions in accordance with Regulation S. See "*Forms of the Notes*" for a description of the manner in which Notes will be issued. Registered Notes are subject to certain restrictions on transfer, see "*Subscription and Sale*" and "*Transfer Restrictions*".

The Programme has been assigned a rating of "A1" by Moody's Investors Service Hong Kong Ltd. ("**Moody's**"). This rating is only correct as at the date of this Offering Circular. Tranches of Notes to be issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will not necessarily be the same as the ratings assigned to the Programme. Moody's is not established in the European Union nor registered under Regulation (EC) No 1060/2009 (as amended) on credit rating agencies. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction, revision or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks and may not be suitable for all investors. Investors should have sufficient knowledge and experience in financial and business matters to evaluate the information contained in this Offering Circular and in the applicable Pricing Supplement and the merits and risks of investing in a particular issue of Notes in the context of their financial position and particular circumstances. Investors also should have the financial capacity to bear the risks associated with an investment in Notes. Investors should not purchase Notes unless they understand and are able to bear risks associated with Notes. The principal risk factors that may affect the ability of the relevant Issuer to fulfil its obligations in respect of the Notes, are discussed under "*Risk Factors*" below.

Arranger and Dealer

ICBC

The date of this Offering Circular is 16 October 2023

IMPORTANT NOTICE

The Bank, having made all reasonable enquiries confirms that to the best of its knowledge and belief, this Offering Circular (i) contains all information with respect to the Bank and its subsidiaries (the "**Group**", "**we**" or "**us**"), the relevant Branch Issuer and the Notes and which, according to the particular nature of the Bank, the Group, the relevant Branch Issuer and of the Notes, is necessary to enable investors to make an informed assessment of the activities, assets and liabilities, financial position, management and prospects of the Bank, the Group, the relevant Branch Issuer, and of the Group's profit and loss and of the rights attaching to the Notes and such information is accurate and complete in all material respects and (ii) does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. All expressions of opinion, intention and expectation expressed herein are fair and made after due and careful consideration, and fair and reasonable and based on facts known, or which ought on reasonable enquiry to have been known, to the Bank and/or the relevant Branch Issuer or any of them.

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**" or the "**Terms and Conditions of the Notes**") as amended and/or supplemented by the pricing supplement specific to such Tranche (each, a "**Pricing Supplement**"). This Offering Circular must be read and construed together with any amendments or supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes, must be read and construed together with the relevant Pricing Supplement.

In relation to any Tranche, the aggregate nominal amount of the Notes of such Tranche, the interest (if any) payable in respect of the Notes of such Tranche, the issue price and any other terms and conditions not contained herein which are applicable to such Tranche will be set out in a Pricing Supplement which with respect to Notes to be listed on the Hong Kong Stock Exchange, will be delivered to the Hong Kong Stock Exchange on or before the date of issue of the Notes of such Tranche.

The distribution of this Offering Circular and any Pricing Supplement and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Offering Circular comes are required by the relevant Issuer, the Group, the Arranger and the Dealers to inform themselves about and to observe any such restrictions. None of the relevant Issuer, the Group, the Arranger or the Dealers represents that this Offering Circular or any Pricing Supplement may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the relevant Issuer, the Group, the Arranger or the Dealers which would permit a public offering of any Notes or distribution of this Offering Circular or any Pricing Supplement in any jurisdiction where action for such purposes is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and none of this Offering Circular, any Pricing Supplement or any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

There are restrictions on the offer and sale of the Notes and the circulation of documents relating thereto, in certain jurisdictions including, but not limited to, the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC and Singapore, and to persons connected therewith. The Notes have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may include Notes in bearer form that are subject to U.S. tax law requirements. Accordingly, the Notes may only be offered or sold (i) in the United States to QIBs in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and/or (ii) outside the United States, to, or for the account or benefit of, non-U.S. persons in offshore transactions in reliance on Regulation S. Subject to certain exceptions, the Notes may not be offered, sold, or, in the case of Bearer Notes, delivered within the United States or to, or to the account or benefit of, U.S. persons. For a description of these and certain further restrictions on offers, sales and transfers of Notes and distribution of this Offering Circular, see "*Subscription and Sale*" and "*Transfer Restrictions*". Any Series of Notes may be subject to additional selling restrictions. Any additional restrictions on the sale or transfer of any Series of Notes will be specified in the applicable Pricing Supplement for such Notes. Purchasers of the Notes in the U.S. are advised to consult legal counsel prior to making any transfer of such Notes.

This Offering Circular includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Bank and the Group. The Bank accepts full responsibility for the accuracy of the information contained in this Offering Circular and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading. This Offering Circular is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Offering Circular shall be read and construed on the basis that such documents are incorporated and form part of this Offering Circular.

Listing of the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the merits of the Bank, any Branch Issuer, the Group or the Notes. In making an investment decision, investors must rely on their own examination of the Bank, the relevant Branch Issuer, the Group and the terms of the offering, including the merits and risks involved. See "*Risk Factors*" for a discussion of certain factors to be considered in connection with an investment in the Notes.

No person has been authorised by the relevant Issuer or the Group to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other document entered into in relation to the Programme and the sale of Notes and, if given or made, such information or representation should not be relied upon as having been authorised by the relevant Issuer, the Group, the Arranger or any Dealer.

None of the Arranger, the Dealers, the relevant Issuer or the Group makes any representation to any investor in the Notes regarding the legality of its investment under any applicable laws. Any investor in the Notes should be able to bear the economic risk of an investment in the Notes for an indefinite period of time.

Neither the delivery of this Offering Circular or any Pricing Supplement nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Offering Circular is true subsequent to the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Bank, the relevant Branch Issuer or the Group since the date thereof or, if later, the date upon which this Offering Circular has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Neither this Offering Circular nor any Pricing Supplement constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the relevant Issuer, the Group, the Arranger, any Dealer, or any director, officer, employee, agent or affiliate of any such person or any of them that any recipient of this Offering Circular or any Pricing Supplement should subscribe for or purchase any Notes. Each recipient of this Offering Circular or any Pricing Supplement shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Bank, the relevant Branch Issuer and the Group.

Credit ratings referred to in this Offering Circular or in a Pricing Supplement should not be taken as recommendations to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.

The maximum aggregate nominal amount of Notes outstanding at any one time under the Programme will not exceed U.S.$20,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Notes calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate nominal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

IN CONNECTION WITH THE ISSUE OF ANY TRANCHE OF NOTES, THE DEALER OR DEALERS (IF ANY) NAMED AS STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN THE RELEVANT PRICING SUPPLEMENT MAY OVER ALLOT NOTES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE NOTES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, STABILISATION MAY NOT NECESSARILY OCCUR. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE RELEVANT TRANCHE OF NOTES IS MADE AND, IF BEGUN, MAY CEASE AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE RELEVANT TRANCHE OF NOTES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE RELEVANT TRANCHE OF NOTES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE RELEVANT STABILISATION MANAGER(S) (OR PERSONS ACTING ON BEHALF OF ANY STABILISATION MANAGER(S)) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

None of the Arranger, the Dealers or any Agents (as defined under "*Terms and Conditions of the Notes*") has separately verified the information contained in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealers or any Agent or any director, officer, employee, agent or affiliate of any such person makes any representation, warranty or undertaking, express or implied, or accepts any responsibility or liability, with respect to the accuracy or completeness of any of the information in this Offering Circular. To the fullest extent permitted by law, none of the Arranger, the Dealers or any Agent or any director, officer, employee, agent or affiliate of any such person accepts any responsibility for the contents of this Offering Circular or for any other statement made or purported to be made by the Arranger, any Dealers, any Agent, or any director, officer, employee, agent or affiliate of any such person or on its behalf in connection with the Bank, the relevant Branch Issuer, the Group, the Notes, or the issue and offering of the Notes. The Arranger, each Dealer and each Agent accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Circular or any such statement.

This Offering Circular does not describe all of the risks and investment considerations (including those relating to each investor's particular circumstances) of an investment in Notes of a particular issue. Each potential purchaser of Notes should refer to and consider carefully the relevant Pricing Supplement for each particular issue of Notes, which may describe additional risks and investment considerations associated with such Notes. The risks and investment considerations identified in this Offering Circular and the applicable Pricing Supplement are provided as general information only. Investors should consult their own financial and legal advisers as to the risks and investment considerations arising from an investment in an issue of Notes and should possess the appropriate resources to analyse such investment and the suitability of such investment in their particular circumstances.

Neither this Offering Circular nor any other information provided or incorporated by reference in connection with the Programme are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the relevant Issuer, the Group, the Arranger or the Dealers, or any director, officer, employee, agent or affiliate of any such person that any recipient of this Offering Circular or of any such information, should purchase the Notes. Each potential purchaser of Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and the Group. Each potential purchaser of the Notes should determine for itself the relevance of the information contained in this Offering Circular and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Arranger nor the Dealers or any director, officer, employee, agent or affiliate of any such person undertakes to review the financial condition or affairs of the relevant Issuer or the Group during the life of the arrangements contemplated by this Offering Circular nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Arranger, the Dealers or any of them.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission, any state securities commission in the United States or any other U.S. regulatory authority, nor has any of the foregoing authorities passed upon or endorsed the merits of the offering of Notes or the accuracy or the adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.

The Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to United States persons, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and the regulations promulgated thereunder.

Notice to capital market intermediaries and prospective investors pursuant to paragraph 21 of the Hong Kong SFC Code of Conduct – Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of certain offerings of Notes pursuant to the Programme (each such offering, a "**CMI Offering**"), including certain Dealers, may be "capital market intermediaries" (together, the "**CMIs**") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "**SFC Code**"). This notice to prospective investors is a summary of certain obligations the SFC Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" (together, the "**OCs**") for a CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an association ("**Association**") with the relevant Issuer, the CMI or the relevant group company. Prospective investors associated with the relevant Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the relevant Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to the relevant CMI Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). A rebate may be offered by the relevant Issuer to all private banks for orders they place (other than in relation to Notes subscribed by such private banks as principal whereby it is deploying its own balance sheet for onward selling to investors), payable upon closing of the relevant CMI Offering based on the principal amount of the Notes distributed by such private banks to investors. Private banks are deemed to be placing an order on a principal basis unless they inform the CMIs otherwise. As a result, private banks placing an order on a principal basis (including those deemed as placing an order as principal) will not be entitled to, and will not be paid, the rebate. Details of any such rebate will be set out in the applicable Pricing Supplement or otherwise notified to prospective investors. If a prospective investor is an asset management arm affiliated with any relevant Dealer, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the relevant Dealer or its group company has more than 50 per cent. interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the SFC Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". If a prospective investor is otherwise affiliated with any relevant Dealer, such that its order may be considered to be a "proprietary order" (pursuant to the SFC Code), such prospective investor should indicate to the relevant Dealer when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to the relevant CMI Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to the relevant CMI Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the relevant Dealers and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the SFC Code, it being understood and agreed that such information shall only be used for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. Failure to provide such information may result in that order being rejected.

AVAILABLE INFORMATION

In the event that Notes are offered and sold in reliance on Rule 144A, the relevant Issuer shall furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request, any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended, (the "**Exchange Act**") nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

PRIIPs/IMPORTANT – EEA RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PRIIPs/IMPORTANT – UK RETAIL INVESTORS – If the Pricing Supplement in respect of any Notes includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MiFID II product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MiFIR product governance/target market – The Pricing Supplement in respect of any Notes may include a legend entitled "UK MiFIR Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Singapore Securities and Futures Act Product Classification – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

PRESENTATION OF INFORMATION

Certain monetary amounts set out in this Offering Circular have been subject to rounding adjustments. Accordingly, figures shown as totals in tables may not be the arithmetic sums of the figures that precede them.

In this Offering Circular, references to "**U.S. dollars**", "**U.S.$**" or "**USD**" are to United States dollars, the lawful currency of the United States, references to "**Sterling**" and "**£**" are to the lawful currency of the United Kingdom, references to "**Euro**", "**EUR**" or "**€**" are to the lawful currency of the Eurozone, references to "**RMB**", "**CNY**" or "**Renminbi**" are to the lawful currency of the PRC, references to "**Hong Kong dollars**", "**HKD**" or "**HK$**" are to Hong Kong dollars, the lawful currency of Hong Kong, references to "**MOP**" are to Macau pataca, the lawful currency of Macau, references to "**MXN**" are to Mexican Pesos, the lawful currency of Mexico, references to "**MYR**" are to Malaysian ringgit, the lawful currency of Malaysia, references to "**IDR**" are to Indonesian rupiah, the lawful currency of Indonesia, references to "**THB**" are to Thai baht, the lawful currency of Thailand, references to "**KZT**" are to Kazakhstani tenge, the lawful currency of Kazakhstan, references to "**NZD**" are to New Zealand dollars, the lawful currency of New Zealand, references to "**RUB**" are to Russian rubles, the lawful currency of Russia, references to "**CAD**" are to Canadian dollars, the lawful currency of Canada, references to "**ARS**" are to Argentine pesos, the lawful currency of Argentina, references to "**BRL**" are to Brazilian real, the lawful currency of Brazil, references to "**ZAR**" are to South African rand, the lawful currency of South Africa, references to "**JPY**" or "**Japanese Yen**" are to Japanese yen, the lawful currency of Japan and references to "**TRY**" are to Turkish lira, the lawful currency of Turkey.

The consolidated financial statements of the Group as at and for the year ended 31 December 2020 (the "**Group's 2020 Financial Statements**") incorporated by reference in this Offering Circular have been prepared and presented in accordance with the International Financial Reporting Standards ("**IFRSs**") and audited by KPMG.

The consolidated financial statements of the Group as at and for the years ended 31 December 2021 and 2022 (the "**Group's 2021 Financial Statements**", and the "**Group's 2022 Financial Statements**") incorporated by reference in this Offering Circular have been prepared and presented in accordance with the IFRSs and audited by Deloitte Touche Tohmatsu ("**Deloitte**").

On 26 September 2023, the Bank published its 2023 interim report, which includes the interim consolidated financial statements of the Group as at and for the six months ended 30 June 2023 (the "**Group's 2023 Interim Financial Statements**"). The Group's 2023 Interim Financial Statements incorporated by reference in this Offering Circular have been prepared and presented in accordance with the International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") and reviewed by Deloitte. The Group's 2023 Interim Financial Statements have not been audited, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the Group's 2023 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2023. None of the Arranger, the Dealers nor their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of the Group's 2023 Interim Financial Statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the financial condition and results of operations of the Group.

The Group has implemented IFRS 17 Insurance Contracts and its amendments (together, the "**New Insurance Contract Standard**") on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at 31 December 2022 and for the six months ended 30 June 2022 included in the Group's 2023 Interim Financial Statements has been restated. Please refer to Note 2 "*Basis of Preparation and Material Accounting Policy Information – Application of new and amendments to IFRSs – IFRS 17 Insurance Contracts and its amendments*" to the Group's 2023 Interim Financial Statements for details. As the financial information included in the Group's 2020, 2021 and 2022 Financial Statements has not been restated to reflect the adoption of the New Insurance Contract Standard, such financial information is not directly comparable with the financial information of the Group included in the Group's 2023 Interim Financial Statements.

Significant differences exist between IFRSs and generally accepted accounting principles in the United States ("**U.S. GAAP**") that might be material to the financial information herein. The Bank has made no attempt to quantify the impact of those differences. In making an investment decision, prospective investors must rely upon their own examination of the Bank, the terms of the offering and the financial information. Prospective investors should consult their own professional advisers for an understanding of the differences between IFRSs and U.S. GAAP and how those differences might affect the financial information herein.

In this Offering Circular, references to "**China**", "**Mainland China**" and the "**PRC**" mean the People's Republic of China and for geographical reference only (unless otherwise stated) exclude Taiwan, Macau and Hong Kong; references to "**PRC Government**" mean the government of the PRC; references to "**Hong Kong**" are to the Hong Kong Special Administrative Region of the People's Republic of China; references to "**Macau**" are to the Macau Special Administrative Region of the People's Republic of China; references to "**U.S.**" are to the United States, references to "**UK**" or "**United Kingdom**" are to the United Kingdom of Great Britain and Northern Ireland and references to "**EEA**" are to the European Economic Area.

In this Offering Circular, unless the contrary intention appears, a reference to a law or a provision of a law is a reference to that law or provision as extended, amended or re-enacted.

FORWARD-LOOKING STATEMENTS

Certain statements under "*Risk Factors*", "*Description of the Bank*", and elsewhere in this Offering Circular constitute "forward-looking statements". The words including "believe", "intend", "expect", "plan", "anticipate", "schedule", "estimate" and similar words or expressions identify forward-looking statements. In addition, all statements other than statements of historical facts included in this Offering Circular, including, but without limitation, those regarding the financial position, business strategy, prospects, capital expenditure and investment plans of the Group and the plans and objectives of the management of the Group for its future operations (including development plans and objectives relating to the Group's operations), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or performance of the Group to differ materially from those expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Group's present and future business strategies and the environment in which the Group will operate in the future. The Bank, the Group and the relevant Branch Issuer expressly disclaim any obligation or undertaking to release any updates or revisions to any forward-looking statements contained herein to reflect any change in the Bank's or the Group's or the relevant Branch Issuer's expectations with regard thereto or any change of events, conditions or circumstances, on which any such statements were based. This Offering Circular discloses, under "*Risk Factors*" and elsewhere, important factors that could cause actual results to differ materially from the Bank's, the Group's or the relevant Branch Issuer's expectations. All subsequent written and forward-looking statements attributable to the Bank, the Group or the relevant Branch Issuer or persons acting on behalf of the Bank, the Group or the relevant Branch Issuer are expressly qualified in their entirety by such cautionary statements.

DOCUMENTS INCORPORATED BY REFERENCE

This Offering Circular should be read and construed in conjunction with each relevant Pricing Supplement and all amendments and supplements from time to time to this Offering Circular, which shall be deemed to be incorporated in, and to form part of this Offering Circular and which shall be deemed to modify or supersede the contents of this Offering Circular to the extent that a statement contained in any such document is inconsistent with such contents.

The following documents which previously have been published and have been filed with the Hong Kong Stock Exchange shall be incorporated in, and form part of, this Offering Circular:

- the unaudited but reviewed interim consolidated financial statements of the Group as at and for the six months ended 30 June 2023 together with the Report on Review of Consolidated Financial Statements thereon, as set out on pages 91 to 187 (inclusive) of the 2023 interim report (published on 26 September 2023) of the Bank for the six months ended 30 June 2023;

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2022 together with the Independent Auditor's Report thereon, as set out on pages 143 to 277 (inclusive) of the annual report (published on 26 April 2023) of the Bank for the year ended 31 December 2022 (the "**2022 Annual Report**");

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2021 together with the Independent Auditor's Report thereon, as set out on pages 142 to 274 (inclusive) of the annual report (published on 27 April 2022) of the Bank for the year ended 31 December 2021 (the "**2021 Annual Report**");

- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 together with the Independent Auditor's Report thereon, as set out on pages 140 to 281 (inclusive) of the annual report (published on 23 April 2021) of the Bank for the year ended 31 December 2020 (the "**2020 Annual Report**"); and

the following documents published from time to time after the date hereof shall be deemed to be incorporated in, and form part of, this Offering Circular:

- the most recently published audited annual consolidated financial statements of the Group, together with any audit reports prepared in connection therewith;

- the most recently published unaudited half-yearly consolidated financial statements of the Group, together with any review reports prepared in connection therewith;

- the most recently published unaudited quarterly consolidated financial results of the Group; and

- all supplements or amendments to this Offering Circular published by the relevant Issuer from time to time,

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Circular to the extent that a statement contained in any such subsequent document which is deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Circular.

Unless specified otherwise, any quarterly consolidated financial statements of the Group incorporated by reference in this Offering Circular are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. None of the Arranger, the Dealers or the Agents makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of, and potential investors must exercise

caution when using such data to evaluate the Group's financial condition, results of operations and results. Such financial information should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year.

Copies of all such documents which are incorporated by reference in, and to form part of, this Offering Circular will be available free of charge during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Issuing and Paying Agent (as defined under "*Terms and Conditions of the Notes*") at Level 24, HSBC Main Building, 1 Queen's Road Central, Hong Kong.

The documents incorporated by reference in this Offering Circular have been or will be published on the website of the Hong Kong Stock Exchange. For the avoidance of doubt, the content of the websites of the Hong Kong Stock Exchange does not form part of this Offering Circular.

SERVICE OF PROCESS AND ENFORCEMENT OF CIVIL LIABILITIES

The Bank is incorporated under the laws of the PRC. Most of their directors and officers reside outside the United States (principally in the PRC and/or the relevant Issuer's place of business). A substantial portion of the assets of the relevant Issuer(s) and the assets of such persons are or may be located outside the United States. The Bank has been advised by its PRC counsel, King & Wood Mallesons, that there is uncertainty or impossible to ascertain as to whether the courts of the PRC would (1) enforce judgments of the U.S. courts obtained against the Bank or its directors and officers predicated upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States or (2) entertain original actions brought in the courts of the PRC against the Bank or its directors and officers predicated upon these civil liabilities provisions.

TABLE OF CONTENTS

	Page
OVERVIEW OF THE PROGRAMME	1
SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION	6
EXCHANGE RATE INFORMATION	11
RISK FACTORS	12
USE OF PROCEEDS	46
FORMS OF THE NOTES	47
TERMS AND CONDITIONS OF THE NOTES	54
FORM OF PRICING SUPPLEMENT	92
BOOK-ENTRY CLEARANCE SYSTEMS	106
SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM	110
CAPITALISATION AND INDEBTEDNESS	112
DESCRIPTION OF THE BANK	113
DESCRIPTION OF CERTAIN BRANCHES OF THE BANK	154
RECENT DEVELOPMENTS	156
FUNDING AND CAPITAL ADEQUACY	157
RISK MANAGEMENT	160
ASSETS AND LIABILITIES	176
DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT	196
PRINCIPAL SHAREHOLDERS	206
TAXATION	208
SUBSCRIPTION AND SALE	212
TRANSFER RESTRICTIONS	223
GENERAL INFORMATION	226

OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Offering Circular and any decision to invest in the Notes should be based on a consideration of this Offering Circular as a whole, including any information incorporated by reference. Words and expressions defined in "Terms and Conditions of the Notes" below or elsewhere in this Offering Circular have the same meanings in this overview.

Issuer	Industrial and Commercial Bank of China Limited or such branch of the Bank (including Hong Kong Branch), as specified in the applicable Pricing Supplement.
Legal Entity Identifier	The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40.
Description	Global Medium Term Note Programme.
Programme Size	Up to U.S.$20,000,000,000 (or the equivalent in other currencies calculated as described in the Dealer Agreement) aggregate nominal amount of Notes outstanding at any time. The Bank may increase the size of the Programme in accordance with the terms of the Dealer Agreement.
Risk Factors	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the relevant Issuer in fulfiling its obligations in respect of the Notes are discussed under the section "*Risk Factors*" below.
Arranger and Dealer	Industrial and Commercial Bank of China (Asia) Limited. The Bank may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers in respect of the Programme and the relevant Issuer may from time to time appoint additional dealers in respect of one or more Tranches. References in this Offering Circular to "**Permanent Dealers**" are to the person listed above as Dealer and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
U.S. Issuing and Paying Agent, U.S. Transfer Agent and U.S. Registrar	HSBC Bank USA, National Association.
CMU Lodging and Paying Agent, Transfer Agent, Issuing and Paying Agent and Registrar	The Hongkong and Shanghai Banking Corporation Limited.

Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment date of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the Pricing Supplement.
Clearing Systems	Euroclear, Clearstream and/or the CMU for Bearer Notes, Euroclear, Clearstream, DTC and/or the CMU for Registered Notes and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer and the relevant Dealer.
Form of Notes	Notes may be issued in bearer form or in registered form. Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Pricing Supplement. Each Global Note will be deposited on or around the relevant issue date with a common depositary or sub-custodian for Euroclear, Clearstream and/or as the case may be, the CMU and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Pricing Supplement, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Pricing Supplement as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest bearing, have Coupons attached and, if appropriate, a Talon for further Coupons. Registered Notes will initially be represented by Global Note Certificates. Registered Notes sold to non-U.S. persons in an "offshore transaction" within the meaning of Regulation S will initially be represented by an Unrestricted Global Note Certificate. Registered Notes sold in the United States to QIBs within the meaning of Rule 144A will initially be represented by a Restricted Global Note Certificate. Global Note Certificates representing Registered Notes will be held in Euroclear, Clearstream, DTC or a common depositary on their behalf, or the CMU operated by the HKMA.
Currencies	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.

Status of the Notes	The Notes will constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the relevant Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
Issue Price	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Maturities	Any maturity, subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Notes having a maturity of less than one year	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the FSMA unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see "*Subscription and Sale*".
Redemption	Notes may be redeemable at par or at such other Redemption Amount (detailed in a formula, index or otherwise) as may be specified in the relevant Pricing Supplement. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Pricing Supplement.
Optional Redemption	Notes may be redeemed before their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) and at the price specified in the relevant Pricing Supplement.
Redemption for tax reasons	Except as described in "Optional Redemption" above, early redemption will only be permitted for tax reasons as described in Condition 9(b) (*Redemption for tax reasons*).
Interest	Notes may be interest bearing or non interest bearing. Interest (if any) may accrue at a fixed rate, floating rate, other variable rate or be index linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series. All such information will be set out in the relevant Pricing Supplement.
Benchmark Discontinuation	See Condition 6(f) (*Benchmark Replacement for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark)*) and Condition 6(g) (*Benchmark Replacement (SOFR Benchmark)*).
Denominations	Notes will be issued in such denominations as may be specified in the relevant Pricing Supplement, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Events of Default	The Notes will contain certain events of default provisions, including a cross-default provision as further described in Condition 13 (*Events of Default*).
Withholding Tax	All payments of principal and interest in respect of Notes will be made free and clear of, and without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority thereof having power to tax, unless the withholding or deduction is required by law. In that event, the relevant Issuer will (subject to certain customary exceptions as described in Condition 12 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding or deduction been required.
Listing and Admission to Trading	Application has been made to the Hong Kong Stock Exchange for the listing of the Programme by way of debt issues to Professional Investors only during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange. Notes listed on the Hong Kong Stock Exchange will be traded on the Hong Kong Stock Exchange in a board lot size of at least HK$500,000 (or its equivalent in other currencies). However, unlisted Notes and Notes to be listed, traded or quoted on or by any other competent authority, stock exchange or quotation system may be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed on the Hong Kong Stock Exchange or listed, traded or quoted on or by any other competent authority, stock exchange or quotation system.
Governing Law	English law.
Ratings	The Programme has been assigned a rating of "A1" by Moody's. This rating is only correct as at the date of this Offering Circular. Tranches of Notes will be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Pricing Supplement and will not necessarily be the same as the ratings assigned to the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.
Selling Restrictions	For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States, the European Economic Area, the United Kingdom, Japan, Hong Kong, the PRC and Singapore, see "*Subscription and Sale*" below.

Transfer Restrictions	There are restrictions on the transfer of Notes sold pursuant to Regulation S prior to the expiration of the relevant distribution compliance period and on the transfer of Registered Notes sold pursuant to Rule 144A. See "*Transfer Restrictions*" below.
Initial Delivery of Notes	On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Global Note Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, or deposited with a sub-custodian for the CMU, or, in the case of Registered Notes only, deposited with the DTC Custodian for, and registered in the name of Cede & Co. as a nominee for, DTC, or deposited with a depositary or sub-custodian for any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by, as the case may be, the relevant Issuer, the Issuing and Paying Agent and the relevant Dealers. Registered Notes that are to be credited to one or more clearing systems on issue will be held in Euroclear and Clearstream or a common depositary on their behalf, DTC, or the CMU operated by the HKMA.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER INFORMATION

The summary consolidated statement of profit or loss data for the years ended 31 December 2020, 2021 and 2022 and the summary consolidated statement of financial position data as at 31 December 2020, 2021 and 2022 (original) set forth below are extracted or derived from the Group's 2020, 2021 and 2022 Financial Statements incorporated by reference in this Offering Circular, respectively. The summary consolidated statement of profit or loss data for the six months ended 30 June 2022 (restated) and 30 June 2023, and the summary consolidated statement of financial position data as at 31 December 2022 (restated) and 30 June 2023 set forth below are extracted or derived from the Group's 2023 Interim Financial Statements incorporated by reference in this Offering Circular. Prospective investors should read the summary financial information set forth below in conjunction with the relevant financial statements incorporated herein by reference.

*The Group's 2020 Financial Statements have been prepared and presented in accordance with the IFRSs and audited by KPMG, and the Group's 2021 and 2022 Financial Statements have been prepared and presented in accordance with the IFRSs and audited by Deloitte. The Group's 2023 Interim Financial Statements have been prepared and presented in accordance with the International Accounting Standard 34, Interim Financial Reporting ("**IAS 34**") and reviewed by Deloitte.*

The Group's 2023 Interim Financial Statements have not been audited, and should not be relied upon by investors to provide the same quality of information associated with information that has been subject to an audit. In addition, the Group's 2023 Interim Financial Statements should not be taken as an indication of the expected financial condition or results of operations of the Group for the full financial year ending 31 December 2023. None of the Arranger, the Dealers nor their respective affiliates, directors, officers, employees, agents, representatives or advisers or any person who controls any of them makes any representation or warranty, express or implied, regarding the sufficiency of the Group's 2023 Interim Financial Statements for an assessment of, and potential investors must exercise caution when using such data to evaluate, the financial condition and results of operations of the Group.

The Group has implemented the New Insurance Contract Standard on 1 January 2023 and made retrospective adjustments to the financial statements figures for comparative periods in accordance with the transition requirements. As a result, certain comparative financial information as at 31 December 2022 and for the six months ended 30 June 2022 included in the Group's 2023 Interim Financial Statements has been restated. Please refer to Note 2 "Basis of Preparation and Material Accounting Policy Information – Application of new and amendments to IFRSs – IFRS 17 Insurance Contracts and its amendments" to the Group's 2023 Interim Financial Statements for details. As the financial information included in the Group's 2020, 2021 and 2022 Financial Statements has not been restated to reflect the adoption of the New Insurance Contract Standard, such financial information is not directly comparable with the financial information of the Group included in the Group's 2023 Interim Financial Statements.

SUMMARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS DATA

The following table sets forth, for the periods indicated, selected items from the Group's consolidated statement of profit or loss.

	For the year ended 31 December			For the six months ended 30 June	
	2020	2021	2022	2022 (restated)	2023
	(in RMB millions)				
Net Interest Income	646,765	690,680	693,687	350,611	336,987
Net Fee and Commission Income	131,215	133,024	129,265	76,041	73,465
Net trading income	2,222	8,955	8,610	4,635	9,871
Net gains on financial investments	11,829	16,440	6,315	7,182	12,664
Other operating income/(expense), net	8,044	11,781	3,564	5,692	(4,081)
Operating Income	800,075	860,880	841,441	444,161	428,906
Operating expenses	(206,585)	(236,227)	(240,884)	(102,496)	(105,379)
Impairment losses on assets – Loans and advances to customers	(171,830)	(168,267)	(143,173)	(97,868)	(108,546)
Impairment losses on assets – Others	(30,838)	(34,356)	(39,246)	(35,981)	(13,709)
Operating Profit	390,822	422,030	418,138	207,816	201,272
Share of results of associates and joint ventures	1,304	2,869	4,427	2,187	2,383
Profit before taxation	392,126	424,899	422,565	210,003	203,655
Income tax expense	(74,441)	(74,683)	(61,527)	(37,184)	(28,935)
Profit for the year/period	317,685	350,216	361,038	172,819	174,720
Attributable to equity holders of the parent company	315,906	348,338	360,483	171,670	173,744
Attributable to non-controlling interests	1,779	1,878	555	1,149	976

SUMMARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION DATA

The following table sets forth, as at the dates indicated, selected items from the Group's consolidated statement of financial position.

	As at 31 December				As at 30 June
	2020	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)				
Assets					
Cash and balances with central banks	3,537,795	3,098,438	3,427,892	3,427,892	3,671,553
Due from banks and other financial institutions	1,081,897	827,150	1,042,504	1,192,532	1,232,233
Derivative financial assets	134,155	76,140	87,205	87,205	106,575
Reverse repurchase agreements	739,288	663,496	864,067	864,122	1,693,205
Loans and advances to customers	18,136,328	20,109,200	22,593,648	22,591,676	24,602,095
Financial investments	8,591,139	9,257,760	10,527,292	10,533,702	11,255,131
Investments in associates and joint ventures	41,206	61,782	65,878	65,790	63,552
Property and equipment	286,279	290,296	293,887	293,887	300,655
Deferred tax assets	67,713	79,259	101,600	101,117	108,434
Other assets	729,258	707,862	605,684	452,223	636,173
Total assets	33,345,058	35,171,383	39,609,657	39,610,146	43,669,606
Liabilities					
Due to central banks	54,974	39,723	145,781	145,781	224,684
Financial liabilities measured at fair value through profit or loss	87,938	87,180	64,126	64,287	61,934
Derivative financial liabilities	140,973	71,337	96,350	96,350	119,549
Due to banks and other financial institutions	2,784,259	2,921,029	3,185,564	3,187,712	3,050,944
Repurchase agreements	293,434	365,943	574,778	574,778	692,327
Certificates of deposit	335,676	290,342	375,452	375,452	358,044
Due to customers	25,134,726	26,441,774	29,870,491	29,870,491	33,373,772
Income tax payable	89,785	92,443	85,581	85,581	44,811
Deferred tax liabilities	2,881	5,624	3,800	3,950	4,217
Debt securities issued	798,127	791,375	905,953	905,953	1,174,487
Other liabilities	712,770	789,355	787,955	784,392	968,417
Total liabilities	30,435,543	31,896,125	36,095,831	36,094,727	40,073,186
Total equity	2,909,515	3,275,258	3,513,826	3,515,419	3,596,420
Total equity and liabilities	33,345,058	35,171,383	39,609,657	39,610,146	43,669,606

SUMMARY OF KEY FINANCIAL AND OPERATING INDICATORS

The following tables set forth a summary of the Group's key financial and operating indicators for the periods or as at the dates indicated.

	For the year ended 31 December			For the six months ended 30 June	
	2020	2021	2022	2022 (restated)	2023
	(in RMB millions)				
Profitability indicators (%)					
Return on average total assets[(1)]	1.00	1.02	0.97	0.94*	0.84*
Return on weighted average equity[(2)]	11.95	12.15	11.43	11.26*	10.51*
Net interest spread[(3)]	1.97	1.92	1.73	1.85*	1.52*
Net interest margin[(4)]	2.15	2.11	1.92	2.03*	1.72*
Return on risk-weighted assets[(5)]	1.64	1.68	1.64	1.58*	1.50*
Ratio of net fee and commission income to operating income	16.40	15.45	15.36	17.12	17.13
Cost-to-income ratio[(6)]	24.76	26.36	27.43	21.97	23.29

	As at 31 December				As at 30 June
	2020	2021	2022 (original)	2022 (restated)	2023
	(in RMB millions)				
Asset quality indicators (%)					
NPL ratio[(7)]	1.58	1.42	1.38	1.38	1.36
Allowance to NPLs[(8)]	180.68	205.84	209.47	209.47	218.62
Allowance to total loans ratio[(9)]	2.85	2.92	2.90	2.90	2.97
Capital adequacy indicators (%)					
Common equity Tier 1 Capital Adequacy Ratio[(10)]	13.18	13.31	14.04	14.04	13.20
Tier 1 Capital Adequacy Ratio[(10)]	14.28	14.94	15.64	15.64	14.67
Capital Adequacy Ratio[(10)]	16.88	18.02	19.26	19.26	18.45
Leverage Ratio[(11)]	8.14	8.69	8.32	8.32	7.74
Total equity to total assets ratio	8.73	9.31	8.87	8.88	8.24
Risk-weighted assets to total assets ratio	60.35	61.67	56.11	56.11	55.52
Liquidity ratios (%)					
RMB current assets to RMB current liabilities[(12)]	43.2	41.5	42.3	42.3	47.6
Foreign currency current assets to foreign currency current liabilities[(12)]	91.4	88.9	106.1	106.1	98.5

Notes:

* indicates annualised ratios.

(1) Calculated by dividing net profit by the average balance of total assets at the beginning and at the end of the reporting period.

(2) Calculated in accordance with the Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9 – Calculation and Disclosure of Return on Net Assets and Earnings per Share (Revision 2010) issued by the China Securities Regulatory Commission (the "**CSRC**").

(3) Calculated by the spread between yield on average balance of interest-generating assets and cost on the average balance of interest-bearing liabilities.

(4) Calculated by dividing net interest income by the average balance of interest-generating assets.

(5) Calculated by dividing net profit by the average balance of risk-weighted assets at the beginning and at the end of the reporting period.

(6) Calculated by dividing operating expenses (less taxes and surcharges) by operating income.

(7) Calculated by dividing the balance of NPLs by total balance of loans and advances to customers.

(8) Calculated by dividing allowance for impairment losses on loans by total balance of NPLs.

(9) Calculated by dividing allowance for impairment losses on loans by total balance of loans and advances to customers.

(10) Calculated in accordance with the Capital Regulation.

(11) Calculated in accordance with the Administrative Measures for Leverage Ratio of Commercial Banks (Revised) (CBRC No. 1, 2015).

(12) Calculated in accordance with the related regulatory requirements, definitions and accounting standards applicable to the relevant period and based on the financial information prepared in accordance with the Generally Accepted Accounting Principles in the PRC (the "**PRC GAAP**"). The comparative figures are not adjusted or restated.

EXCHANGE RATE INFORMATION

The People's Bank of China (the "**PBOC**") sets and publishes a base exchange rate on a daily basis with reference primarily to the supply and demand of Renminbi against a basket of U.S. dollar currencies in the market during the prior day. The PBOC also takes into account other factors, such as the general conditions existing in the international foreign exchange markets. From 1994 to 20 July 2005, the conversion of Renminbi into foreign currencies, including Hong Kong dollars and U.S. dollars, was based on rates set by the PBOC, which are set daily based on the previous business day's interbank foreign exchange market rates and current exchange rates on the international financial markets. Although PRC governmental policies were introduced in 1996 to reduce restrictions on the convertibility of Renminbi into foreign currency for current account items, conversion of Renminbi into foreign currency for capital items, such as foreign direct investment, loans or securities investment, requires the approval of the State Administration of Foreign Exchange ("**SAFE**") and other relevant authorities.

On 21 July 2005, the PRC Government introduced a managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band based on market supply and demand and by reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately 2 per cent. against the U.S. dollar. The PRC Government has since made and in the future may make further adjustments to the exchange rate system. The PBOC authorised the China Foreign Exchange Trading Centre, effective since 4 January 2006, to announce the central parity exchange rate of Renminbi against certain foreign currencies at 9:15 a.m. each business day. This rate is set as the central parity exchange rate for the trading in the inter-bank foreign exchange spot market and the trading over the counter for the business day. On 19 June 2010, the PBOC announced that the PRC Government would further reform the Renminbi exchange rate regime to increase the flexibility of the exchange rate. On 16 April 2012, the PBOC further enlarged the floating band for the trading prices in the inter-bank spot exchange market of Renminbi against the U.S. dollar to 1 per cent. around the central parity rate. Effective from 17 March 2014, such floating band was further enlarged to 2 per cent. The PRC Government may make further adjustments to the exchange rate system in the future.

The following table sets forth information concerning exchange rates between the Renminbi and U.S. dollar for the periods indicated. These rates are provided solely for your convenience and are not necessarily the exchange rates that we used in this Offering Circular or will use in the preparation of our periodic reports or any other information to be provided to you. Exchange rates of Renminbi into U.S. dollars are based on the noon buying rate in The City of New York for cable transfers of Renminbi as certified for customs purposes by the Federal Reserve Bank of New York.

	Noon Buying Rate			
	Period end	**Average[(1)]**	**High**	**Low**
	(RMB per U.S.$1.00)			
2014	6.2046	6.1704	6.2591	6.0402
2015	6.4778	6.2869	6.4896	6.1870
2016	6.9430	6.6549	6.9580	6.4480
2017	6.5063	6.7350	6.8900	6.5063
2018	6.8755	6.6292	6.9737	6.2649
2019	6.9618	6.9081	7.1786	6.6822
2020	6.5250	6.8878	7.1681	6.5208
2021	6.3726	6.4508	6.5716	6.3435
2022	6.8972	6.7290	7.3048	6.3084
2023				
January	6.7540	6.7904	6.9135	6.7010
February	6.9325	6.8380	6.9545	6.7266
March	6.8676	6.8909	6.9630	6.8188
April	6.9110	6.8876	6.9320	6.8677
May	7.1100	6.9854	7.1100	6.9094
June	7.2513	7.1614	7.2515	7.0827
July	7.1426	7.1863	7.2500	7.1340
August	7.2582	7.2486	7.2985	7.1651
September	7.2960	7.2998	7.3430	7.2700

Note:

(1) Annual averages are calculated by using the average of the exchange rates on the last business day of each month during the relevant year. Monthly averages or the average for a period are calculated by using the average of the daily rates during the relevant month or period.

RISK FACTORS

Prior to making any investment decision, prospective investors should consider carefully all of the information in this Offering Circular, including but not limited to the risks and uncertainties described below. The Bank believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the relevant Issuer to repay principal, pay interest or other amounts or fulfil other obligations on or in connection with the Notes may occur for other reasons and the Bank does not represent that the statements below regarding the risks of holding the Notes are exhaustive. The following factors are contingencies which may or may not occur and the Bank is not in a position to express a view on the likelihood of any such contingency occurring. Any of the risks or uncertainties described below, as well as additional risks or uncertainties, including those which are not currently known to the Bank or which the Bank currently deems to be immaterial, may affect the Group's business, financial condition or results of operations or the relevant Issuer's ability to fulfil its obligations under the Notes.

RISKS RELATING TO OUR BUSINESS

Risks Relating to Our Loans, Deposits and Investments

Our business is inherently subject to market fluctuations and general economic conditions, particularly in the PRC.

Our business is inherently subject to global capital market fluctuations and general economic conditions. Global market factors, including economic growth rates, inflation, deflation, interest rates, credit spreads, equity prices, real estate markets, energy prices, foreign currency exchange rates, consumer spending, business investment, government spending and the volatility and strength of the capital markets all affect the business and economic environment and, ultimately, the amount and profitability of our business. In particular, uncertain economic conditions, volatility and disruptions in global capital markets, such as those that occurred during the 2008 global financial crisis, the ongoing COVID-19 pandemic and rising inflation rates in major economies, can have a material adverse effect on the Group.

The economic recovery since the 2008 global financial crisis has been slow, with economic growth rates in major economies such as Europe, the United States, Japan and the PRC generally remaining persistently lower than pre-crisis levels. Moreover, there are on-going concerns about European sovereign debt levels and the consequences for economic growth and investor confidence in the Eurozone, the prolonged period of uncertainty around the exit of the United Kingdom from the European Union ("**Brexit**"), the China and United States trade tension, the political gridlock in the United States over government spending and debt levels, the consequences for economic growth and investor confidence in the United States and the conflict between Russia and Ukraine and the sanctions imposed by governments in response. On 31 January 2020, the United Kingdom officially exited the European Union following a UK-EU Withdrawal Agreement ("**Withdrawal Agreement**") signed in October 2019. As agreed in the Withdrawal Agreement, a transition period was implemented until 31 December 2020, during which time EU laws and regulations continued to apply broadly as before. The UK-EU Trade and Cooperation Agreement ("**TCA**") was signed on 30 December 2020 and came into force from 1 May 2021. The TCA sets out all aspects of the new UK-EU relationship, such as trade, security, areas of ongoing collaboration/cooperation and governance. Given the lack of precedent and uncertainty of the negotiation, the effect of Brexit remains uncertain, and Brexit has and may continue to create negative economic impact and increase volatility in the global market. The accelerated shift in monetary policy of major economies and the upward shift in interest rate centres will pose challenges to the banking sector in terms of liquidity management, asset allocation and optimisation of the debt structure.

On 12 March 2020, the World Health Organisation declared COVID-19 as a global pandemic. The COVID-19 pandemic has resulted in travel restrictions, lockdowns, shortage of staff, decrease of cross-border business activities and extended delay or suspension of some business activities in the PRC and globally, and the residual future effects of the COVID-19 pandemic remain uncertain. Despite the easing of travel restrictions and other containment measures related to COVID-19 in the PRC since December 2022, there are uncertainties as to how COVID-19 and related policies will evolve. The risks of subsequent waves of infection, as evidenced by the recently emerged variants of the virus, are still present. Renewed outbreaks emphasise the ongoing threat of COVID-19 even in countries that have recorded lower than average cases so far. In addition, as the COVID-19 pandemic necessitated that governments respond at unprecedented levels to protect public health, local economies and livelihoods, it

has affected different countries and regions at different times and varying degrees as it has developed. The varying government support measures and restrictions imposed in response to the COVID-19 pandemic have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind the government support measures and restrictions and return to pre COVID-19 economic levels will vary based on the levels of infection, local governmental decisions and access to and ability to roll out vaccines. As such, there can be no assurance that the residual future effects of the COVID-19 pandemic will not have a material and adverse effect on our business, financial condition and results of operations.

Furthermore, other uncertainties in the global economy and the PRC economy may also adversely affect our business, financial condition and results of operations in many ways, including, among others:

- during a period of economic slowdown, there is a greater likelihood that more of our customers or counterparties could become delinquent in respect of their loan repayments or other obligations to us, which, in turn, could result in a higher level of non-performing loans ("**NPLs**"), allowances for impairment losses and write-offs;

- the increased regulation and supervision by the financial services industry in response to the financial crisis in certain jurisdictions where we operate may restrict our business flexibility and increase our compliance costs;

- the value of our investments in the equity and debt securities issued by overseas governments and financial institutions may significantly decline;

- our ability to raise additional capital on favourable terms, or at all, could be adversely affected; and

- trade and capital flows may further contract as a result of protectionist measures being introduced in certain markets, which could cause a further slowdown in economies and adversely affect our business prospects.

Any potential market and economic downturns, economic slowdown or geopolitical uncertainties in the PRC, its neighbouring countries or regions or the rest of the world may exacerbate the risks relating to the PRC capital markets. In addition, global economic uncertainty and the slowdown in PRC economic growth have precipitated, and may continue to raise the possibility of, fiscal, monetary, regulatory and other governmental actions. We cannot predict whether or when such actions may occur, nor can we predict what ultimate impact, if any, such actions or any other governmental actions could have on our business, results of operations and financial condition. There can be no assurance that the PRC's economy or the global economy will continue to improve or maintain sustainable growth. If further economic downturn occurs or continues, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to maintain effectively the quality of our loan portfolio.

During the three years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2023, we experienced continued growth in our loan balances. Our total loans and advances to customers increased from RMB18,624.3 billion as at 31 December 2020 to RMB20,667.2 billion as at 31 December 2021, then further increased to RMB23,212.3 billion as at 31 December 2022, and further increased to RMB25,291.9 billion as at 30 June 2023. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our NPLs amounted to RMB294.0 billion, RMB293.4 billion, RMB321.2 billion and RMB343.6 billion, respectively, representing NPL ratios of 1.58 per cent., 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively.

We cannot assure you that the quality of our existing or future loans to customers will not deteriorate. Deterioration in the overall quality of our loan portfolio or other assets may occur due to a variety of reasons, including factors beyond our control such as a slowdown in the growth of the PRC or global economies, a recurrence of the global credit crisis, the financial turmoil within the PRC property sector and other adverse macroeconomic trends in the PRC and other parts of the world, including the collapse of mid-sized United States banks and certain global financial institutions in early 2023, and the occurrence of natural disasters, which may adversely affect the businesses, operations or liquidity of our borrowers or their ability to repay their debt. Please refer to the subsection "*Risks relating to the PRC – Turmoil in the financial markets could increase our cost of borrowing and impede access to or increase the cost of financing our operations and investments*" below for further information.

Any significant deterioration in our asset quality may lead to increases in our NPLs and allowances made for NPLs, which may have a material adverse effect on our business, financial condition and results of operations.

We may suffer actual losses on our loan portfolio that exceed our allowances for impairment losses.

We are required to maintain a minimum level of allowances for impairment losses on loans as compared to our total NPLs (known as a "**Bad Loans Coverage Ratio**"). The Administrative Measures for the Loan Loss Reserves of Commercial Banks (the "**Administrative Measures**") issued by the former China Banking Regulatory Commission (the "**CBRC**", which merged with the China Insurance Regulatory Commission in April 2018, forming the China Banking and Insurance Regulatory Commission (the "**CBIRC**"), and which has been replaced by the National Administration of Financial Regulation (the "**NAFR**") since May 2023) on 27 July 2011 set forth a minimum standard for basic Bad Loans Coverage Ratio of 150 per cent. which applied with effect from 1 January 2012. The Administrative Measures also provided that such ratio may be adjusted by the former CBRC in response to the prevailing macroeconomic environment or individually adjusted and applied to a relevant bank depending on such bank's operating conditions. Accordingly, the actual Bad Loans Coverage Ratio applicable to the Bank from time to time may be different from the ratio published under the Administrative Measures. The former CBRC issued the Notice on Adjusting the Regulatory Requirements for the Loan Loss Reserves of Commercial Banks (關於調整商業銀行貸款損失準備監管要求的通知) in 2018, which adjusted the minimum standard for basic Bad Loans Coverage Ratio from 150 per cent. to a range from 120 per cent. to 150 per cent.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our allowance to NPLs was 180.68 per cent., 205.84 per cent., 209.47 per cent. and 218.62 per cent., respectively. Whilst our current level of allowance to NPLs is above the regulatory requirement applicable to us, there have been instances in the past (for instance, our allowance to NPLs as at 31 December 2016 was 136.69 per cent.) where our allowance to NPLs fell below the then prevailing minimum requirement, as prescribed under the Administrative Measures.

In accordance with the Administrative Measures, a warning can be issued by the NAFR to a relevant bank if such Bad Loans Coverage Ratio is below the applicable level for three consecutive months, requesting for such bank's rectification; if this persists for at least six consecutive months, the NAFR may impose on the relevant bank administrative and regulatory measures as provided under the Banking Industry Supervision and Administration Law of the PRC. Although as at the date of this Offering Circular, we have not received any official warning from the former CBIRC, the NAFR or any other relevant authority in the PRC in relation to the historical level of our Bad Loans Coverage Ratio, there is no assurance that our Bad Loans Coverage Ratio will not fall below the then applicable minimum standard for basic Bad Loans Coverage Ratio applicable to us from time to time or that we will not receive any notification or warning from the NAFR in the future.

The amount of our allowances for impairment losses on loans is determined based on our assessment of factors that may affect the quality of our loans. These factors include, among others, our borrowers' financial conditions, their repayment ability and repayment intention, the current realisable value of any collateral, the ability of the guarantors of our borrowers to fulfil their obligations, the performance of the PRC's economy, the PRC Government's macroeconomic policies, interest rates, exchange rates and the legal and regulatory environment. Most of these factors are beyond our control. The adequacy of our allowances for impairment losses depends on the reliability of, and our skills in applying, our assessment system to estimate these losses, as well as our ability to accurately collect, process and analyse relevant statistical data.

If our assessment of or expectations concerning the impact of these factors on the quality of our loans is different from actual developments or our loan quality deteriorates more than expected, then the allowances for impairment losses on loans provided by us may not be sufficient to cover actual losses. Consequently, we may need to make additional provisions for impairment losses in the future, which could lead to a decrease in our profit and materially and adversely affect our business, financial condition and results of operations.

We have a concentration of loans to certain industries and customers, including loans to small and micro enterprises and medium-sized enterprises.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our corporate loans represented 59.6 per cent., 59.0 per cent., 59.6 per cent. and 62.3 per cent. of our total loans, respectively. As at 31 December 2022, our domestic branches' corporate loans to the (i) transportation, storage and postal services, (ii) manufacturing, (iii) leasing and commercial services, (iv) water, environment and public utility management, (v) production and supply of electricity, heat, gas and water, (vi) real estate and (vii) wholesale and retail represented approximately 25.1 per cent., 15.5 per cent., 15.1 per cent., 12.0 per cent., 9.6 per cent., 5.8 per cent. and 4.2 per cent., respectively, of our total domestic branches' corporate loans. As at 30 June 2023, approximately 23.7 per cent., 16.5 per cent., 15.3 per cent., 11.7 per cent., 9.5 per cent., 5.3 per cent. and 4.7 per cent., respectively, of our total domestic branches' corporate loans were made to each of these sectors separately.

We are also exposed to the real estate sector through our residential mortgage loans and corporate loans in the real estate sector. As at 31 December 2022, our residential mortgages amounted to RMB6,431,991 million, representing an increase of RMB69,306 million or 1.1 per cent. as compared to 31 December 2021. As at 30 June 2023, our residential mortgages decreased by RMB57,601 million or 0.9 per cent. as compared to 31 December 2022. The PRC Government has in recent years imposed macroeconomic control measures that are aimed at preventing the real estate market from over-heating, such as setting minimum down payment requirements and minimum mortgage rates on residential housing purchases, imposing value-added taxes on the transfer of certain residential properties and levying mandatory personal income tax for second home sales. Such measures may adversely affect the growth of our loans related to real estate. In addition, recent widespread defaults by PRC property developers, the financial turmoil within the PRC property sector and the non-payment of mortgage loans on pre-sale properties by a growing number of homebuyers across the PRC have caused growing concern over the sustainability and future direction of the PRC property market and have adversely affected the PRC economy. A downturn in the PRC's real estate market may materially and adversely affect the quality of our existing loans and our ability to generate new loans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Moreover, we grant loans to small and micro enterprises and medium-sized enterprises. The business operations of small and micro enterprises and medium-sized enterprises may be less stable than large enterprises and more vulnerable to adverse changes in the economic environment. Small and micro enterprises and medium-sized enterprises may also be more likely to suffer from inadequate or ineffective internal control or risk management systems. These factors may increase the credit risk of loans to small and micro enterprises and medium-sized enterprises. In particular, the PRC regulators have encouraged financial institutions to increase lending to small and medium-sized enterprises by lowering loan rates and increasing the amounts these enterprises could borrow. However, small and medium-sized enterprises are more vulnerable to fluctuations in the macro-economy and the adverse impact brought by major economic crisis or regulatory changes. In addition, these enterprises may not be able to provide reliable information necessary for us to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, our non-performing loans may be significantly increased if our small and medium-sized enterprise clients are affected by major economic crisis or regulatory changes. As a result, this may have an impact on our overall risk profile and quality of the loan portfolio, which could in turn materially and adversely affect our business, results of operations and financial condition. These measures aim to contain the economic impact of the COVID-19 pandemic, stabilise the global markets and provide liquidity easing to the markets. However, there is no assurance that such measures may be introduced in time or will be sufficient or effective in delivering their policy objectives. As a result, the global economy is facing significant uncertainties and the global financial markets are experiencing significant volatility which may adversely affect us, our business and financial condition and prospects.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the total amount of loans granted to our single largest customer accounted for 3.5 per cent., 3.6 per cent., 3.8 per cent. and 3.8 per cent., respectively, of our net capital, while the total amount of loans granted to our top ten largest customers accounted for 14.8 per cent., 14.2 per cent., 16.0 per cent. and 18.6 per cent., respectively, of our net capital.

Any deterioration in any of the industries in which our loans are concentrated due to an adverse macroeconomic environment, government policies, overcapacity of such industries or otherwise, or any deterioration in the financial condition or results of operations of our major borrowers could materially and adversely affect the quality of our existing loans and our ability to generate new loans, which in turn could have a material adverse effect on our business, financial condition and results of operations.

We are subject to risks caused by any deterioration in the debt repayment abilities of local government financing vehicles to which we extend loans or any change in national policy relating to local government financing vehicles.

Loans extended to government financing vehicles in the PRC constitute part of our loan portfolio. According to the Circular of the State Council on Relevant Issues Concerning Strengthening the Management of Local Government Financing Vehicles (國務院關於加強地方政府融資平台公司管理有關問題的通知), local government financing vehicles ("**LGFVs**") refer to economic entities that are established by local governments and the departments and institutions thereof through financial appropriation or injection of land or equity or other assets, which undertake financing functions of government investment projects, and enjoy independent legal person status. Except otherwise provided by laws and the PRC State Council (the "**State Council**"), local governments at all levels and the departments and institutions thereunder and the public institutions that mainly depend on financial appropriation for budget subsidy may not provide guarantee for LGFVs with financial income or the state-owned assets of administrative institutions and other institutions or in other direct or indirect forms.

Our loans to LGFVs are mainly made to the investment and financing vehicles of various development zones, state-owned asset management companies and urban construction investment companies. Most of these loans were made to financing vehicles at a provincial and municipal level. In recent years, with the aim of reinforcing the risk management of loans to LGFVs, the State Council, the former CBIRC and the PBOC, along with several other PRC regulatory authorities, have promulgated a series of notices, guidelines and other regulatory documents to direct PRC banks and other financial institutions to optimise and strengthen their risk management measures regarding their loans to LGFVs.

Certain factors, such as unfavourable developments in macroeconomic conditions, changes to state policies, deterioration of the financial condition of particular local governments or other factors, may adversely affect the debt repayments of these LGFVs, which may in turn materially and adversely affect our asset quality, financial condition and results of operations.

We may not be able to maintain the growth of our loan portfolio.

Our loans and advances to customers before provision have grown significantly in the past few years, having increased from RMB18,624.3 billion as at 31 December 2020 to RMB20,667.2 billion as at 31 December 2021, then further increased to RMB23,212.3 billion as at 31 December 2022, and further increased to RMB25,291.9 billion as at 30 June 2023. The growth of our loan portfolio may be affected by various factors, such as the PRC's macroeconomic policies and capital constraints. In the future, the growth rate of our loan portfolio may slow down, or the balance of our loan portfolio may even decline. In addition, in response to constraints on our regulatory capital, we may adopt strategies to reduce our reliance on our loan portfolio and expand our activities in other businesses that require relatively lower capital. Any of the foregoing factors could impact the growth of our loan portfolio and thereby materially and adversely affect our business, financial condition and results of operations.

We may not be able to maintain the growth rate of our retail banking business.

As a leading commercial bank in the PRC, we may not be able to maintain our competitive position or sustain our growth rate due to the increasing market saturation and competition, changes in government regulations in the banking industry in the PRC and other factors, any of which may adversely affect our business, financial condition and results of operations.

For example, on 26 February 2013, the State Council promulgated the Notice of the General Office of the State Council on Continuing Regulation and Control of Real Estate Market (國務院辦公廳關於繼續做好房地產市場調控工作的通知), which requires banking institutions to implement differentiated housing credit policies, further implement the policy of down payment ratio and mortgage rate for first-time house buyers and tighten the credit policies for buyers of second or additional homes, and imposes a personal income tax on the profit generated from sale of residential property. Such measures may slow down the development of the residential real estate market in the PRC, hinder an increase in residential mortgages and reduce the average amount of residential mortgages, and thus have a material adverse impact on our retail banking business. Since August 2023, the Ministry of Housing and Urban-Rural Development ("**MOHURD**"), PBOC, and NAFR have promulgated a series of relaxation policies, including the Notice on Optimizing the Criteria for Determining the Number of Housing Units in Individual Housing Loans (住

房城鄉建設部、中國人民銀行、金融監管總局關於優化個人住房貸款中住房套數認定標準的通知) and the Notice on Adjusting and Optimizing the Differential Housing Credit Policy (中國人民銀行、國家金融監督管理總局關於調整優化差別化住房信貸政策的通知). These policies have expanded the scope of buyers who qualify for first-time mortgage rates and reduced mortgage rates on existing first-home loans. Notwithstanding, the PRC Government has not abandoned its position that real estate should serve residential purposes instead of speculative investment and as a result, it remains uncertain as to whether the latest relaxation policies will alleviate the slowdown in the PRC's residential market and improve the performance of our housing mortgage business.

The rapid expansion of our retail banking business also increases our exposure to changes in economic conditions affecting PRC consumers. For example, a slowdown in the PRC's economic development could adversely affect the ability of retail borrowers and credit card holders to make payments, thereby increasing the probability of defaults and reducing the demand for retail loans and credit cards. Such a slowdown may also reduce the demand for our non-interest-based products and services, which could result in a reduction in, among others, our credit card transaction volumes and sales of investment products. Accordingly, economic difficulties in the PRC that have a material adverse effect on PRC consumers could materially and adversely affect our business, financial condition and results of operations.

Our loan classification and provisioning policies may be different in certain respects from those applicable to banks in certain other countries or regions.

We classify our loans using a five-tier classification system in accordance with the guidelines set forth by the PRC regulators. The five tiers are "pass", "special mention", "substandard", "doubtful" and "loss". Our loan classification system may be different in certain respects from those of banks incorporated in certain other countries or regions. As a result, our loan classifications may reflect a different degree of risk from those that would be reported by banks incorporated in those other countries or regions. Since we adopted IFRS 9 on 1 January 2018, we assess our impairment losses on loans and determine a level of allowances for impairment losses based on expected credit loss methodology under IFRS 9 for loans measured at amortised cost and at fair value through other comprehensive income. Our provisioning policies may be different in certain respects from those of banks incorporated in certain other countries or regions which do not assess loans under IFRS 9. As a result, our allowance for impairment losses, as determined under the provisioning policies, may differ from those that would be reported by banks incorporated in those other countries or regions. If our approach to provisioning policies and/or loan classification proves not to be adequate, our business, financial position, results of operations and reputation may be adversely affected.

Investors should be cautious and not place undue reliance on quarterly consolidated financial information of the Group that is not audited or reviewed.

As a company listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, the Bank publishes quarterly consolidated financial information of the Group to satisfy its continuing disclosure obligations. Unless specified otherwise, any quarterly consolidated financial statements of the Group are not audited or reviewed by an independent auditor. Consequently, such financial information should not be relied upon by investors as providing the same quality of information associated with information that has been subject to an audit or review. None of the Arranger, the Dealers or the Agents makes any representation or warranty, express or implied, regarding the sufficiency of such financial information for an assessment of, and potential investors must exercise caution when using such data to evaluate the Group's financial condition, results of operations and results. Such financial information should not be taken as an indication of the expected financial condition, results of operations and results of the Group for the full financial year.

The collateral or guarantees securing our loans may not be sufficient, or we may be unable to realise the full value of the collateral or guarantees in a timely manner or at all.

A significant portion of our loans is secured by collateral or guarantees. As at 31 December 2022, 43.0 per cent. and 10.6 per cent. of our total loans were secured by mortgages and pledges, respectively, and 11.0 per cent. of our total loans were secured by guarantees. The remainder of our loans as at 31 December 2022 was unsecured loans. As at 30 June 2023, 41.1 per cent. and 10.3 per cent. of our total loans were secured by mortgages and pledges, respectively, and 11.1 per cent. of our total loans were secured by guarantees. The remainder of our loans as at 30 June 2023 was unsecured loans.

The pledged collateral securing our loans includes, among others, bond and equity securities. The mortgages securing our loans primarily comprise real properties and other assets. The value of the collateral securing our loans may significantly fluctuate or decline due to factors beyond our control, including macroeconomic factors affecting the economy of the PRC. For example, a downturn in the PRC's real estate market may result in a decline in the value of the real properties securing our loans to levels significantly below the outstanding principal and interest balances of such loans. Any decline in the value of such collateral may reduce the amounts we can recover from such collateral and increase our impairment losses. We may not have updated valuations of such collateral, which may adversely affect the accuracy of our assessment of our loans secured by such collateral.

Some of the guarantees securing our loans are provided by the borrowers' affiliates or third parties. Some of such loans and advances are not backed by collateral other than guarantees. A significant deterioration in the financial condition of a guarantor could significantly decrease the amounts we may recover under such guarantees. Moreover, we are subject to the risk that a court or other judicial or government authority may declare a guarantee to be invalid or otherwise decline or fail to enforce such guarantees. We are therefore exposed to the risk that we may not be able to recover all or any part of the amounts guaranteed in respect of our loans.

In the PRC, the procedures for liquidating or otherwise realising the value of non-cash collateral may be protracted, and it may be difficult to enforce claims in respect of such collateral. As a result, it may be difficult and time-consuming for us to take control of or liquidate the collateral securing NPLs. If the value of our collateral decreases to a level that is insufficient to cover the outstanding amounts of loans, or if we are unable to realise the full value of the collateral and guarantees securing our loans on a timely basis, it may materially and adversely affect our asset quality, financial condition and results of operations.

Other Risks Relating to Our Business

We are subject to interest rate risk.

Similar to many other PRC commercial banks, our net interest income contributes significantly to our operating revenue. For the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, our net interest income accounted for 81 per cent., 80 per cent., 82 per cent., 79 per cent. and 79 per cent. of our operating income, respectively. Our net interest income and net interest margin vary with the changes in the interest term structure of our asset and liability business. When the interest rate fluctuates, due to the different timings for re-pricing of different financial instruments, the timing for debt interest rate re-pricing is earlier than that of the asset interest rate when interest rate increases and vice versa. As a result, our net interest rate may decrease or the interest margin may be narrowed. When the pricing benchmark interest rates are different, the inconsistent changes in the benchmark interest rates, the holding of option derivatives or financial instruments with options and the changes in credit spread due to the changes in market's assessment of the credit quality of financial instruments could all give rise to the above-mentioned risks.

In addition, the accelerated shift in monetary policy of major economies and the upward shift in interest rate centres will pose challenges to us and the banking sector in general in terms of liquidity management, asset allocation and optimisation of the debt structure. For example, in 2022, the Federal Open Market Committee ("**FOMC**") has raised the target federal funds rate multiple times in response to the high inflation rate, the COVID-19 pandemic and various other factors, marking the largest increase since 1994. These fluctuations in interest rates may result in continued significant volatility in global capital markets and adversely affect our net interest income or other income.

With the development in the financial market reforms and the marketisation of interest rates, the fluctuations in the deposit and loan business increases and the impact of the interest rate risks on our overall operation increases. In terms of deposit business, the PBOC removed the restriction imposed on the higher limit for the floating interest rate on 24 October 2015. The pressure on controlling costs of liability business increased due to the competition in the PRC banking industry. In terms of loan business, on 17 August 2019, the PBOC issued a bulletin on reforming and improving the loan prime rate ("**LPR**") calculation mechanism and further promoted pricing benchmark conversion of existing loans since 2020. LPR pricing changes more frequently and does not match the changes in benchmark deposit rate, and therefore the impact of the gap risk and benchmark risk on operations increases. In addition, customer behaviours under different interest rate cycles such as prepayment of loan or early withdrawal of deposits will increase the uncertainty in the cashflow of our assets and liabilities which will change the level of interest income of interest-bearing assets and the cost of interest-bearing liabilities which will give rise to changes in net interest income and net interest margin. For instance, if the LPR pricing decreases, the profits derived from loan business will decrease which will cause customers to prepay their existing loans and reapply for new loans and the level of interest income of asset business will be affected. If the benchmark deposit rate does not decrease accordingly, the cost of liability business will keep increasing which will squeeze the net interest margin. In this case, in order to alleviate the impact of interest risks, mismatch of interest rates on the assets and liabilities needs to be reallocated and the pricing mechanisms need to be optimised. There is however no assurance that such mechanism would be effective to eliminate all or any of the interest risks.

We are also engaged in trading and investment activities involving some financial instruments in the domestic market, which mainly involves primary financial instruments in the currency market and bond market and the scale of our trading and investment in derivatives is small. Since the interest rates in the currency market and bond market are mainly dependent on the supply and demand in the market and expectations, the interest rates fluctuate greatly. The interest income of financial instruments and changes in their value are uncertain. Negative movements in interest rates will cause loss in the interest margin or decrease in value of fixed income products and will have a negative impact on the financial condition and economic value of equity. When holding financial instruments measures at fair value, if the market interest goes up, the value in financial instruments will go down which will cause their equity value or spread to go down.

We may not manage risks associated with the replacement of benchmark indices effectively.

The Financial Stability Board has observed that the decline in interbank short-term unsecured funding poses structural risks for interest rate benchmarks that reference these markets. In response, regulators and central banks in various jurisdictions have convened national working groups ("**NWGs**") to identify alternative replacement "risk-free" rates ("**RFRs**") for these inter-bank offered rates ("**IBORs**") and, where appropriate, to make recommendations that would facilitate an orderly transition to these RFRs.

Following the FCA Announcement on 27 July 2017 where the United Kingdom Financial Conduct Authority announced that it would no longer persuade or compel banks to submit rates for the calculation of the London interbank offered rate ("**LIBOR**") benchmark after 2021, the NWGs for the impacted currencies were tasked with providing guidance and support to financial and non-financial firms to help them facilitate an orderly transition of the relevant LIBORs to their chosen RFRs.

The discontinuation of certain key IBORs such as LIBOR, the adoption of RFRs by the market, and the development of RFR products by us, introduce a number of risks for us, our clients, and the financial services industry more widely. These include, but are not limited to:

- regulatory compliance, legal and conduct risk, arising from both the continued sale of products referencing IBORs, sales of products referencing RFRs and the transition of legacy contracts to alternative rates. There is a risk that we are unable to meet regulatory milestones associated with the discontinuance of sale of certain IBOR products, which may result in regulatory investigations or reviews being conducted into our preparation and readiness for the replacement of IBORs with alternative reference rates. Additionally, if our sales processes are not appropriately adapted to account for the additional complexity of new products, or new RFR market conventions, additional conduct risks and regulatory actions may result and there may be a heightened risk of disputes;

- legal risks associated with the enforceability of fall-back provisions in IBOR contracts. There is a risk that some contracts will not be transitioned before the relevant IBOR is discontinued and the parties will need to rely on the "fall-back" provisions of those contracts. As these fall-back provisions do not always contemplate the permanent cessation of the relevant IBOR, there is a risk that the provisions may not work from a contractual, practical or financial perspective, potentially resulting in unintended outcomes for clients. This may lead to complaints, litigation and/or regulatory action. While legislative solutions have been proposed in the UK, U.S. and EU, market participants will need to consider the impact of any proposals ultimately adopted; and

- financial risks resulting from the discontinuation of IBORs and the development of RFR market liquidity will affect us throughout transition. The differences in IBOR and RFR interest rate levels will create a basis risk that we will need to actively manage through appropriate financial hedging. Basis risk in the trading book and in the banking book may arise out of the asymmetric adoption of RFRs across assets and liabilities and across currencies and products. In addition, this may limit the ability to hedge effectively.

If any of these risks materialise, it could have a material adverse effect on our business, financial condition, results of operations, prospects and customers.

We are subject to currency risk.

We are subject to currency risk arising from losses incurred due to unfavourable exchange rate fluctuations on our foreign exchange exposures resulting from the unmatched currency structure between foreign currency-denominated assets and foreign currency-denominated liabilities. The value of the Renminbi against the U.S. dollar and other currencies fluctuates and is affected by, among other factors, changes in the PRC's and international political and economic conditions.

Since 1994, the conversion of Renminbi into foreign currencies, including Hong Kong and U.S. dollars, has been based on rates set by the PBOC. On 21 July 2005, the PRC Government adopted a more flexible managed floating exchange rate system to allow the value of the Renminbi to fluctuate within a regulated band that is based on market supply and demand and reference to a basket of currencies. On the same day, the value of the Renminbi appreciated by approximately two per cent. against the U.S. dollar. In August 2008, the PRC announced a further change in its exchange regime to a managed floating exchange rate regime based on market supply and demand. Since the Renminbi foreign exchange rate reform beginning on 21 July 2005, the PBOC has adjusted the daily floating band of the Renminbi trading prices against the U.S. dollar in the inter-bank spot foreign exchange market three times: effective from 21 July 2007, the daily floating band of the Renminbi trading prices against the U.S. dollar was expanded from 0.3 per cent. to 0.5 per cent.; effective from 16 April 2012, such floating band was further expanded to 1 per cent.; and effective from 17 March 2014, such floating band was further expanded to two per cent. The PRC Government may make further adjustments to the exchange rate system in the future. Any appreciation of Renminbi against the U.S. dollar or any other foreign currency may result in a decrease in the value of our foreign currency-denominated assets. Conversely, any devaluation of Renminbi may adversely affect the value of our assets in Renminbi terms.

We are subject to liquidity risk.

Customer deposits have historically been our main source of funding. As at 31 December 2020, 2021 and 2022 and 30 June 2023, 50.3 per cent., 48.9 per cent., 47.1 per cent. and 41.6 per cent. of our total customer deposits were demand deposits respectively. If a substantial portion of our depositors withdraw their demand deposits or do not roll over their time deposits upon maturity, we may need to pay higher costs to obtain alternative sources of funding to meet our funding requirements. Our ability to obtain additional sources of funding may be affected by factors such as deterioration of market conditions and disruptions to financial markets. We may not be able to secure required funding on commercially acceptable terms on a timely basis or at all, which could result in liquidity risk and materially and adversely affect our business, financial condition and results of operations.

In addition, we rely on the inter-bank money market to obtain a portion of our funding, including the portion of funds that are used to manage our liquidity. Any fluctuation in liquidity or funding costs on the inter-bank money market, including as a result of a financial or other crisis or changes in the PBOC's policies or practices affecting the liquidity of other banking institutions, may materially and adversely affect our ability to fund our business and manage our liquidity through the inter-bank money market.

We are subject to risks related to the expansion of our products, services and business scope.

In recent years, we have actively developed a number of new products and expanded the scope of our services, including, among others, investment banking, asset management, insurance and financial leasing. We are exposed to a number of risks in connection with our expansion. For example, we may not be able to develop successfully our new businesses due to our limited experience in a particular product or service; the anticipated market demand for our new products or services may not materialise; we may not successfully hire or retain personnel who have the relevant skills and experience; and regulators may revoke or withhold their approval for any products and services that we have offered or plan to offer. As a result, the return on our new products, services or businesses may be less, or realised later, than expected, which may materially and adversely affect our business, financial condition and results of operations.

We have expanded our business into jurisdictions other than the PRC, which has increased the complexity of the risks that we face.

In recent years, we have taken actions to expand our international operations. As at 30 June 2023, we had been operating 415 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries as a shareholder of Standard Bank Group Limited. We also maintained 125 institutions in 21 countries along the "Belt and Road" as at 30 June 2023. Our expansion into jurisdictions outside of the PRC subjects us to new regulatory and operational challenges and risks and has also increased the complexity of our risks in a number of areas, including credit and liquidity risk, interest rate risk, market and country risk, reputational risk and operational risk. The loan portfolio of our international branches includes foreign currency-denominated loans to Chinese companies engaged in international trade. This exposes us to additional risks including default risk resulting from a failure in the performance of the import or export agreements by any party, trade protectionist measures or other factors, and our inexperience in various aspects of the economic and legal framework in overseas markets. Adverse market conditions in these international jurisdictions may result in mark-to-market and realised losses on the investment assets held by our overseas branches and increase their cost of funding.

Furthermore, despite our best efforts to comply with all applicable regulations in the jurisdictions in which we operate, there may be incidences of our failure to comply with the regulations in certain jurisdictions. Regulators in these jurisdictions may have the power to bring administrative or judicial proceedings against us or our employees, representatives, agents and third-party service providers, which could result in, among others, suspension or revocation of one or more of our licences, cease and desist orders, fines, civil penalties, criminal penalties, economic or other sanctions or other disciplinary actions.

In addition, the volatility in the global economic and financial systems in recent years has led and may in the future lead to significant regulatory changes in various jurisdictions, including those in which we have operations. These changes may include those with respect to capital and liquidity ratios, cross-border capital flows and consumer protection. The extent and impact of such changes is difficult to anticipate and estimate, and such changes could have an adverse impact on our growth, capital adequacy and profitability. If we are unable to manage the risks resulting from our international expansion, our business, financial condition and results of operations may be materially and adversely affected.

We have been increasingly focused on the development of wealth management products in recent years, and we are subject to risks relating to adverse developments or changes in regulatory policies relating to these products.

In recent years, growth of deposits in the PRC banking industry has begun to slow down as progress has been made in terms of interest rate liberalisation, financial disintermediation and financing channel expansion. In response to such developments, PRC commercial banks, including the Group, provide wealth management and other financial services through their wealth management businesses. For the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, the net fee and commission income generated from personal wealth management and private banking services amounted to RMB29,630 million, RMB30,001 million, RMB26,253 million, RMB15,499 million and RMB14,019 million, respectively. Additionally, for the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, the net fee and commission income generated from corporate wealth management services amounted to RMB15,554 million, RMB15,165 million, RMB14,172 million, RMB8,070 million and RMB6,863 million, respectively.

Our wealth management products primarily represent investments in, among others, bonds, deposits and highly liquid money market investment instruments, other debt instruments, equity instruments and other types of assets that are compliant with regulatory requirements. As most of the wealth management products issued by us are non-principal protected products, we are not liable for any loss suffered by investors in these products. However, to the extent investors suffer losses on these wealth management products, our reputation may be severely damaged, and we may also suffer a loss of business, customer deposits and net income. Furthermore, we may eventually bear losses for non-principal protected products if the investors bring lawsuits against us and the court decides that we are liable for mis-selling such products or otherwise.

PRC regulatory authorities have introduced regulatory policies to restrict the scale of PRC commercial banks' investments in non-standard debt-based assets with funds raised from wealth management products. If PRC regulatory authorities further restrict the wealth management business of PRC commercial banks, it could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks associated with off-balance sheet credit commitments and guarantees.

Our off-balance sheet credit commitments and financial guarantees primarily consist of, *inter alia*, bank acceptances, loan commitments, guarantees and letters of credit. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our credit risk-weighted assets of credit commitments were RMB1,106.4 billion, RMB1,082.1 billion, RMB1,113.8 billion and RMB1,119.0 billion, respectively, and our credit commitments amounted to RMB2,711.5 billion, RMB2,730.4 billion, RMB2,971.0 billion and RMB3,135.4 billion respectively. We are exposed to credit risk related to such credit commitments and guarantees. If our customers cannot perform their obligations, we will need to fulfil the related commitments and guarantees. In addition, if we cannot obtain compensation from relevant customers, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to risks associated with our risk management and internal control policies and procedures.

We have been proactively implementing our risk management system and improving our risk management and internal control capabilities. Nonetheless, our risk management and internal control capabilities are limited by the information and risk management tools or technologies available to us. Our ability to implement and maintain strict internal control may be affected by our expansion in business scale and business scope. We cannot assure you that all of our employees will always comply with our internal control policies and procedures. If there are any deficiencies in our risk management and internal control policies and procedures, we may be subject to credit risk, liquidity risk, market risk, operational risk or reputational risk, which may materially and adversely affect our business, financial condition and results of operations.

We are subject to operational risks and risks relating to our information technology systems.

According to the seven categories of operational risks classified by Basel III, we are subject to operational risks such as internal and external fraud, risks related to customers, products and business activities, execution risks, closing and process management risks, employment system and workplace safety, damage to physical assets and risks related to information technology systems.

We have established a series of policies and procedures to identify, assess, monitor, manage and report operational risks according to the Guidance to the Operational Risk Management of Commercial Banks (商業銀行操作風險管理指引) issued by the former CBRC. Operational failures may cause losses to us if these measures are not put in place effectively or do not adequately cover all aspects of our operations.

We depend on our information technology systems to process accurately a large number of transactions on a timely basis and to store and process most of our data regarding our business and operations, which include our financial control, risk management, accounting, customer service and other data processing systems, together with the communication networks between our various branch outlets and our main data processing centre. We have adopted a number of technical measures and management initiatives to ensure the secure and reliable operation of our information systems. We have also proactively developed information security protection initiatives. However, if a portion or all of our information technology systems malfunction due to any defect in software or hardware or any deficiency in our information security protection (including any security breach caused by unauthorised access to information or systems, or intentional destruction or loss or corruption of data, software, hardware or other computer equipment), or we fail to effectively improve or upgrade our information technology systems on a timely basis, our business, financial condition and results of operations could be materially and adversely affected.

We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities.

We are required to comply with applicable laws and regulations relating to anti-money laundering and anti-terrorism in the PRC and other jurisdictions where we operate. Save as disclosed below, we are not currently aware of any money laundering or other major illegal or improper activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations. However, we cannot assure you that such activities will not take place in the future or that we can completely eradicate money laundering activities, activities carried out by terrorists and terrorist-related organisations or other improper activities carried out by organisations or individuals through the Group and certain entities within the Group have been (and may in the future be) subject to fines and other sanctions in respect of such activities. As we have many branches in the PRC and elsewhere, our employees or third parties that are subject to our policies may from time to time be involved in improper conduct. In such situations where such improper conduct is discovered or known, such activities will be handled in accordance with our internal policies, and if required, by the applicable authorities under the applicable laws, regulations or public policy.

Industrial and Commercial Bank of China (Europe) S.A. ("**ICBC (Europe)**"), a wholly-owned subsidiary of the Bank, together with ICBC (Europe)'s Spain Branch, have cooperated with the Spanish civil department authorities in investigations directed against ICBC (Europe) and the employees of ICBC (Europe)'s Spain Branch. In January 2020, the National Court of Spain had concluded its criminal investigations of ICBC (Europe) and had dismissed all criminal allegations relating to the alleged money laundering activities of ICBC (Europe). In addition, the New York Branch of the Bank, and the Bank itself, are currently cooperating with the Federal Reserve Bank of New York (the "**Federal Reserve**") following the identification by the Federal Reserve of significant deficiencies in the New York Branch's risk management and money-laundering compliance programmes. We continue to work with all relevant regulatory agencies to ensure compliance with applicable regimes.

If we fail, in a timely manner, to detect and prevent money laundering activities or other illegal or improper activities, relevant regulatory agencies may have the power and authority to impose sanctions on us (including but not limited to fines, revocation of licences and/or other sanctions), which may materially and adversely affect our business, financial condition and results of operations.

We may not be able to detect and prevent all fraud or other misconduct committed by our employees or third parties.

We have continued to strengthen the detection and prevention of fraud or other misconduct committed by our employees or third parties. However, as we have many branches in the PRC and elsewhere, our employees or third parties that are subject to our policies may from time to time be involved in improper conduct. In such situations where such improper conduct is discovered or known, such activities will be handled in accordance with our internal policies, and if required, by the applicable authorities under the applicable laws, regulations or public policies. We also cannot assure you that our internal control policies and procedures will completely and effectively prevent all fraud or other misconduct committed by our employees or third parties. Any fraud or misconduct involving us or our employees may adversely affect our business, financial condition and results of operations.

We are subject to risks related to property title certificates or other licences and certificates.

We own and lease properties in the PRC. For some of the properties we own, we have not obtained building ownership certificates, state-owned land use right certificates or both. For some of the properties we lease, the lessors have not provided us with the relevant title certificates of the property and/or consent letters from the relevant property owners to sublease. Even though we have been provided with written undertakings for some leased properties indicating that the lessors will compensate our potential loss due to defects in relevant property title certificates or the relevant lease agreements contain such undertakings, if we have to relocate our branches or sub-branches due to title defects with regard to properties owned or leased by us, we will incur additional costs relating to such relocation.

In addition, a small number of our branches may be in the process of applying for new financial licences, business licences and/or other licences due to licence renewal requirements, upgrades of branch offices, changes of name, relocation or changes of business nature from time to time. Any failures to receive such licences or delays may have an adverse effect on our business and operations.

We or our customers may be subject to OFAC or other penalties if we are determined to have violated any OFAC regulations or similar sanctions.

The United States imposes a range of economic sanctions against certain foreign countries, terrorists, international narcotics traffickers and those engaged in activities related to the proliferation of weapons of mass destruction. The U.S. sanctions are intended to advance certain U.S. foreign policy and national interests, such as discouraging certain countries from acquiring weapons of mass destruction or engaging in human rights abuses. The U.S. Department of the Treasury's Office of Foreign Assets Control ("**OFAC**") is the principal government agency charged with administering and enforcing U.S. economic sanctions programmes. These economic sanctions, as administered by OFAC, generally apply to U.S. entities and, in certain cases, to foreign affiliates of U.S. entities, or to transactions that involve, in some manner, U.S. products or otherwise come within the jurisdiction of the United States. The United Nations Security Council, the European Union, the United Kingdom, the PRC and other governments and international or regional organisations also administer similar economic sanctions. In addition, our Group may from time to time engage in business activities in countries or with entities that are the subject of certain sanctions. Notwithstanding that such business activities may not themselves be subject to sanctions, our Group may face secondary sanctions if it is determined to be providing material support to countries or entities that are the subject of sanctions. If our Group engages in any prohibited transactions by any means, or if it is otherwise determined that any of our transactions violated OFAC-administered or other sanctions regulations, we could be subject to penalties, and our reputation and ability to conduct future business in the United States or with U.S. entities, or in other affected jurisdictions, could be affected, which may materially and adversely affect our business, financial condition and results of operations.

We are exposed to risks in relation to the bonds issued by Huarong in connection with an extraordinary disposal of certain NPLs.

During the period from 1999 to 2001, we disposed of non-performing assets with a book value of RMB407.7 billion to China Huarong Asset Management Corporation (now known as China Huarong Asset Management Co., Ltd., "**Huarong**") and received 10-year non-transferrable bonds issued by Huarong with a nominal value of RMB313.0 billion (the "**Huarong Bonds**") as well as RMB94.7 billion in cash as consideration. Huarong is a state-owned non-bank financial institution that has been approved by the State Council and was established in October 1999 primarily to acquire and manage non-performing assets from us. The Huarong Bonds have a fixed interest rate of 2.25 per cent. per annum. Huarong has paid interest on the bonds to us in a timely manner in the past pursuant to the terms of the bonds. In addition, MOF issued a notice on 14 June 2005 to the effect that: (1) with effect from 1 July 2005, in the event of any failure of Huarong to pay for the interest on the bonds in full to us, MOF will provide financial support; and (2) if necessary, MOF will provide support for the payment of the principal of the bonds issued by Huarong.

During the period from 2010 to 2011, the Huarong Bonds held by us matured. In accordance with the Letter from MOF in Respect of the Bonds Issued by Huarong held by Industrial and Commercial Bank of China (Cai Jin Han [2010] No. 105), MOF agreed that the term of the Huarong Bonds held by us would be extended for 10 years after their expiration, the terms of the bonds such as the interest rate would remain unchanged and MOF would continue its support for the principal and interest payments in relation to the Huarong Bonds held by us. After the first extension expired, we received a further notice from MOF that the term of the Huarong Bonds would be extended for another 10 years to 12 December 2031. In 2020, we received a further notice from MOF to adjust the interest rate of the Huarong Bonds, which will be determined on a yearly basis with reference to the average level of five-year government bond yields in the previous year. As at 30 June 2023, we received accumulated early repayments of RMB222,687 million under the Huarong Bonds.

In consideration of the various investment channels and market returns currently available in the market, there is a certain level of opportunity cost borne by our holding the Huarong Bonds. However, given the large investment size and long investment term of the bonds, if the principal of the Huarong Bonds were to be reallocated, it would be difficult to allocate all the capital to long-term loans. We would only be able to allocate to non-credit exposure assets, with the investment returns limited by the size of the Renminbi bond market. Therefore, we believe the opportunity cost of holding the Huarong Bonds has a relatively small impact on our operations.

The Huarong Bonds are financial bonds placed to us with the approval of the PBOC and were specifically issued for Huarong's acquisition of certain of our non-performing assets. There are no similar bonds in the open bond market, and there is no active market for such bonds. In accordance with the accounting standards applicable to us, due to the lack of available valuation information and an active market and the fixed repayment amounts, we classify the Huarong Bonds as receivables relating to bonds investment and measure them at amortised cost using the effective interest method. Given that the interest on each payment term of the Huarong Bonds has been paid in full and in a timely manner, and that MOF has provided its support for the principal and interest payment in relation to the Huarong Bonds, there is no event of impairment of financial assets under the applicable accounting standards. As such, we are of the view that the determination of the fair value of the renewed Huarong Bonds at initial recognition met the relevant requirements under the applicable accounting standards. The replacement of the original Huarong Bonds by the renewed Huarong Bonds did not result in a loss on derecognition or an impairment in our financial statements.

We expect that MOF will perform its obligations as set out in the notices when necessary. However, due to the absence of any precedent for requesting the fulfilment of, or otherwise resorting to other legal procedures to seek the enforcement of, similar undertakings by MOF or other PRC Government authorities, we cannot guarantee any enforcement of such notices by operation of law. In the event of any failure of Huarong to discharge any of its payment obligations relating to such bonds or of the obligations of MOF in such notices to be enforced by operation of law, our business, financial condition and results of operations may be materially and adversely affected.

We are exposed to risks relating to bonds issued by Huijin.

As at 30 June 2023, Central Huijin Investment Limited ("**Huijin**") directly held 34.71 per cent. of our total combined H Shares and domestic-listed shares (the A Shares, and together with the H Shares and any other ordinary shares of the Bank in issue from time to time, the "**Ordinary Shares**"). On 11 October 2023, Huijin increased its shareholding to approximately 34.72 per cent. of our Ordinary Shares. See "*Recent Developments – Increase in Shareholding of the Bank by its Controlling Shareholder*" for further details relating to Huijin's increase in its shareholding position. Huijin issued the Central Huijin Investment Ltd. bonds (the "**Huijin Bonds**") in the national inter-bank bond market. The former CBRC (now NAFR) issued the Letter of Approval from the CBRC on Matters in respect of the Issuance of Renminbi Bonds by Central Huijin Investment Ltd. (Yin Jian Han [2010] No. 285), pursuant to which the CBRC confirmed its treatment of the Huijin Bonds as policy financial bonds, and the risk weight associated with the investment in such bonds by commercial banks is zero. Huijin, on behalf of the State, will use the proceeds raised from such issuance for the purpose of making capital contributions to The Export-Import Bank of China and China Export & Credit Insurance Corporation and supplementing our capital and the capital of Bank of China Limited and China Construction Bank Corporation.

We subscribed for the Huijin Bonds by way of tender in the open market. As at 30 June 2023, we held an amount of RMB42.48 billion face value of the Huijin Bonds, with terms ranging from one to thirty years and coupon rates ranging from 2.44 per cent. to 4.23 per cent. per annum. In the event of any failure of Huijin to discharge any of its payment obligations relating to such bonds or of the obligations in such letter to be enforced by operation of law, our business, financial condition and results of operations may be materially and adversely affected.

We are subject to reputational risks related to our business operations.

With the rapid development of the financial industry and changes in media communication, the public is paying increasing attention to the banking industry, resulting in easier and more frequent access to rumours related to banks' services quality, their operations and management and compliance issues. Such coverage may lead to negative feedback from depositors, investors and other shareholders, which may adversely affect our normal operations and management, and could adversely affect our liquidity if such negative coverage leads to depositors and other banks withdrawing their funds or refusing to lend to us. Within the banking industry, the banks have close interbank relationships with one another, and interbank deposits and lending are relatively common. If a bank does not operate properly or becomes insolvent, a chain reaction may occur, which may trigger a confidence crisis towards the whole banking industry, and materially and adversely affect our financial condition and results of operations.

We are subject to counterparty risks in our derivative transactions.

We act primarily as an intermediary in domestic and international foreign exchange and derivative markets, and we currently have exchange rate contracts, interest rate contracts and commodity derivatives contracts with a number of domestic and international banks, financial institutions and other entities. As a result, we are subject to credit risk from our various counterparties. As at 31 December 2022, the notional amount of our outstanding derivative financial instruments amounted to RMB8,387,877 million, gross derivative assets and gross derivative liabilities which meet the criteria for offsetting were RMB57,400 million and RMB60,494 million, respectively, and the net derivative assets and net derivative liabilities were RMB30,970 million and RMB34,064 million, respectively. As at 30 June 2023, the notional amount of our outstanding derivative financial instruments amounted to RMB10,396,023 million, gross derivative assets and gross derivative liabilities which meet the criteria for offsetting were RMB65,724 million and RMB68,892 million, respectively, and the net derivative assets and net derivative liabilities were RMB29,166 million and RMB33,273 million, respectively. Although we cautiously evaluate the credit risks from our counterparties in our derivative transactions and believe that the overall credit quality of our counterparties is adequate, there can be no assurance that parties with significant risk exposure will not have difficulty in fulfilling derivative contracts that may cause losses for us.

Due to restrictions in certain PRC regulations, our investments are concentrated in certain types of investment products, we may experience significant decreases in the value of a particular type of investment.

As a result of current PRC regulatory restrictions, substantially all of our RMB-denominated investment assets are concentrated in a limited number of investments permitted for PRC commercial banks, such as PRC government bonds, bills and open market instruments issued by the PBOC, bonds issued by PRC policy banks and credit products issued by PRC financial and non-financial institutions (including bonds and subordinated notes issued by PRC commercial banks and insurance companies). These restrictions limit our ability to diversify our investment portfolio and seek higher returns by making investments comparable with those of banks in other countries as well as our ability to manage our liquidity in the same manner as banks in other countries. In addition, we are exposed to a certain level of risk as a result of the concentration of our RMB-denominated fixed income securities investments. For example, fluctuation in interest rates or deterioration of the financial condition of the issuers of such fixed income securities may cause their value to decrease. A decrease in the value of any of these types of investments could have a material adverse effect on our business, financial condition and results of operations.

The banking industry is subject to extensive regulation, which is undergoing major changes that will impact our business.

Like other major banks, we are subject to extensive regulation by regulators and exchanges in each of the major markets where we conduct our business. These laws and regulations significantly affect the way we do business and can restrict the scope of our existing businesses and limit our ability to expand our product offerings and pursue certain investments.

In response to the financial crisis, legislators and regulators around the world have adopted, continue to propose and are in the process of adopting, finalising and implementing a wide range of financial market reforms that are resulting in major changes to the way our global operations are regulated and conducted. In particular, as a result of these reforms, we are, or will become, subject to (among other things) significantly revised and expanded regulation and supervision, more intensive scrutiny of our businesses and any plans for expansion of those businesses, new activities limitations, a systemic risk regime that imposes heightened capital and liquidity requirements and other enhanced prudential standards, new resolution regimes and resolution planning requirements, new restrictions on activities and investments imposed by Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "**Volcker Rule**"), and comprehensive new derivatives regulation. While certain portions of these reforms are effective, others are still subject to final rulemaking or transition periods. Many of the changes required by these reforms could materially impact the profitability of our businesses and the value of assets we hold, expose us to additional costs, require changes to business practices or force us to discontinue businesses, adversely affect our ability to pay dividends and repurchase our stock, or require us to raise capital, including in ways that may adversely impact our shareholders or creditors. While there continues to be uncertainty about the full impact of these changes, we are and will continue to be subject to a more complex regulatory framework and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

RISKS RELATING TO THE BANKING INDUSTRY

The Financial Institutions (Resolution) Ordinance may adversely affect the Bank.

On 7 July 2017, the Financial Institutions (Resolution) Ordinance (Cap. 628) of Hong Kong (the "**FIRO**") came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include the Bank, Hong Kong branch of the Bank, Industrial and Commercial Bank of China (Asia) Limited ("**ICBC (Asia)**") and other licensed institutions of the Bank in Hong Kong (a "**FIRO Group Entity**"). The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, in the context of a resolution of any FIRO Group Entity, the relevant resolution authority will have the ability to resolve other entities within the Group as if they were themselves a within scope financial institution for the purposes of FIRO and take certain actions and make certain directions in relation to such entities. Any such actions could potentially affect contractual and property rights relating to the Group. In addition, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution.

The implementation of FIRO remains untested and certain details relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, the Bank is unable to assess the full impact of FIRO on the financial system generally, the Bank's counterparties, the Bank, any of its consolidated subsidiaries or other Group entities, the Group's operations and/or its financial position.

We face increasingly intense competition in the PRC banking industry and competition from other investment and financing channels.

The banking industry in the PRC is becoming increasingly competitive. We face competition from commercial banks in all of our principal areas of business where we have operations. On 1 July 2013, the General Office of the State Council of the PRC issued the Guidance Letter regarding Financial Support for Promoting Economic Restructuring and Transformation (國務院辦公廳關於金融支持經濟結構調整和轉型升級的指導意見) (the "**Guidance Letter**"). The Guidance Letter, among others, encourages investment by private-sector capital in financial institutions and the establishment of privately-owned banks. The Guidance Letter provides a policy direction to the increasing involvement of private-sector capital in the financial industry in the PRC. We may face increasing competition from privately owned banks in the future.

We compete with our competitors for substantially the same loan, deposit and fee and commission-based products and services customers. Such competition may materially and adversely affect our business and future prospects by, for example, reducing our market share in our principal products and services, reducing our fee and commission income, affecting the growth of our loan or deposit portfolios and their related products and services and increasing competition for soliciting senior management talent and qualified professional personnel.

In addition, we may face competition from direct corporate financing, such as the issuance of securities in the domestic and international capital markets. The domestic securities markets have experienced, and are expected to continue to experience, expansion and growth. If a substantial number of our customers choose alternative ways of financing to fund their capital needs, this may adversely affect our interest income, which could in turn materially and adversely affect our business, financial condition and results of operations.

In addition to competition from other banks and financial institutions, we also face competition from other forms of investment alternatives in the PRC. In recent years, financial disintermediation, which involves the movement of funds by investors from intermediary financial institutions such as savings and deposit-taking banks to direct investments, has increased in the PRC. Our deposit customers may elect to convert their funds into stocks, bonds and wealth management products, which may result in a decrease in our customer deposits, therefore further affecting the level of funds available to us for our lending business to generate net interest income. Meanwhile, financial disintermediation may result in a decrease in the enterprise demand for loans, which could materially and adversely affect our business, financial condition and results of operations.

We are subject to risks related to uncertain changes in the regulatory environment of the PRC banking industry.

Our businesses are directly affected by changes in the PRC banking regulatory policies, laws and regulations. The regulatory system and the laws and regulations governing the banking sector are subject to future changes, and we cannot assure you that such changes will not materially and adversely affect our business, financial condition and results of operations.

In addition, our overseas branches, subsidiaries and representative offices have to comply with the local laws and regulations of the relevant jurisdiction and are subject to regulation and approval by the local regulatory authorities in the relevant jurisdiction. We cannot assure you that our overseas branches, subsidiaries and representative offices can always satisfy applicable laws and regulatory requirements. If we do not meet such requirements, our business in the relevant jurisdiction may be affected, which may materially and adversely affect our business, financial condition and results of operations.

We are subject to risks related to changes in monetary policy.

PRC monetary policy is set by the PBOC in accordance with the macroeconomic environment. In addition, the PBOC controls monetary supply through open market operations and adjustments to the deposit reserve ratio and rediscount rate in order to achieve targeted control over the economy. As commercial banks are a major means to implement monetary policy, changes in monetary policy will affect their operations and profitability. If we cannot timely adjust our operating strategies in response to the changes in monetary policy, our business, financial condition and results of operations may be materially and adversely affected.

We cannot provide assurance that we will be able to satisfy the capital adequacy requirements of the NAFR or as a G-SIB pursuant to Basel III or the proposed total loss-absorbing capacity requirements of the PBOC and the NAFR, and we are subject to risks related to potential Capital Adequacy Ratio fluctuations.

On 16 December 2010 and on 13 January 2011, the Basel Committee on Banking Supervision (the "**Basel Committee**") issued the final text and guidance on a number of fundamental reforms to the regulatory capital framework (such reforms being commonly referred to as "**Basel III**"). In accordance with Basel III, the minimum tier 1 capital adequacy ratio has been raised to six per cent., while the minimum core tier 1 capital has been raised to 4.5 per cent. (with the former CBIRC (now NAFR) requiring PRC banks to maintain a higher minimum core tier 1 capital of five per cent.), and the minimum total capital adequacy ratio has been raised to eight per cent. together with an additional 2.5 per cent. capital conservation buffer and a zero to 2.5 per cent. counter-cyclical capital buffer.

Following the issuance of Basel III, on 27 April 2011, the former CBRC issued new guidelines setting more stringent capital adequacy, leverage, liquidity and loan loss provisioning requirements for PRC banks in accordance with the reform of the PRC banking industry and the related regulatory framework. On 7 June 2012, the CBRC further issued the Regulation Governing Capital of Commercial Banks (Provisional Regulation) (the "**Capital Regulation**") which established a unified and comprehensive regulatory system for capital adequacy, re-defined the term "capital", expanded the scope of capital risk coverage and set forth different regulatory requirements for commercial banks with different capital adequacy levels, including the categorisation of regulatory requirements on capital into four levels. The first level requirements set out minimum thresholds, under which the requirements for core tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio are set at five per cent., six per cent. and eight per cent., respectively; the second level requirements set out the requirements for reserve capital and counter-cyclical capital at 2.5 per cent. and zero – 2.5 per cent., respectively; the third level requirements set out the requirement for globally or domestically systemically important institutions at least one per cent; and the fourth level requirements is in relation to the criteria for the second pillar capital. The Capital Regulation has set higher requirements for both the quality and quantity of banks' capital and after the implementation of these measures, the definition of capital is more stringent and the regulatory standards for capital instruments are further improved. In addition, the Capital Regulation set forth a new method for calculating the capital adequacy ratio and provided a transition period for PRC commercial banks to meet their capital adequacy requirements. The Capital Regulation became effective on 1 January 2013 and it requires commercial banks to meet the regulatory capital adequacy requirements before the end of 2018.

Furthermore, the Financial Stability Board identified us as a globally systemically important bank ("**G-SIB**") on 11 November 2013. As a G-SIB, we are required to satisfy heightened capital adequacy ratios pursuant to Basel III as well as the Provisions on the Additional Regulation of Systemically Important Banks (for Trial Implementation) issued by the PBOC and CBRC on 30 September 2021.

In November 2017, the Basel Committee on Banking Supervision further issued new rules on how banks calculate risk-weighted assets, which are expected to be implemented in 2022. The new regulations focus on enhancing the robustness of standard risk-weighted asset calculation models and limiting the scope of use of banks' internal capital models. If the new regulations be implemented and adopted by us, it may further affect our future capital raising plan.

As at 30 June 2023, our common equity (core) tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio, as calculated in accordance with the Capital Regulation, was 13.20 per cent., 14.67 per cent. and 18.45 per cent., respectively, and satisfied the applicable legal and regulatory requirements and exceeded substantially the relevant requirements. Our capital adequacy ratios are able to support the stable development of our business currently.

We aim to maintain a stable and reasonable capital adequacy level in order to support the implementation of our business development and strategic planning. However, certain adverse changes may lead to fluctuations in our capital adequacy ratio. Such adverse changes include, but are not limited to, an increase of risk weighted assets due to rapid business expansion, an increase of capital-deducting equity acquisitions and investments, potential deterioration in our asset quality, a decline in the value of our investments and an increase in the minimum capital adequacy ratio requirement by the NAFR, as well as changes in the computational method for capital adequacy ratio applied by the NAFR. We may be required to raise additional core or supplementary capital in the future in order to meet the minimum NAFR capital adequacy requirements. To raise additional capital in order to meet the minimum NAFR capital adequacy requirements, we may need to issue additional equity securities that qualify as core capital or other qualifying instruments. However, our ability to obtain additional capital may be restricted by a number of factors, including (i) our future business, financial condition, results of operations and cash flows; (ii) necessary government regulatory approvals; (iii) our credit rating; general market conditions for capital-raising activities by commercial banks and other financial institutions; and (iv) economic, political and other conditions both within and outside the PRC. We cannot assure you that we will be able to obtain additional capital on commercially acceptable terms in a timely manner or at all. As such, there can be no assurance that we will continue to be able to comply with our capital adequacy requirements.

Furthermore, the NAFR may increase the minimum capital adequacy requirements or change the methodology for calculating regulatory capital or capital adequacy ratio, or we may otherwise be subject to new or more stringent capital adequacy requirements. If our capital adequacy ratio does not meet the regulatory requirements, the regulatory authorities may adopt certain corrective measures including, but not limited to, restricting the growth of our risk-bearing assets, suspending all of our operation activities other than low-risk business, as well as restricting our dividend payment, which may materially and adversely affect our business, financial condition and results of operations.

In addition, in 2021, the PBOC, the former CBIRC and MOF released the Administrative Measures on Total Loss-Absorbing Capacity of Global Systemically Important Banks (全球系統重要性銀行總損失吸收能力管理辦法), setting out the requirements for the ratio, composition, and deduction items of Total Loss-Absorbing Capacity of G-SIBs, etc. which are applicable to us. We cannot assure you that we will be able to satisfy all such total loss-absorbing capacity requirements.

The Group's results of operations may be materially and adversely affected if PBOC further deregulates interest rates.

PBOC has adopted reform measures to liberalise the PRC's interest rate regime. For example, in October 2004, PBOC eliminated restrictions in respect of the maximum interest rate for Renminbi-denominated loans and the minimum interest rate for Renminbi-denominated deposits. Thereafter, PBOC continued to lower the minimum interest rate for loans on repeated occasions. In June 2012, PBOC adjusted the maximum interest rate for deposits to 110 per cent. of the relevant benchmark deposit rate and the minimum interest rate for loans to 80 per cent. of the relevant benchmark lending rate. In July of the same year, PBOC again adjusted the minimum interest rate for loans to 70 per cent. of the relevant benchmark lending rate. On 20 July 2013, PBOC entirely removed lending rate control by eliminating the minimum

interest rate for loans (except for individual residential mortgage loans) and removing controls on bill discount rates. On 25 October 2013, PBOC introduced a new prime lending rate, officially known as the LPR, which is based on a weighted average of lending rates from nine commercial banks. In recent years, the PBOC has adjusted the benchmark interest rates several times. On 22 November 2014, PBOC lowered the one-year Renminbi benchmark loan interest rate by 0.4 percentage point to 5.6 per cent. and raised the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.75 per cent. On 1 March 2015, PBOC further lowered the one-year Renminbi benchmark loan interest rate by 0.25 percentage points to 5.35 per cent. and lowered the one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 2.5 per cent. On 11 May 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 5.1 per cent. and 2.25 per cent. respectively. On 24 October 2015, PBOC further lowered both the one-year Renminbi benchmark loan interest rate and one-year Renminbi benchmark deposit interest rate by 0.25 percentage points to 4.35 per cent. and 1.5 per cent., respectively. Moreover, the upper limit of the interest rate floating range of the Renminbi-denominated deposits in commercial banks was removed by PBOC on 24 October 2015. Deposit interest rate upper limits were replaced by a market pricing self-regulatory and coordination mechanism comprised of PRC financial institutions, known as the Self-Regulatory Mechanism for the Pricing of Market-Oriented Interest Rates (市場利率定價自律機制). In August 2019, PBOC deepened the interest rate liberalisation reform by reforming and improving the formation mechanism of LPR. It required PRC commercial banks to mainly refer to the LPR as the benchmark in determining the rates of new bank loans. As the existing regulations are substantially liberalised, competition in the PRC banking industry will likely intensify as the PRC commercial banks seek to offer more attractive interest rates to customers. Further liberalisation by PBOC may result in the narrowing of the spread in the average interest rates between Renminbi-denominated loans and Renminbi-denominated deposits, thereby materially and adversely affecting our business, financial condition and results of operations.

The growth rate of the banking industry in the PRC may not be sustainable.

We expect the banking industry in the PRC to expand as a result of anticipated growth in the PRC's economy, increases in household income, further social welfare reforms, demographic changes and the opening of the PRC banking industry to foreign participants. However, it is not clear how certain trends and events, such as the pace of the PRC's economic growth, the development of the domestic capital and insurance markets and the ongoing reform of the social welfare system, will affect the PRC banking industry. In addition, the banking industry in the PRC may be affected by systemic risks. Consequently, there can be no assurance that the growth and development of the PRC banking industry will be sustainable.

The PRC regulations impose limitations on the types of investments we may make and, as a result, we have limited ability to seek optimal investment returns to diversify our investment portfolio and to hedge the risks of its Renminbi-denominated assets.

The PRC Government has imposed limitations on what a commercial bank may invest in. These permitted investments by issuers mainly include debt securities of:

- the government;
- public sector and quasi-government;
- policy banks;
- financial institutions; and
- corporates.

These investment restrictions limit our ability to seek optimal returns on our investments. The restrictions may also expose us to significantly greater risk of investment loss in the event that a particular type of investment we hold suffers a decrease in value. In addition, due to the limited hedging tools available to us, our ability to manage market and credit risks relating to our Renminbi-denominated assets is limited and any resulting decline in the value of our Renminbi-denominated assets may materially and adversely affect our business, financial condition and results of operations.

The effectiveness of our credit risk management is affected by the quality and scope of information available in the PRC.

National credit information databases developed by the PBOC have been operational only since 2006. Due to the short operational history, such databases are not able to provide complete credit information on many of our credit applicants. Therefore, our assessment of the credit risk associated with a particular customer may not be based on complete, accurate or reliable information. As a result, our ability to manage effectively our credit risk may be adversely affected, which may materially and adversely affect our business, financial condition and results of operations.

The PRC regulators have implemented measures relating to lending to small and medium-sized enterprises and we may be affected by future regulatory changes.

The former CBIRC (now NAFR) has promulgated a series of measures to encourage banking institutions to implement the PRC Government's macroeconomic policies, and, in particular, to proactively support continued healthy economic growth by increasing lending activities to small and medium-sized enterprises while effectively controlling risk. However, small and medium-sized enterprises are more vulnerable to fluctuation in the macro-economy as compared to large enterprises due to relatively limited capital, management or other resources required to cope with the adverse impact of major economic or regulatory changes. In addition, small and medium-sized enterprises may not be able to provide reliable information necessary for us to assess the credit risks involved. In the absence of accurate assessment of the relevant credit risks, our NPLs may be significantly increased if our small and medium-sized enterprise clients are affected by economic or regulatory changes, which could materially and adversely affect our business, results of operations and financial condition.

In addition, there can be no assurance that the policies, laws and regulations governing the PRC banking industry, in particular, those relating to lending to small and medium-sized enterprises (e.g. incentive policies to encourage lending to small and medium-sized enterprises), will not change in the future or that any such changes will not materially and adversely affect our business, financial condition and results of operations.

Certain facts and statistics and information relating to us are derived from publications not independently verified by us, the Arranger, the Dealers or any of our or their respective directors, employees, representatives, affiliates or advisers.

Certain facts and statistics in this Offering Circular relating to the PRC, its economy and its banking industry are derived from various official and publicly available sources generally believed to be reliable. While reasonable care has been taken to ensure that the facts and statistics or information relating to us presented in this Offering Circular have been accurately extracted from such sources, such facts, statistics and information have not been independently verified by us, the Arranger, the Dealers or any of our or their respective directors, employees, representatives, affiliates or advisers. Therefore, none of them makes any representation as to the accuracy of such facts and statistics or information, which may not be consistent with other information compiled within or outside the PRC and may not be complete or up-to-date.

Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice or other reasons, the statistics herein may be inaccurate or may not be comparable from period to period or to statistics produced for other economies and should not be unduly relied upon.

RISKS RELATING TO THE PRC

The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us.

A substantial part of our revenue is derived from the PRC. We rely, to a significant degree, on our domestic operations to achieve revenue growth. Domestic demand for banking services is materially affected by growth of private consumption and overall economic growth in the PRC. The global crisis in financial services and credit markets in 2008 caused a slowdown in the economic growth in many countries, including the PRC. Although the PRC's economic growth has increased compared to its level immediately after the global financial crisis, it has displayed signs of slowdown as evidenced by a decrease in the

growth rate of the PRC's gross domestic product ("**GDP**") in recent years. This was caused by a combination of factors most of which are beyond our control, such as the global economic conditions, governmental policies and changes in market dynamics globally and regionally. According to the statistics released by the National Bureau of Statistics of China (the "**NBS**"), in 2020, the PRC Government reported a GDP of RMB101.36 trillion, representing year-on-year growth of 2.2 per cent. at constant prices; and in 2021, the PRC Government reported a GDP of RMB114.92 trillion, representing a stable recovery with year-on-year growth of 8.4 per cent. at constant prices; and in 2022, the PRC Government reported a GDP of RMB121.02 trillion, representing a decrease in year-on-year growth to 3.0 per cent. at constant prices. Although the PRC Government has recently taken several measures and actions with an aim to increase investors' confidence in the PRC economy, there can be no assurance that those measures will be effective.

Furthermore, the sustained tension between the United States and China over trade policies could undermine the stability of the global economy. The United States and China have recently been involved in disputes over trade barriers that have created trade tensions between the two countries. Both countries have implemented tariffs on certain imported products from the other, casting uncertainty over tariffs and barrier to entry for products on both sides. There are uncertainties as to when and whether the trade disputes will be resolved and trade barriers lifted. All these would add to the uncertainties relating to the overall prospects for the global and the PRC economies this year and beyond, which may have a material adverse impact to our business, prospects, financial conditions and results of operations.

Turmoil in the financial markets could increase our cost of borrowing and impede access to or increase the cost of financing our operations and investments.

The availability of credit to entities operating within emerging markets, including us, is significantly influenced by levels of investor confidence in such markets as a whole. Any factors that may affect market confidence could affect the costs or availability of funding for entities within emerging markets. Historically, challenging market conditions in emerging markets have resulted in reduced liquidity, widening of credit spreads, lack of price transparency in credit markets, a reduction in available financing and a tightening of credit terms. In 2015, the PRC stock markets experienced significant turmoil and disruption. Throughout June and early July of 2015, the Shanghai Composite Index experienced significant declines and many PRC-listed companies were subject to trading suspensions on major stock exchanges. The PRC Government responded by cutting interest rates, suspending initial public offerings and starting investigations into market manipulation in an effort to stabilise the market. Due to its increasing financial reliance upon the PRC, Hong Kong's stock markets experienced a similar fluctuation during the relevant times and the Hang Seng Index had a record-breaking slump in a single day in the recent decade. As our shares are listed on both the Hong Kong Stock Exchange and the Shanghai Stock Exchange, significant fluctuations in these financial markets could cause substantial adverse effects on our business operations and investments as a whole.

In the first half of 2023, the global financial markets have experienced further turmoil with the collapse of Silicon Valley Bank, followed by Signature Bank, the crisis of Credit Suisse and the seizure of First Republic Bank, which has resulted in higher uncertainty in the financial services industry and has raised questions about the viability of other financial services firms and possibility of broader systemic risk. In addition, the response by government regulators and central banks to recent financial markets turmoil, including the response by Swiss authorities to the collapse of Credit Suisse and the seizure of First Republic Bank by U.S. regulators, has caused market participants to question how regulators and central banks will utilise resolution authority powers with respect to financial institutions or otherwise respond in the event of further turbulence or crisis in financial markets. In turn, the actual or perceived soundness of these financial institutions could have an adverse effect on our cost of borrowing and the cost of financing our operations and investments, and could have a material impact on our business, financial condition, results of operations and prospects.

The PRC's economic, political and social conditions, as well as government policies, could affect our businesses.

A substantial majority of our businesses, assets and operations is located in the PRC. Accordingly, our business prospects, financial condition and results of operations are, to a significant degree, subject to the economic, political and legal developments in the PRC. The PRC's economy differs from the economies of most developed countries in many respects, including, among others, government involvement, level of development, growth rate, control of foreign exchange and allocation of resources.

In recent years, the PRC Government has pushed forward a large number of economic reform measures to introduce market forces and promote the establishment of sound corporate governance structures. Such economic reform measures may be adjusted, modified or applied differently depending on the industries and regions of the country. As a result, we may not benefit from certain of such measures.

The PRC Government has the power to implement macroeconomic controls affecting the PRC's economy. The PRC Government has implemented various measures in an effort to control the growth rate of certain industries and restrain inflation. While the PRC has been one of the world's fastest growing economies in recent years as measured by GDP, the PRC's GDP growth slowed down during the recent global financial crisis and economic slowdown. (See "*Risk Factors – Risks relating to the PRC – The slowdown of the PRC's economy caused in part by the recent challenging global economic conditions may adversely affect us*" above). If the PRC's economy experiences a decrease in growth rate or a significant downturn, the unfavourable business environment and economic condition for our customers could negatively impact their ability or willingness to repay our loans and reduce their demand for our banking services. Our business, financial condition and results of operations may be materially and adversely affected.

The interpretation of the NDRC Order 56 (as defined below) may involve significant uncertainty, which may adversely affect the enforceability and/or effective performance of the Notes. Any failure to complete the relevant filings and/registration under the NDRC Order 56 within the prescribed time frames may have adverse consequences for the relevant Issuer and/or the investors of the Notes.

The National Development and Reform Commission (the "**NDRC**") issued the Circular on Promoting the Reform of the Administrative System on the Issuance by Enterprises of Foreign Debt Filings and Registrations (國家發展改革委關於推進企業發行外債備案登記制管理改革的通知(發改外資[2015]2044號)) (the "**NDRC Circular**") on 14 September 2015, which came into effect on the same day. According to the NDRC Circular, domestic enterprises and their overseas controlled entities shall procure the registration of any debt securities or medium to long term loans with a term not less than one year issued or incurred outside the PRC with the NDRC prior to the issue of the securities or drawings under the loans, and notify the particulars of the relevant issues or drawings within ten PRC working days after the completion of the relevant issue or drawing.

Effective from 10 February 2023, the Administrative Measures for the Examination and Registration of Medium- and Long-term Foreign Debts of Enterprises (企業中長期外債審核登記管理辦法(國家發展和改革委員會令第56號)) (as supplemented, amended or replaced from time to time, the "**NDRC Order 56**") and any implementation rules or policies as issued by the NDRC from time to time has superseded the NDRC Circular. Under the NDRC Order 56, the Bank shall, (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance and the expiration of the Enterprise Overseas Debt Borrowing Examination and Registration Certificate (企業借用外債審核登記證明) (the "**NDRC Certificate**") with respect to the relevant Notes in accordance with the NDRC Order 56, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations.

The NDRC Order 56 mentions some legal consequences of non-compliance with the pre-issuance registration requirement. For example, if the enterprise borrows foreign debt in violation of the NDRC Order 56, the examination and registration authority shall take disciplinary actions such as holding an interview and giving a public warning against the relevant enterprise and its principal person-in-charge according to the seriousness of the circumstances, and if any intermediary agency knows or should have known that an enterprise is borrowing foreign debt in violation of the relevant provision of the NDRC Order 56 but still provides the relevant intermediary services to the enterprise, the examination and registration authority shall circulate a notification of violation of regulations, and consult the relevant department on punishing the relevant intermediary agency and relevant liable persons in accordance with the applicable laws and regulations. In the worst case scenario, if pre-issuance registration is required but not complied with, it might become unlawful for the relevant Issuer to perform or comply with any of its obligations under the relevant Notes and the relevant Notes might be subject to enforcement as provided in Condition 13 (*Events of Default*) of the Terms and Conditions of the Notes. Potential investors of the Notes are advised to exercise due caution when making their investment decisions.

Similarly, the NDRC Order 56 mentions some legal consequences of non-compliance with the post-issue notification requirement. Failure to comply with the NDRC post-issue and continuing filing obligations (such as post-issue filing, pre-issuance approval expiration filing, periodical filing and major event filing, etc.) under Articles 24 and 26 of the NDRC Order 56 may result in the relevant entities being ordered to make corrections within a time limit, and in the case of aggravating circumstances or in the case that such corrections are not made within the prescribed time limit, relevant entities and their main person-in-charge will be warned. The aforesaid regulatory violations committed by enterprises shall be publicised on the "Credit China" website and the national enterprise credit information publicity system, among others.

The NDRC Order 56 is new and its implementation may involve significant uncertainty. The administration and enforcement of the NDRC Order 56 may be subject to executive and policy discretion of the NDRC. While the NDRC Order 56 has set out the legal consequences for debtors and involved professional parties in cases of non-compliance of the NDRC Order 56, the NDRC Order 56 is silent on whether any such non-compliance would affect the validity and enforceability of the Notes. There is no assurance that the failure to comply with the NDRC Order 56 would not result in adverse consequences on the Bank's or the relevant Issuer's or our ability to perform in accordance with the Terms and Conditions of the Notes or the enforceability of the Notes.

The PRC legal system could limit the legal protections available to you.

We are organised under the laws of the PRC. The PRC legal system is based on written statutes. The PRC Government has promulgated laws and regulations dealing with such economic matters as the issuance and trading of securities, shareholder rights, foreign investment, corporate organisation and governance, commerce, taxation and trade. However, many of these laws and regulations continue to evolve, may be subject to different interpretations and may be inconsistently enforced. In addition, there is only a limited volume of published court decisions that may be cited for reference, and such cases have limited precedent value, as they are not binding on subsequent cases. These uncertainties relating to the interpretation of PRC laws and regulations can affect the legal remedies and protections that are available to you and can adversely affect the value of your investment.

You may experience difficulties in effecting service of legal process and enforcing judgments against us and our management.

We are organised under the laws of the PRC, and a substantial majority of our businesses, assets and operations are located in the PRC. In addition, a substantial majority of our directors, supervisors and executive officers reside in the PRC, and substantially all of their assets are located in the PRC. As a result, it may not be possible to serve legal written process within the United States or elsewhere outside the PRC upon us or such directors, supervisors or executive officers, including with respect to matters arising under U.S. federal securities laws or applicable State securities laws.

The Bank and each relevant Branch Issuer has irrevocably submitted to the exclusive jurisdiction of the Hong Kong courts in the transaction documents relating to the Notes. Hong Kong and the PRC have entered into certain arrangements on the reciprocal recognition and enforcement of judgments in civil and commercial matters (the "**Reciprocal Arrangements**") which allow for a final court judgment (relating to the payment of money or other civil or commercial proceeding) rendered by a Hong Kong court or PRC court (as the case may be) to be recognised and enforced in the PRC or Hong Kong (as the case may be), provided certain conditions are met. However, certain matters may be excluded under the Reciprocal Arrangements and a judgment may be refused to be recognised and enforced by the requested place in certain circumstances such as for public policy reasons or where the judgment was obtained by fraud. As a general matter, a judgment of a court of another jurisdiction may be reciprocally recognised or enforced if the jurisdiction has a treaty with the PRC or if judgments of the PRC courts have been recognised before in that jurisdiction, subject to the satisfaction of other requirements. The PRC signed the Hague Convention on Choice of Court Agreements (the "**Hague Convention**") in September 2017 which is intended to promote the use of exclusive choice of court agreements in international contracts and facilitate the creation of a recognition and enforcement regime for court judgements between contracting States. However, the signing of the Hague Convention does not currently have any legal effect until it is ratified by the PRC Government. The PRC has not entered into treaties or arrangements providing for the reciprocal recognition and enforcement of judgments of courts with numerous countries, including Japan, the United States and the United Kingdom. Therefore, it may be difficult for Noteholders to enforce any judgments obtained from such foreign courts against us, the Issuer or any of their respective directors or senior management in the PRC.

Any future occurrence of natural disasters or outbreaks of contagious diseases in the PRC may have a material adverse effect on our business, financial condition and results of operations.

Any future occurrence of natural disasters or outbreaks of health epidemics and contagious diseases, including COVID-19, avian influenza, Severe Acute Respiratory Syndrome ("**SARS**"), Ebola virus disease ("**Ebola**"), Middle East Respiratory Syndrome corona virus ("**MERS**"), H5N1 influenza, H1N1 influenza or H7N9 influenza, may adversely affect our business, financial condition and results of operations. An outbreak of a health epidemic or contagious disease could result in a widespread health crisis and restrict the level of business activity in affected areas, which may in turn adversely affect our business, financial condition and results of operations. In particular, the COVID-19 pandemic resulted in many countries, including China, Japan, the United States, members of the European Union and the United Kingdom, declaring a state of emergency and imposing extensive business and travel restrictions with a view to containing the pandemic and has also adversely affected global financial, foreign exchange, commodity and energy markets. Despite the easing of travel restrictions and containment measures related to COVID-19 in China since December 2022, there are uncertainties as to how COVID-19 and related policies will evolve. The risks of subsequent waves of infection, as evidenced by the recently emerged variants of the virus, are still present. In addition, the varying government support measures and restrictions imposed in response to the COVID-19 pandemic have added challenges, given the rapid pace of change and significant operational demands. The speed at which countries and territories will be able to unwind the government support measures and restrictions and return to pre COVID-19 economic levels will vary based on the levels of infection, local governmental decisions and access to and ability to roll out vaccines. There is no assurance that the outbreak will not lead to decreased demand for services we provide; nor is there assurance that the outbreak's adverse impact on the PRC economy and our customers will not adversely affect the level of NPLs.

Moreover, the PRC has experienced natural disasters such as earthquakes, floods and drought in the past few years. Any future occurrence of severe natural disasters in the PRC may adversely affect its economy and in turn our business, financial condition and results of operations. There is no guarantee that any future occurrence of natural disasters or outbreak of COVID-19, avian influenza, SARS, Ebola, MERS, H5N1 influenza, H1N1 influenza, H7N9 influenza or other epidemics, or the measures taken by the PRC Government or other countries in response to a future outbreak of these epidemics, will not seriously interrupt our operations or those of our customers, which may have a material adverse effect on our business, financial condition and results of operations.

RISKS RELATING TO THE NOTES ISSUED UNDER THE PROGRAMME

The Notes may not be a suitable investment for all investors.

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Offering Circular, any applicable supplement to this Offering Circular or any Pricing Supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes may be complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to the purchaser's overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio. Additionally, the investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) the Notes are legal investments for it, (2) the Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase of any Notes.

Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk based capital or similar rules.

The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch.

On 7 July 2017, the FIRO came into operation. The FIRO provides for, among other things, the establishment of a resolution regime for authorised institutions and other within scope financial institutions in Hong Kong which may be designated by the relevant resolution authorities, which may include us to the extent we conduct licensed activities in Hong Kong. The resolution regime seeks to provide the relevant resolution authorities with administrative powers to bring about timely and orderly resolution in order to stabilise and secure continuity for a failing authorised institution or within scope financial institution in Hong Kong. In particular, the relevant resolution authority is provided with powers to affect contractual and property rights as well as payments (including in respect of any priority of payment) that creditors would receive in resolution. These may include, but are not limited to, powers to cancel, write off, modify, convert or replace all or a part of the Notes or the principal amount of, or interest on, the Notes, and powers to amend or alter the contractual provisions of the Notes, all of which may adversely affect the value of the Notes, and the holders thereof may suffer a loss of some or all of their investment as a result if the Issuer is the Hong Kong Branch. In the event that the Issuer is the Hong Kong Branch, holders of Notes may become subject to and bound by the FIRO. The implementation of FIRO remains untested and certain details relating to FIRO will be set out through secondary legislation and supporting rules. Therefore, we are unable to assess the full impact of FIRO on the financial system generally, our counterparties, us, any of our consolidated subsidiaries, our operations and/or our financial position.

The ratings of the Notes may be downgraded or withdrawn.

Each Tranche of Notes may be rated or unrated, as specified in the applicable Pricing Supplement. The rating represents the opinion of the relevant rating agency and its assessment of the ability of the relevant Issuer to perform its obligations under the Notes and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities. The rating can be lowered or withdrawn at any time. The relevant Issuer is not obligated to inform holders of the Notes if a rating is lowered or withdrawn. A reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Modifications and waivers.

The Conditions contain provisions for calling meetings of Noteholders to consider and vote upon matters affecting their interests generally or to pass resolution in writing. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting or, as the case may be, did not sign the written resolution, and including those Noteholders who voted in a manner contrary to the majority.

The Conditions provide that the Notes, the Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or Couponholders to correct a manifest error. The Conditions also provide that the parties to the Agency Agreement may, without the consent of Noteholders or Couponholders agree to (i) any modification of any of the provisions of the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Agency Agreement, that is in the opinion of the parties to the Agency Agreement, not materially prejudicial to the interests of the Noteholders.

A change in English law which governs the Notes may adversely affect Noteholders.

The Conditions are governed by English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

The Notes may be represented by Global Notes or Global Note Certificates and holders of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s).

Notes issued under the Programme may be represented by one or more Global Notes or Global Note Certificates. Such Global Notes and Global Note Certificates will be deposited with a common depositary for Euroclear and Clearstream, deposited with a nominee of DTC or lodged with the CMU (each of Euroclear, Clearstream, DTC and the CMU, a "**Clearing System**").

Except in the circumstances described in the relevant Global Note or Global Note Certificate, investors will not be entitled to receive definitive Notes. The relevant Clearing System(s) will maintain records of the beneficial interests in the Global Notes and the Global Note Certificates. While the Notes are represented by one or more Global Notes or Global Note Certificates, investors will be able to trade their beneficial interests only through the Clearing Systems.

While the Notes are represented by one or more Global Notes or Global Note Certificates, the relevant Issuer will discharge its payment obligations under the Notes by making payments to the relevant Clearing Systems for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Note Certificate must rely on the procedures of the relevant Clearing System(s) to receive payments under the relevant Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes and the Global Note Certificates.

Holders of beneficial interests in the Global Notes and the Global Note Certificates will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System(s) to appoint appropriate proxies.

Noteholders should be aware that Definitive Notes which have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade.

Notes may be issued with a minimum denomination. The Pricing Supplement in relation to a Tranche of Notes may provide that, for so long as the Notes are represented by a Global Note or a Global Note Certificate and the relevant Clearing System(s) so permit, the Notes will be tradable in nominal amounts (a) equal to, or integral multiples of, the minimum denomination, and (b) the minimum denomination plus integral multiples of an amount lower than the minimum denomination.

Definitive Notes will only be issued (i) upon expiry of such period of notice as may be specified in the relevant Pricing Supplement; or (ii) upon demand at any time as specified in the relevant Pricing Supplement; or (iii) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then upon either of the following events occurs: (a) if the relevant Clearing System(s) is/are closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business, or (b) any of the circumstances described in Condition 13 (*Events of Default*) of the Terms and Conditions of the Notes occurs. The Pricing Supplement may provide that, if Definitive Notes are issued, such Notes will be issued in respect of all holdings of Notes equal to or greater than the minimum denomination. However, Noteholders should be aware that Definitive Notes that have a denomination that is not an integral multiple of the minimum denomination may be illiquid and difficult to trade. Definitive Notes will in no circumstances be issued to any person holding Notes in an amount lower than the minimum denomination and such Notes will be cancelled and holders will have no rights against the relevant Issuer (including rights to receive principal or interest or to vote) in respect of such Notes.

RISKS RELATING TO A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features.

The regulation and reform of "benchmarks" may adversely affect the value of Notes linked to or referencing such "benchmarks".

Interest rates and indices which are deemed to be "benchmarks" (including the euro interbank offered rate ("**EURIBOR**")), are the subject of national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes referencing such a benchmark.

Regulation (EU) 2016/1011 (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any Notes linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the international or national reforms or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements. The euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, amongst other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system. On 11 May 2021, the euro risk-free rate working group published its recommendations on EURIBOR fallback trigger events and fallback rates. Such factors may have (without limitation) the following effects on certain benchmarks: (i) discouraging market participants from continuing to administer or contribute to a benchmark; (ii) triggering changes in the rules or methodologies used in the benchmark and/or (iii) leading to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Notes linked to, referencing, or otherwise dependent (in whole or in part) upon, a benchmark.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a Benchmark Event (as defined in the Terms and Conditions of the Notes) occurs, including if an inter-bank offered rate (such as EURIBOR) or other relevant reference rate (which could include, without limitation, any mid-swap rate), and/or any page on which such benchmark may be published (or any successor service) becomes unavailable, or if any Paying Agent, Calculation Agent, the relevant Issuer or other party is no longer permitted lawfully to calculate interest on any Notes by reference to such benchmark. Such fallback arrangements include the possibility that the rate of interest could be set by reference to a Successor Rate or an Alternative Reference Rate (both as defined in the Terms and Conditions of the Notes), with the application of an Adjustment Spread (as defined in the Terms and Conditions of the

Notes). Adjustment Spread is (i) the spread or a formula or methodology for calculating a spread which is formally recommended in relation to the replacement of the Reference Rate (as defined in the Terms and Conditions of the Notes) with the Successor Rate by any Relevant Nominating Body (as defined in the Terms and Conditions of the Notes); (ii) if no such recommendation has been made or in the case of an Alternative Reference Rate, the spread, formula or methodology which the Independent Adviser (as defined in the Terms and Conditions of the Notes) (in consultation with the relevant Issuer) or the relevant Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or (iii) if the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer (acting in a reasonable manner) (as applicable) determines that no such customary market usage is recognised or acknowledged, the spread, formula or methodology which the Independent Adviser (in consultation with the relevant Issuer) or the relevant Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders. There is no guarantee that any Adjustment Spread will be determined or applied. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest.

The use of any such Successor Rate or Alternative Reference Rate or, if applied, Adjustment Spread to determine the Rate of Interest may result in Notes linked to or referencing the initial inter-bank offered rate or other relevant reference rate performing differently (including paying a lower Rate of Interest) than they would do if the initial inter-bank offered rate or other relevant reference rate (as applicable) were to continue to apply in its current form.

Under these fallback arrangements, the relevant Issuer will use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser (as defined in the Terms and Conditions of the Notes) to determine the Successor Rate or Alternative Reference Rate (as applicable) no later than five Business Days (as defined in the Terms and Conditions of the Notes) prior to the relevant Interest Determination Date (the "**IA Determination Cut-off Date**"), but in the event that the relevant Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or such Independent Adviser fails to determine the Successor Rate or Alternative Reference Rate (as applicable), prior to the relevant IA Determination Cut-off Date, the relevant Issuer (acting in a reasonable manner) will have discretion to, amongst other things, determine the relevant Successor Rate or Alternative Reference Rate (as applicable). There can be no assurance that such Successor Rate or Alternative Reference Rate (as applicable) determined by the relevant Issuer will be set at a level which is on terms commercially acceptable to all Noteholders.

Furthermore, in certain circumstances, the ultimate fallback for the purposes of calculation of Rate of Interest for a particular Interest Period may result in the Rate of Interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Notes based on the rate which was last observed on the Relevant Screen Page. Due to the uncertainty concerning the availability of Successor Rates and Alternative Reference Rates, any determinations that may need to be made by the relevant Issuer and the involvement of an Independent Adviser, entails a risk that the relevant fallback provisions may not operate as intended at the relevant time. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the relevant Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation, the UK Benchmarks Regulation or any other international or national reforms, in making any investment decision with respect to any Notes referencing a benchmark.

The use of Secured Overnight Financing Rate ("SOFR") as a reference rate is subject to important limitations.

The rate of interest on the Floating Rate Notes may be calculated on the basis of SOFR (as further described under Condition 6(d) of the Conditions).

In June 2017, the New York Federal Reserve's Alternative Reference Rates Committee (the "**ARRC**") announced SOFR as its recommended alternative to U.S. dollar LIBOR. However, the composition and characteristics of SOFR are not the same as those of LIBOR. SOFR is a broad U.S. Treasury repo-financing rate that represents overnight secured funding transactions. This means that SOFR is fundamentally different from LIBOR for two key reasons. First, SOFR is a secured rate, while LIBOR is an unsecured rate. Second, SOFR is an overnight rate, while LIBOR represents interbank funding over different maturities. As a result, there can be no assurance that SOFR will perform in the same way as LIBOR would have at any time, including, without limitation, as a result of changes in interest and yield rates in the market, market volatility or global or regional economic, financial, political, or regulatory events. For example, since publication of SOFR began in April 2018, daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmark or other market rates.

As SOFR is an overnight funding rate, interest on SOFR-based Notes with interest periods longer than overnight will be calculated on the basis of either the arithmetic mean of SOFR over the relevant interest period or compounding SOFR during the relevant interest period. As a consequence of this calculation method, the amount of interest payable on each interest payment date will only be known a short period of time prior to the relevant interest payment date. Noteholders therefore will not know in advance the interest amount which will be payable on such Notes.

Although the Federal Reserve Bank of New York has published historical indicative SOFR information going back to 2014, such prepublication of historical data inherently involves assumptions, estimates and approximations. Noteholders should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR.

The Federal Reserve Bank of New York notes on its publication page for SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve Bank of New York may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. In addition, SOFR is published by the Federal Reserve Bank of New York based on data received from other sources. The Bank has no control over its determination, calculation or publication. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of the Noteholders. If the manner in which the SOFR is calculated is changed or if SOFR is discontinued, that change or discontinuance may result in a reduction or elimination of the amount of interest payable on the Notes and a reduction in the trading prices of the Notes which would negatively impact the Noteholders who could lose part of their investment.

The Terms and Conditions of the Notes provide for certain fallback arrangements in the event that a SOFR Benchmark Event occurs, which is based on the ARRC recommended language. There is however no guarantee that the fallback arrangements will operate as intended at the relevant time or operate on terms commercially acceptable to all Noteholders. Any of the fallbacks may result in interest payments that are lower than, or do not otherwise correlate over time with, the payments that would have been made on the Notes if SOFR had been provided by the Federal Reserve Bank of New York in its current form. Investors should consult their own independent advisers and make their own assessment about the potential risks in making any investment decision with respect to any Notes linked to SOFR.

The market continues to develop in relation to SOFR as a reference rate for Floating Rate Notes.

Investors should be aware that the market continues to develop in relation to SOFR as a reference in the capital markets and its adoption as an alternative to U.S. dollar LIBOR. Market participants and relevant working groups are exploring alternative reference rates based on SOFR (which seek to measure the market's forward expectation of a SOFR rate over a designated term). The market or a significant part thereof may adopt an application of SOFR that differs significantly from that set out in the Terms and Conditions of the Notes. In addition, the manner of adoption or application of SOFR in the bond markets may differ materially compared with the application and adoption of SOFR in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of SOFR in the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Notes referencing SOFR. In addition, the development of SOFR as an interest reference rate for the bond markets, as well as continued development of SOFR-based rates, indices and averages for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased

volatility or could otherwise affect the market price of Notes referencing SOFR. Similarly, if SOFR do not prove widely used in securities such as the Notes referencing SOFR, investors may not be able to sell such Notes referencing SOFR at all or the trading price of the Notes referencing SOFR may be lower than those of bonds linked to indices that are more widely used.

The use of SOFR as a reference rate for bonds is nascent, and may be subject to change and development, both in terms of the substance of the calculation and in the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates. Notes referencing SOFR may have no established trading market when issued, and an established trading market may never develop or may not be very liquid which, in turn, may reduce the trading price of such Notes or mean that investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk. Investors should consider these matters when making their investment decision with respect to Notes referencing SOFR.

Notes subject to optional redemption by the relevant Issuer may have a lower market value than Notes that cannot be redeemed.

The Notes may be redeemed at the option of the relevant Issuer pursuant to Condition 9(b) (*Redemption for tax reasons*) and Condition 9(c) (*Redemption at the option of the Issuer*) of the Terms and Conditions of the Notes. An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Dual Currency Notes have features which are different from single currency issues.

The relevant Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) they may receive no interest;

(iii) payment of principal or interest may occur at a different time or in a different currency than expected; and

(iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero.

Failure by an investor to pay a subsequent instalment of partly paid Notes may result in an investor losing all of its investment.

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalments could result in an investor losing all of its investment.

The market price of variable rate Notes with a multiplier or other leverage factor may be volatile.

Notes with variable interest rates can be volatile securities. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Inverse Floating Rate Notes are typically more volatile than conventional floating rate debt. Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as the EURIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Notes carrying an interest rate which may be converted from fixed to floating interest rates and vice versa, may have lower market values than other Notes.

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

The market prices of Notes issued at a substantial discount or premium tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities.

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Investors may lose part or all of their investment in any Index-Linked Notes issued.

If, in the case of a particular Tranche of Notes, the relevant Pricing Supplement specifies that the Notes are Index-Linked Notes or variable redemption amount Notes, there is a risk that the investor may lose the value of its entire investment or part of it.

Gains on the transfer of the Notes may become subject to income taxes under PRC tax laws.

Under the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules, as amended from time to time, any gain realised on the transfer of the Notes by non-PRC resident enterprise or individual Holders may be subject to PRC enterprise income tax ("**EIT**") or PRC individual income tax ("**IIT**") if such gain is regarded as income derived from sources within the PRC. The PRC Enterprise Income Tax Law levies EIT at the rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident enterprise from the transfer of Notes but its implementation rules have reduced the EIT rate to 10 per cent. The PRC Individual Income Tax Law levies IIT at a rate of 20 per cent. of the PRC-sourced gains derived by such non-PRC resident individual Holder from the transfer of Notes.

However, uncertainty remains as to whether the gain realised from the transfer of Notes by non-PRC resident enterprise or individual Holders would be treated as income derived from sources within the PRC and thus become subject to EIT or IIT. This will depend on how the PRC tax authorities interpret, apply or enforce the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the relevant implementing rules. If such gains are determined as income sourced in the PRC by the relevant PRC tax authorities, (i) the non-PRC resident enterprise Noteholders may be subject to PRC enterprise income tax at the rate of 10 per cent. of the gains derived by such non-PRC resident enterprise Noteholders and (ii) the non-PRC resident individual Noteholders may be subject to PRC individual income tax at the rate of 20 per cent. of the gains derived by such non-PRC resident individual Noteholders. According to the arrangement between the PRC and Hong Kong, for avoidance of double taxation, Holders who are residents of Hong Kong, including enterprise Holders and individual Holders, will not be subject to EIT or IIT on capital gains derived from a sale or exchange of the Notes.

Therefore, if enterprise or individual resident Holders which are non-PRC residents are required to pay PRC income tax on gains derived from the transfer of Notes, unless there is an applicable tax treaty between PRC and the jurisdiction in which such non-PRC enterprise or individual Holders of Notes reside that reduces or exempts the relevant EIT or IIT, the value of their investment in Notes may be materially and adversely affected.

RISKS RELATING TO THE MARKET GENERALLY

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity.

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at all or at their fair market value. Although application may be made to the Hong Kong Stock Exchange or another stock exchange for the Notes issued under the Programme to be admitted to listing on the Hong Kong Stock Exchange or such other stock exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade has been subject to disruptions that have caused volatility in prices of securities similar to the Notes issued under the Programme. If a Tranche of Notes is issued to a single investor or a limited number of investors, this may result in an even more illiquid or volatile market in such Notes. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

Exchange rate risks and exchange controls may result in investors receiving less interest or principal than expected.

The relevant Issuer will pay principal and interest on the Notes in the currency specified in the relevant Pricing Supplement (the "**Specified Currency**"). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

RISKS RELATING TO RENMINBI DENOMINATED NOTES

Notes denominated in Renminbi (the "**Renminbi Notes**") may be issued under the Programme. Renminbi Notes contain particular risks for potential investors.

Renminbi is not freely convertible and there are significant restrictions on the remittance of Renminbi into and out of the PRC which may adversely affect the liquidity of Renminbi Notes.

Renminbi is not freely convertible at present. The PRC Government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar.

However, there has been significant reduction in control by the PRC Government in recent years, particularly over trade transactions involving import and export of goods and services as well as other frequent routine foreign exchange transactions. These transactions are known as current account items.

On the other hand, remittance of Renminbi into and out of the PRC for the settlement of capital account items, such as capital contributions, debt financing and securities investment, is generally only permitted upon obtaining specific approvals from, or completing specific registrations or filings with, the relevant authorities on a case-by-case basis and is subject to a strict monitoring system. Regulations in the PRC on the remittance of Renminbi into and out of the PRC for settlement of capital account items are being adjusted from time to time to match the policies of the PRC Government.

Although the PBOC has implemented policies improving accessibility to Renminbi to settle cross-border transactions in the past, there is no assurance that the PRC Government will liberalise control over cross-border remittance of Renminbi in the future, that the schemes for Renminbi cross-border utilisation will not be discontinued or that new regulations in the PRC will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or out of the PRC. Despite Renminbi internationalisation pilot programme and efforts in recent years to internationalise the currency, there can be no assurance that the PRC Government will not impose interim or long-term restrictions on the cross-border remittance of Renminbi. In the event that funds cannot be repatriated out of the PRC in Renminbi, this may affect the overall availability of Renminbi outside the PRC and the ability of the relevant Issuer to source Renminbi to finance its obligations under Notes denominated in Renminbi.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of the Renminbi Notes and the relevant Issuer's ability to source Renminbi outside the PRC to service Renminbi Notes.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside the PRC is limited. While the PBOC has entered into agreements (the "**Settlement Arrangements**") on the clearing of Renminbi business with financial institutions (the "**Renminbi Clearing Banks**") in a number of financial centres and cities, including but not limited to Hong Kong, it has established the Cross-Border Inter-Bank Payments System (CIPS) to facilitate cross-border Renminbi settlement and is further in the process of establishing Renminbi clearing and settlement mechanisms in several other jurisdictions, the current size of Renminbi denominated financial assets outside the PRC is limited.

There are restrictions imposed by PBOC on Renminbi business participating banks in respect of cross-border Renminbi settlement, such as those relating to direct transactions with PRC enterprises. Furthermore, Renminbi business participating banks do not have direct Renminbi liquidity support from PBOC, although PBOC has gradually allowed participating banks to access the PRC's onshore inter-bank market for the purchase and sale of Renminbi. The Renminbi Clearing Banks only have limited access to onshore liquidity support from PBOC for the purpose of squaring open positions of participating banks for limited types of transactions and are not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services. In cases where the participating banks cannot source sufficient Renminbi through the above channels, they will need to source Renminbi from outside the PRC to square such open positions.

The offshore Renminbi market is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Arrangements will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi outside the PRC. The limited availability of Renminbi outside the PRC may affect the liquidity of the Renminbi Notes. To the extent the relevant Issuer is required to source Renminbi in the offshore market to service its Renminbi Notes, there is no assurance that the relevant Issuer will be able to source such Renminbi on satisfactory terms, if at all.

Investment in the Renminbi Notes is subject to exchange rate risks.

The value of Renminbi against other foreign currencies fluctuates from time to time and is affected by changes in the PRC and international political and economic conditions as well as many other factors. The PBOC has in recent years implemented changes to the way it calculates the Renminbi's daily mid-point against the U.S. dollar to take into account market-maker quotes before announcing such daily mid-point.

This change, and others that may be implemented, may increase the volatility in the value of the Renminbi against foreign currencies. All payments of interest and principal will be made in Renminbi with respect to Renminbi Notes unless otherwise specified. As a result, the value of these Renminbi payments may vary with the changes in the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against another foreign currency, the value of the investment made by a holder of the Renminbi Notes in that foreign currency will decline.

Payments with respect to the Renminbi Notes may be made only in the manner designated in the Renminbi Notes.

All payments to investors in respect of the Renminbi Notes will be made solely (i) for so long as the Renminbi Notes are represented by Global Note Certificates held with the common depositary for Clearstream and Euroclear, deposited with a custodian of DTC or any alternative clearing system, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement, (ii) for so long as the Renminbi Notes are represented by Global Note Certificates lodged with a sub-custodian for or registered with the CMU, by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing CMU rules and procedures or (iii) for so long as the Renminbi Notes are in definitive form, by transfer to a Renminbi bank account maintained in Hong Kong or a financial centre in which a Renminbi Clearing Bank clears and settles Renminbi, if so specified in the Pricing Supplement in accordance with prevailing rules and regulations. The relevant Issuer cannot be required to make payment by any other means (including in any other currency or by transfer to a bank account in the PRC).

USE OF PROCEEDS

The net proceeds from each issue of Notes will be used for general corporate purposes of the relevant Issuer. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Pricing Supplement.

FORMS OF THE NOTES

The Notes of each Series will be in either bearer form, with or without interest coupons attached, or registered form, without interest coupons attached. Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act and Registered Notes will be issued both outside the United States in reliance on the exemption from registration provided by Regulation S and within the United States in reliance on Rule 144A or otherwise in private transactions that are exempt from the registration requirements of the Securities Act.

BEARER NOTES

Each Tranche of Notes in bearer form ("**Bearer Notes**") will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Pricing Supplement. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear Bank SA/NV as operator of the Euroclear System ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream**") and/or any other relevant clearing system, and/or a sub-custodian for the CMU.

In the case of each Tranche of Bearer Notes, the relevant Pricing Supplement will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR PERMANENT GLOBAL NOTE

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

(i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent; and

(ii) receipt by the Issuing and Paying Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership provided, however, that in no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

The CMU may require that any such exchange for a Permanent Global Note is made in whole and not in part and in such event, no such exchange will be effected until all relevant account holders (as set out in a CMU Instrument Position Report (as defined in the rules of the CMU) or any other relevant notification supplied to the CMU Lodging and Paying Agent by the CMU) have so certified.

If:

(a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5:00 p.m. (Luxembourg time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5:00 p.m. (Luxembourg time) on such seventh day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form ("**Definitive Notes**"):

(a) on the expiry of such period of notice as may be specified in the Pricing Supplement; or

(b) at any time, if so specified in the Pricing Supplement; or

(c) if the Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or

(c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

TEMPORARY GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Pricing Supplement specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Pricing Supplement), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or

(b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

PERMANENT GLOBAL NOTE EXCHANGEABLE FOR DEFINITIVE NOTES

If the relevant Pricing Supplement specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:

    (i) Euroclear or Clearstream or the CMU or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (ii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Pricing Supplement), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Issuing and Paying Agent within 30 days of the bearer requesting such exchange.

If:

(a) Definitive Notes have not been duly delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or

(b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

RIGHTS UNDER DEED OF COVENANT

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or the CMU and/or any other relevant clearing system.

TERMS AND CONDITIONS APPLICABLE TO THE NOTES

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

LEGEND CONCERNING UNITED STATES PERSONS

In the case of any Tranche of Bearer Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

REGISTERED NOTES

Each Tranche of Registered Notes will be in the form of either:

(i) individual Note Certificates in registered form ("**Individual Note Certificates**"); or

(ii) one or more global note certificate or unrestricted global note certificates ("**Unrestricted Global Note Certificate(s)**") in the case of Registered Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Notes**") and/or one or more restricted global note certificates ("**Restricted Global Note Certificates**") in the case of Registered Notes sold to QIBs in reliance on Rule 144A ("**Restricted Notes**"),

in each case as specified in the relevant Pricing Supplement, and references in this Offering Circular to "**Global Note Certificates**" shall be construed as to include Unrestricted Global Note Certificates and Restricted Global Note Certificates.

Each Note to be cleared through DTC and represented by an Unrestricted Global Note Certificate or a Restricted Global Note Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and the relevant Global Note Certificate will be deposited on or about the issue date with the DTC Custodian.

Each Global Note Certificate will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system and registered in the name of a nominee for such depositary and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Pricing Supplement specifies the form of Notes as being "Individual Note Certificates", then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Pricing Supplement specifies the form of Notes as being "Global Note Certificate exchangeable for Individual Note Certificates", then the Notes will initially be in the form of a Global Note Certificate which will be exchangeable in whole, but not in part, for Individual Note Certificates:

(a) on the expiry of such period of notice as may be specified in the relevant Pricing Supplement; or

(b) at any time, if so specified in the relevant Pricing Supplement; or

(c) if the relevant Pricing Supplement specifies "in the limited circumstances described in the Global Note Certificate", then if either of the following events occurs:

    (i) in the case of any Global Note Certificate held by or on behalf of DTC, if DTC notifies the relevant Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Note Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the relevant Issuer is unable to locate a qualified successor within 90 days of receiving notice of such ineligibility on the part of DTC;

    (ii) Euroclear or Clearstream or the CMU or any other relevant clearing system (other than DTC) is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or

    (iii) any of the circumstances described in Condition 13 (*Events of Default*) occurs.

Whenever a Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in a Global Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the relevant Issuer and the Registrar may require to complete and deliver Individual Note Certificates (including the name and address of each person in which the Notes represented by the Individual Note Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Note Certificate is to be exchanged for Individual Note Certificates, each person having an interest in the Restricted Global Note Certificate must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Note Certificate stating either (i) that such holder is not transferring its interest at the time of such exchange or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Note Certificates issued in exchange for interests in the Restricted Global Note Certificate will bear the legends and be subject to the transfer restrictions set out under "*Subscription and Sale*" and "*Transfer Restrictions*".

Whenever the Global Note Certificate is to be exchanged for Individual Note Certificates, the relevant Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person's holding) against the surrender of the Global Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

(a) Individual Note Certificates have not been delivered by 5:00 p.m. (Luxembourg time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Note Certificate; or

(b) any of the Notes represented by a Global Note Certificate has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Note Certificate in accordance with the terms of the Global Note Certificate on the due date for payment,

then the Global Note Certificate (including the obligation to deliver Individual Note Certificates) will become void at 5:00 p.m. (Luxembourg time) on such thirtieth day (in the case of (a) above) or at 5:00 p.m. (Luxembourg time) on such due date (in the case of (b) above) and the holder of the Global Note Certificate will have no further rights thereunder (but without prejudice to the rights which the holder of the Global Note Certificate or others may have under the Deed of Covenant. Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note Certificate will acquire directly against the relevant Issuer all those rights to which they would have been entitled if, immediately before the Global Note Certificate became void, they had been the holders of Individual Note Certificates in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream and/or any other relevant clearing system.

TERMS AND CONDITIONS APPLICABLE TO THE NOTES

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Pricing Supplement which supplement, amend and/or replace those terms and conditions.

The terms and conditions applicable to any Global Note Certificate will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

CMU

The CMU is a central depositary service provided by the Central Moneymarkets Unit of the HKMA for the safe custody and electronic trading between the members of this service ("**CMU Members**") of Exchange Fund Bills and Notes Clearing and Settlement Service securities and capital markets instruments (together as "**CMU Instruments**") which are specified in the CMU Reference Manual as capable of being held within the CMU.

The CMU is only available to CMU Instruments issued by a CMU Member or by a person for whom a CMU Member acts as agent for the purposes of lodging instruments issued by such persons. Membership of the CMU is open to financial institutions regulated by the HKMA, Securities and Futures Commission, Insurance Authority or Mandatory Provident Fund Schemes Authority. For further details on the full range of the CMU's custodial services, please refer to the CMU Reference Manual.

The CMU has an income distribution service which is a service offered by the CMU to facilitate the distribution of interest, coupon or redemption proceeds (collectively, the "**income proceeds**") by CMU Members who are paying agents to the legal title holders of CMU Instruments via the CMU system. Furthermore, the CMU has a corporate action platform which allows an issuer (or its agent) to make an announcement/notification of a corporate action and noteholders to submit the relevant certification. For further details, please refer to the CMU Reference Manual.

An investor holding an interest through an account with either Euroclear or Clearstream in any Notes held in the CMU will hold that interest through the respective accounts which Euroclear and Clearstream each have with the CMU.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as supplemented, amended and/or replaced by the relevant Pricing Supplement, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Forms of the Notes" and "Summary of Provisions Relating to the Notes while in Global Form".

1 INTRODUCTION

(a) Programme

Industrial and Commercial Bank of China Limited (the "**Bank**") has established a Global Medium Term Note Programme (the "**Programme**") for the issuance of up to U.S.$20,000,000,000 in aggregate principal amount of notes (the "**Notes**").

(b) Pricing Supplement

Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a pricing supplement (the "**Pricing Supplement**") which supplements these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as supplemented, amended and/or replaced by the relevant Pricing Supplement. In the event of any inconsistency between these Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. Each Series of Notes may be issued by the Bank or any branch of the Bank (each a "**Branch Issuer**"), as specified in the relevant Pricing Supplement.

(c) Agency Agreement

The Notes are the subject of a fiscal, issuing and paying agency agreement dated 16 October 2023, as amended and/or supplemented from time to time (the "**Agency Agreement**") between the Bank (on behalf of itself and each Branch Issuer) and The Hongkong and Shanghai Banking Corporation Limited as issuing and paying agent (the "**Issuing and Paying Agent**", which expression includes any successor issuing and paying agent appointed from time to time in connection with the Notes), as registrar (the "**Registrar**", which expression includes any successor registrar appointed from time to time in connection with the Notes), HSBC Bank USA, National Association as U.S. issuing and paying agent (the "**U.S. Issuing and Paying Agent**", which expression includes any successor U.S. issuing and paying agent appointed from time to time in connection with the Notes), as U.S. transfer agent (the "**U.S. Transfer Agent**", which expression includes any successor U.S. transfer agent appointed from time to time in connection with the Notes) and U.S. registrar (the "**U.S. Registrar**", which expression includes any successor U.S. registrar appointed from time to time in connection with the Notes), and The Hongkong and Shanghai Banking Corporation Limited as CMU lodging and paying agent (the "**CMU Lodging and Paying Agent**", which expression includes any successor CMU lodging and paying agent appointed from time to time in connection with the Notes), the paying agents named therein (together with the Issuing and Paying Agent, the U.S. Issuing and Paying Agent and the CMU Lodging and Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the U.S. Transfer Agent and the U.S. Registrar, the "**Transfer Agents**", which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the "**Agents**" are to the Paying Agents and the Transfer Agents and any reference to an "**Agent**" is to any one of them. For the purposes of these Conditions, all references (other than in relation to the determination of interest and other amounts payable in respect of the Notes) to the Issuing and Paying Agent shall, with respect to a Series of Notes to be held in the CMU (as defined below), be deemed to be a reference to the CMU Lodging and Paying Agent and all such references shall be construed accordingly.

(d) Deed of Covenant

The Notes may be issued in bearer form ("**Bearer Notes**"), or in registered form ("**Registered Notes**"). Registered Notes are constituted by a deed of covenant dated 27 May 2021, as amended and/or supplemented from time to time (the "**Deed of Covenant**") entered into by the Bank (on behalf of itself and each Branch Issuer).

(e) The Notes

All subsequent references in these Conditions to "**Notes**" are to the Notes which are the subject of the relevant Pricing Supplement. Copies of the relevant Pricing Supplement are available for viewing and copies may be obtained from the Specified Office of each of the Paying Agents and Transfer Agents.

(f) Summaries

Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2 INTERPRETATION

(a) Definitions

In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Pricing Supplement;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Pricing Supplement;

"**Adjustment Spread**" means (a) a spread (which may be positive or negative or zero) or (b) a formula or methodology for calculating a spread, in each case required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(iii) if the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable) determines that no such customary market usage is recognised or acknowledged, the Independent Adviser (in consultation with the Issuer) or the Issuer in its discretion (as applicable), determines (acting in a reasonable manner) to be appropriate, having regard to the objective, so far as is reasonably practicable in the circumstances and solely for the purposes of this sub-paragraph (iii) only, of reducing or eliminating any economic prejudice or benefit (as the case may be) to the Noteholders and Couponholders;

"**Alternative Reference Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines has replaced the relevant Reference Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest in respect of bonds denominated in the Specified Currency and of a comparable duration to the relevant Interest Period, or, if the Independent Adviser or the Issuer (as applicable) determines that there is no such rate, such other rate as the Independent Adviser or the Issuer (as applicable) determines in its discretion (acting in a reasonable manner) is most comparable to the relevant Reference Rate;

"**Benchmark Event**" means, in respect of a Reference Rate for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark):

(i) such Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist;

(ii) a public statement by the administrator of such Reference Rate that it has ceased or will cease publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate);

(iii) a public statement by the supervisor of the administrator of such Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued;

(iv) a public statement by the supervisor of the administrator of such Reference Rate that means such Reference Rate will be prohibited from being used either generally or in respect of the Notes or that its use will be subject to restrictions or adverse consequences;

(v) a public statement by the supervisor of the administrator of such Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market or the methodology to calculate such Reference Rate has materially changed; or

(vi) it has become unlawful for any Paying Agent, the Calculation Agent, the Issuer or other party to calculate any payments due to be made to any Noteholder or Couponholder using such Reference Rate,

provided that in the case of sub-paragraphs (ii), (iii) and (iv) of this definition, the Benchmark Event shall occur on the date of the cessation of publication of such Reference Rate, the discontinuation of such Reference Rate, or the prohibition of use of such Reference Rate, as the case may be, and not the date of the relevant public statement;

"**Business Day**" means:

(i) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(ii) in relation to any sum payable in a currency other than euro and Renminbi, a day on which commercial banks and foreign exchange markets settle payments generally, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre; and

(iii) for the purposes of Notes denominated in Renminbi only, any day (other than a Sunday or a Saturday) on which commercial banks and foreign exchange markets are open for business and settle Renminbi payments in Hong Kong and are not authorised or obligated by law or executive order to be closed;

"**Business Day Convention**", in relation to any particular date, has the meaning given in the relevant Pricing Supplement and, if so specified in the relevant Pricing Supplement, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

(i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;

(iii) "**Preceding Business Day Convention**" means that the relevant date shall be brought forward to the first preceding day that is a Business Day;

(iv) "**FRN Convention**", "**Floating Rate Convention**" or "**Eurodollar Convention**" means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Pricing Supplement as the Specified Period after the calendar month in which the preceding such date occurred provided, however, that:

(A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;

(B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

(C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and

(v) "**No Adjustment**" means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"**Calculation Agent**" means The Hongkong and Shanghai Banking Corporation Limited or such other Person specified in the relevant Pricing Supplement as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Pricing Supplement;

"**Calculation Amount**" has the meaning given in the relevant Pricing Supplement;

"**CMU**" means the Central Moneymarkets Unit Service, operated by the Hong Kong Monetary Authority;

"**Coupon Sheet**" means, in respect of a Note, a coupon sheet relating to the Note;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Pricing Supplement and:

(i) if "Actual/Actual (ICMA)" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (I) the actual number of days in such Regular Period and (II) the number of Regular Periods in any year;

(ii) if "Actual/Actual (ISDA)" is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(iii) if "Actual/365 (Fixed)" is so specified, means the actual number of days in the Calculation Period divided by 365;

(iv) if "Actual/360" is so specified, means the actual number of days in the Calculation Period divided by 360;

(v) if "30/360" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(vi) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30; and

(vii) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\textit{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"**DTC**" means The Depository Trust Company and its successors;

"**Early Redemption Amount (Tax)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Early Termination Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Pricing Supplement;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**Final Redemption Amount**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**First Interest Payment Date**" means the date specified in the relevant Pricing Supplement;

"**Fitch**" means Fitch Ratings Ltd., a subsidiary of the Fitch Group, a jointly owned subsidiary of Fimalac, S.A. and Hearst Corporation, and its successors;

"**Fixed Coupon Amount**" has the meaning given in the relevant Pricing Supplement;

"**Holder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Hong Kong**" means the Hong Kong Special Administrative Region of the People's Republic of China;

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser of recognised standing and with appropriate expertise, in each case appointed by the Issuer at its own expense;

"**Interest Amount**" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"**Interest Commencement Date**" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Pricing Supplement;

"**Interest Determination Date**" has the meaning given in the relevant Pricing Supplement;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Pricing Supplement and, if a Business Day Convention is specified in the relevant Pricing Supplement:

(i) as the same may be adjusted in accordance with the relevant Business Day Convention; or

(ii) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Pricing Supplement as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

"**Interest Period**" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"**Issue Date**" has the meaning given in the relevant Pricing Supplement;

"**Issuer**" means the Bank or the Branch Issuer, as specified in the relevant Pricing Supplement;

"**Margin**" has the meaning given in the relevant Pricing Supplement;

"**Material Subsidiary**" means a Subsidiary of the Bank whose total assets or total revenue (consolidated in the case of a Subsidiary which has Subsidiaries) as at the date at which its latest audited financial statements were prepared or, as the case may be, for the financial period to which these audited financial statements relate, account for 5 per cent. or more of the consolidated assets or consolidated revenue of the Bank as at such date or for such period. If a Material Subsidiary transfers all of its assets and business to another Subsidiary of the Bank, the transferee shall become a Material Subsidiary and the transferor shall cease to be a Material Subsidiary on completion of such transfer.

"**Maturity Date**" has the meaning given in the relevant Pricing Supplement;

"**Maximum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Minimum Redemption Amount**" has the meaning given in the relevant Pricing Supplement;

"**Moody's**" means Moody's Investors Service, Inc. and its affiliates and successors;

"**Noteholder**", in the case of Bearer Notes, has the meaning given in Condition 3(b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition 3(d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

"**Optional Redemption Amount (Call)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Amount (Put)**" means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Pricing Supplement;

"**Optional Redemption Date (Call)**" has the meaning given in the relevant Pricing Supplement;

"**Optional Redemption Date (Put)**" has the meaning given in the relevant Pricing Supplement;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is:

(A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

(B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies (including, in the case of Notes denominated in Renminbi, settlement of Renminbi payments) may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" includes any individual, company, state owned enterprise, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state or other entity (in each case whether or not being a separate legal entity);

"**PRC**" means the People's Republic of China (which for the purposes of these Conditions shall not include Hong Kong, the Macau Special Administrative Region or Taiwan);

"**Principal Financial Centre**" means, in relation to any currency, the principal financial centre for that currency provided, however, that:

(i) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and

(ii) in relation to Renminbi, it means Hong Kong or the principal financial centre as is specified in the relevant Pricing Supplement;

"**Public External Indebtedness**" means any indebtedness of the Issuer (or, for the purposes of Condition 13(c) (*Cross-default*), any of the Bank's Subsidiaries), or any guarantee or indemnity by the Issuer of indebtedness, for money borrowed which, (i) is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is issued outside the PRC and is, or is capable of being listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market) outside the PRC (without regard, however, to whether or not such instruments are sold through public offerings or private placements); and (ii) has an original maturity of more than 365 days;

"**Put Option Notice**" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Put Option Receipt**" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"**Rate of Interest**" means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Pricing Supplement or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Pricing Supplement;

"**Rating Agency**" means (a) S&P, (b) Moody's or (c) Fitch, provided that if S&P, Moody's or Fitch shall not make a rating of the Notes publicly available, a nationally recognised securities rating agency or agencies, as the case may be, selected by the Issuer;

"**Redemption Amount**" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in, or determined in accordance with the provisions of, the relevant Pricing Supplement;

"**Reference Banks**" has the meaning given in the relevant Pricing Supplement or, if none, four major banks selected by the Issuer in the market that is most closely connected with the Reference Rate;

"**Reference Price**" has the meaning given in the relevant Pricing Supplement;

"**Reference Rate**" has the meaning given in the relevant Pricing Supplement;

"**Register**" has the meaning given in the Agency Agreement;

"**Regular Period**" means:

(i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and

(iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Issuing and Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given in the relevant Pricing Supplement;

"**Relevant Nominating Body**" means, in respect of a reference rate:

(i) the central bank for the currency to which the reference rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate; or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the reference rate relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the reference rate, (c) a group of the aforementioned central banks or other supervisory authorities, or (d) the Financial Stability Board or any part thereof;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Pricing Supplement, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Time**" has the meaning given in the relevant Pricing Supplement;

"**Reserved Matter**" means any proposal:

(i) to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes on redemption or maturity or the date for any such payment;

(ii) to effect the exchange or substitution of the Notes for, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed;

(iii) to change the currency in which amounts due in respect of the Notes are payable;

(iv) to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution; or

(v) to amend this definition;

"**S&P**" means S&P Global Ratings and its affiliates and successors;

"**Specified Clearing System**" means the clearing system specified in the relevant Pricing Supplement in respect of a Tranche of Notes for which no Note Certificates are to be issued;

"**Specified Currency**" has the meaning given in the relevant Pricing Supplement;

"**Specified Denomination(s)**" has the meaning given in the relevant Pricing Supplement;

"**Specified Office**" has the meaning given in the Agency Agreement;

"**Specified Period**" has the meaning given in the relevant Pricing Supplement;

"**Subsidiary**" means, in relation to any Person (the "**first Person**") at any particular time, any other Person whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

"**Successor Rate**" means the rate that the Independent Adviser or the Issuer (as applicable) determines is a successor to or replacement of the Reference Rate which is formally recommended by any Relevant Nominating Body;

"**Talon**" means a talon for further Coupons;

"**T2**" means the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system;

"**TARGET Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tax Jurisdiction**" means (a) the PRC and (b) if the Issuer is a branch of the Bank, the relevant tax jurisdiction of the Issuer (to the extent that such tax jurisdiction is not the PRC) specified in the applicable Pricing Supplement, or in each case any political subdivision or any authority thereof or therein having power to tax payments made by the Issuer of principal or interest on the Notes, Receipts or Coupons; and

"**Zero Coupon Note**" means a Note specified as such in the relevant Pricing Supplement.

(b) Interpretation

In these Conditions:

(i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;

(ii) if Talons are specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;

(iii) if Talons are not specified in the relevant Pricing Supplement as being attached to the Notes at the time of issue, references to Talons are not applicable;

(iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 12 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;

(v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 12 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(vi) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(vii) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Pricing Supplement, but the relevant Pricing Supplement gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and

(viii) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

3 FORM, DENOMINATION, TITLE AND TRANSFER

(a) Bearer Notes

Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Pricing Supplement, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

(b) Title to Bearer Notes

Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, "**Holder**" means the holder of such Bearer Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.

(c) Registered Notes

Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Pricing Supplement and higher integral multiples of a smaller amount specified in the relevant Pricing Supplement.

(d) Title to Registered Notes

The Registrar will maintain the Register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Note Certificate**") will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, "**Holder**" means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(e) Ownership

The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

(f) Transfers of Registered Notes

Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; provided, however, that a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are in Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.

(g) Registration and delivery of Note Certificates

Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(h) No charge

The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(i) Closed periods

Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.

(j) Regulations concerning transfers and registration

All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4 STATUS

The Notes constitute senior, direct, general, unsubordinated, unsecured and unconditional obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsubordinated and unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5 FIXED RATE NOTE PROVISIONS

(a) Application

This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Fixed Coupon Amount

The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.

(d) Calculation of interest amount

The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6 FLOATING RATE NOTE AND INDEX-LINKED INTEREST NOTE PROVISIONS

(a) Application

This Condition 6 (*Floating Rate Note and Index-Linked Interest Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Accrual of interest

The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) Screen Rate Determination for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark)

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined where the Reference Rate is not SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

(i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;

(iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

(A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

(B) determine the arithmetic mean of such quotations; and

(iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately the Relevant Time on the Interest Determination Date for loans in the Specified Currency to major banks in the Principal Financial Centre of the Specified Currency for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(d) Screen Rate Determination for Notes where the Reference Rate is specified as being SOFR Benchmark

If Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest(s) is/are to be determined where the Reference Rate is SOFR Benchmark, the Rate of Interest applicable to the Notes for each Interest Period will, subject as provided below, be equal to the sum of the relevant SOFR Benchmark plus or minus (as specified in the relevant Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent on the relevant Interest Determination Date.

The "**SOFR Benchmark**" will be determined based on Simple SOFR Average, Compounded SOFR Average or SOFR Compounded Index (as specified in the relevant Pricing Supplement), as follows (subject in each case to Condition 6(g) (*Benchmark Replacement (SOFR Benchmark)*)):

(i) If Simple SOFR Average ("**Simple SOFR Average**") is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be the arithmetic mean of the SOFR reference rates for each day during such Interest Period, as calculated by the Calculation Agent, and where, if applicable and as specified in the relevant Pricing Supplement, the SOFR reference rate on the SOFR Rate Cut-Off Date shall be used for the days in the relevant Interest Period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Payment Date on which such Interest Period ends.

(ii) If Compounded SOFR Average ("**Compounded SOFR Average**") is specified in the relevant Pricing Supplement as the manner in which the SOFR Benchmark will be determined, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant Interest Period (where SOFR Observation Lag, SOFR Payment Delay or SOFR Lockout is specified in the relevant Pricing Supplement to determine Compounded SOFR Average) or SOFR Observation Period (where SOFR Observation Shift is specified as applicable in the relevant Pricing Supplement to determine Compounded SOFR Average).

Compounded SOFR Average shall be calculated by the Calculation Agent in accordance with one of the formulas referenced below depending upon which is specified in the relevant Pricing Supplement:

1. SOFR Observation Lag:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_{i-\times USBD}\times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_{i\text{-}xUSBD}$**" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, is equal to the SOFR reference rate for the U.S. Government Securities Business Day falling the number of Lookback Days prior to that U.S. Government Securities Business Day (i);

"**Lookback Days**" means such number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day (i)**"); and

"**n_i**" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day (i) up to (but excluding) the following U.S. Government Securities Business Day.

2. SOFR Observation Shift:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day (i) in the relevant SOFR Observation Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day (i);

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling the number of SOFR Observation Shift Days prior to the first day of the relevant Interest Period to (but excluding) the date falling the number of SOFR Observation Shift Days prior to the Interest Payment Date on which such Interest Period ends;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant SOFR Observation Period;

"**d_o**" for any SOFR Observation Period, means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to do, representing each U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day (i)**"); and

"**n_i**" for any U.S. Government Securities Business Day (i) in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day (i) up to (but excluding) the following U.S. Government Securities Business Day.

3. SOFR Payment Delay:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day (i);

"**Interest Payment Date**" shall be the date falling the number of Interest Payment Delay Days following each Specified Interest Period Date (as specified in the relevant Pricing Supplement); provided that the Interest Payment Date with respect to the final Interest Period will be the Maturity Date or the relevant date for redemption, as applicable;

"**Interest Payment Delay Days**" means the number of Business Days as specified in the relevant Pricing Supplement;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day (i)**"); and

"**n_i**" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day (i) up to (but excluding) the following U.S. Government Securities Business Day.

For the purposes of calculating Compounded SOFR Average with respect to the final Interest Period where SOFR Payment Delay is specified in the relevant Pricing Supplement, the SOFR reference rate for each U.S. Government Securities Business Day in the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Maturity Date or the relevant date for redemption, as applicable, shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date.

4. SOFR Lockout:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**$SOFR_i$**" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, is equal to the SOFR reference rate for that U.S. Government Securities Business Day (i), except that the SOFR for any U.S. Government Securities Business Day (i) in respect of the period from (and including) the SOFR Rate Cut-Off Date to (but excluding) the Interest Payment Date on which such Interest Period ends shall be the SOFR reference rate in respect of such SOFR Rate Cut-Off Date;

"**d**" means the number of calendar days in the relevant Interest Period;

"**d_o**" for any Interest Period, means the number of U.S. Government Securities Business Days in the relevant Interest Period;

"**i**" means a series of whole numbers ascending from one to do, representing each relevant U.S. Government Securities Business Day from (and including) the first U.S. Government Securities Business Day in the relevant Interest Period (each a "**U.S. Government Securities Business Day (i)**"); and

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day (i) in the relevant Interest Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day (i) up to (but excluding) the following U.S. Government Securities Business Day.

The following defined terms shall have the meanings set out below for purpose of this Condition 6(d) and Condition 6(g) (*Benchmark Replacement (SOFR Benchmark)*):

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "SOFRRATE" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "USDSOFR=" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day, the reference rate determined by the Calculation Agent in accordance with the following provision:

(i) the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Bloomberg Screen SOFRRATE Page; the Secured Overnight Financing Rate published at the SOFR Determination Time as such reference rate is reported on the Reuters Page USDSOFR=; or the Secured Overnight Financing Rate published at the SOFR Determination Time on the SOFR Administrator's Website;

(ii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have not occurred, the SOFR reference rate shall be the reference rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website; or

(iii) if the reference rate specified in (i) above does not appear and a SOFR Benchmark Transition Event and its related SOFR Benchmark Replacement Date have occurred, the provisions set forth in Condition 6(g) (*Benchmark Replacement (SOFR Benchmark)*) shall apply;

"**SOFR Determination Time**" means approximately 3:00 p.m. (New York City time) on the immediately following U.S. Government Securities Business Day.

(iii) If SOFR Compounded Index ("**SOFR Compounded Index**") is specified as applicable in the relevant Pricing Supplement, the SOFR Benchmark for each Interest Period shall be equal to the compounded average of daily SOFR reference rates for each day during the relevant SOFR Observation Period as calculated by the Calculation Agent as follows:

$$\left(\frac{SOFR\ Index_{End}}{SOFR\ Index_{Start}} - 1\right) \times \left(\frac{360}{d_c}\right)$$

with the resulting percentage being rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, with 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)) and where:

"**SOFR Index**", with respect to any U.S. Government Securities Business Day, means:

(a) the SOFR Index value as published on the SOFR Administrator's Website at or about 3:00 p.m. (New York time) on such U.S. Government Securities Business Day (the "**SOFR Index Determination Time**"); provided that in the event that the value originally published by the SOFR Administrator at or about 3:00 p.m. (New York time) on any U.S. Government Securities Business Day is subsequently corrected and such corrected value is published by the SOFR Administrator on the original date of publication, then such corrected value, instead of the value that was originally published, shall be deemed the SOFR Index value as of the SOFR Index Determination Time in relation to such U.S. Government Securities Business Day; and

(b) if a SOFR Index value does not so appear as specified in (a) above of this definition, then:

(i) if a Benchmark Event (as defined in Condition 6(g)) and its related Benchmark Replacement Date (as defined in Condition 6(g)) have not occurred with respect to SOFR, then SOFR Compounded Index shall be the rate determined pursuant to Condition 6(e) (*SOFR Index Unavailable*); or

(ii) if a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to SOFR, then SOFR Compounded Index shall be the rate determined pursuant to Condition 6(g) (*Benchmark Replacement (SOFR Benchmark)*).

"**SOFR Index$_{End}$**" means, in respect of an Interest Period, the SOFR Index value on the date which is the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement preceding the Interest Payment Date on which such Interest Period ends (or in the final Interest Period, the Maturity Date);

"**SOFR Index$_{Start}$**" means, in respect of an Interest Period, the SOFR Index value on the date which is the number of U.S. Government Securities Business Days specified in the relevant Pricing Supplement preceding the first day of such Interest Period;

"**d_c**" means the number of calendar days in the relevant SOFR Observation Period;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement; and

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date which is the number of SOFR Observation Shift Days preceding the first date of such Interest Period (and in respect of the first Interest Period, the number of SOFR Observation Shift Days preceding the Issue Date) to, but excluding, the date which is the number of SOFR Observation Shift Days preceding the Interest Payment Date on which such Interest Period ends (or in the final Interest Period, the Maturity Date).

The following defined terms shall have the meanings set out below for purpose of this Condition 6(d):

"**SOFR Administrator**" means the Federal Reserve Bank of New York or any successor administrator of the SOFR Index value and Secured Overnight Financing Rate.

"**SOFR Administrator's Website**" means the website of the SOFR Administrator (currently being, https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind), or any successor source;

"**SOFR Benchmark Replacement Date**" means the Benchmark Replacement Date with respect to the then-current SOFR Benchmark;

"**SOFR Benchmark Transition Event**" means the occurrence of a Benchmark Event with respect to the then-current SOFR Benchmark;

"**SOFR Rate Cut-Off Date**" has the meaning given in the relevant Pricing Supplement; and

"**U.S. Government Securities Business Day**" or "**USBD**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(e) SOFR Index Unavailable

If a SOFR Index value is not published on the relevant Interest Determination Date and a Benchmark Event (as defined in Condition 6(g)) and its related Benchmark Replacement Date (as defined in Condition 6(g)) has not occurred with respect to SOFR, then the SOFR Index shall be calculated in accordance with the Compounded SOFR formula and the related definitions as set out below in this Condition 6(e):

"**Compounded SOFR**" means, for the applicable Interest Period for which the SOFR Index is not available, the rate of return on a daily compounded interest investment during the relevant SOFR Observation Period (with the daily SOFR reference rate as the reference rate for the calculation of interest) and calculated by the Calculation Agent in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point, 0.000005 per cent. being rounded upwards (e.g., 9.876541 per cent. (or 0.09876541) being rounded down to 9.87654 per cent. (or 0.0987654) and 9.876545 per cent. (or 0.09876545) being rounded up to 9.87655 per cent. (or 0.0987655)):

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\left(\frac{360}{d_c}\right)$$

where:

"$\mathbf{d_c}$" means the number of calendar days in the relevant SOFR Observation Period;

"$\mathbf{d_o}$" means the number of U.S. Government Securities Business Days in the relevant SOFR Observation Period;

"**i**" means a series of whole numbers ascending from one to do, each representing the relevant U.S. Government Securities Business Days in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant SOFR Observation Period (each a "**U.S. Government Securities Business Day (i)**");

"$\mathbf{n_i}$" for any U.S. Government Securities Business Day (i) in the relevant SOFR Observation Period, means the number of calendar days from (and including) such U.S. Government Securities Business Day (i) up to (but excluding) the following U.S. Government Securities Business Day (i);

"$\mathbf{SOFR_i}$" for any U.S. Government Securities Business Day (i) in the relevant SOFR Observation Period, is equal to SOFR in respect of that U.S. Government Securities Business Day (i);

"**Bloomberg Screen SOFRRATE Page**" means the Bloomberg screen designated "**SOFRRATE**" or any successor page or service;

"**Reuters Page USDSOFR=**" means the Reuters page designated "**USDSOFR=**" or any successor page or service;

"**SOFR**" means, with respect to any U.S. Government Securities Business Day:

(a) the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Bloomberg Screen SOFRRATE Page, the Secured Overnight Financing Rate published at the SOFR Determination Time, as such rate is reported on the Reuters Page USDSOFR=, or the Secured Overnight Financing Rate that appears at the SOFR Determination Time on the SOFR Administrator's Website; or

(b) if the rate specified in (a) above does not appear, the SOFR published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day for which SOFR was published on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York or any successor administrator of the SOFR Index value and Secured Overnight Financing Rate;

"**SOFR Administrator's Website**" means the website of the SOFR Administrator (currently being, https://apps.newyorkfed.org/markets/autorates/sofr-avg-ind), or any successor source;

"**SOFR Determination Time**" means on or about 3:00 p.m. (New York City time) on the SOFR Administrator's Website on the immediately following U.S. Government Securities Business Day;

"**SOFR Observation Period**" means, in respect of each Interest Period, the period from (and including) the date falling a number of U.S. Government Securities Business Days equal to the Observation Shift Days preceding the first date in such Interest Period to (but excluding) the date falling a number of U.S. Government Securities Business Days equal to the number of Observation Shift Days preceding the Interest Payment Date on which such Interest Period ends;

"**SOFR Observation Shift Days**" means the number of U.S. Government Securities Business Days as specified in the relevant Pricing Supplement; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

(f) Benchmark Replacement for Notes (other than Notes where the Reference Rate is specified as being SOFR Benchmark)

Where the reference Rate is not SOFR Benchmark, in addition and notwithstanding the provisions above in Condition 6 (*Floating Rate Note and Index-Linked Interest Note Provisions*), if the Issuer determines that a Benchmark Event (as defined in Condition 2(a)) has occurred in relation to the relevant Reference Rate specified in the relevant Pricing Supplement when any Rate of Interest (or the relevant component part thereof) remains to be determined by such Reference Rate, then the following provisions shall apply:

(i) the Issuer shall use all reasonable endeavours to appoint, as soon as reasonably practicable, an Independent Adviser to determine (acting in a reasonable manner), no later than five Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the "**IA Determination Cut-off Date**"), a Successor Rate or, alternatively, if there is no Successor Rate, an Alternative Reference Rate for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes;

(ii) if the Issuer (acting in a reasonable manner) is unable to appoint an Independent Adviser, or the Independent Adviser appointed by it fails to determine a Successor Rate or an Alternative Reference Rate prior to the IA Determination Cut-off Date, the Issuer (acting in a reasonable manner) may determine a Successor Rate or, if there is no Successor Rate, an Alternative Reference Rate;

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with the preceding provisions, such Successor Rate or, failing which, an Alternative Reference Rate (as applicable) shall be the Reference Rate for each of the future Interest Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(f)); provided, however, that if sub-paragraph (ii) applies and the Issuer (acting in a reasonable manner) is unable to or does not determine a Successor Rate or an Alternative Reference Rate prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Notes in respect of the preceding Interest Period (or alternatively, if there has not been a first Interest Payment Date, the rate of interest shall be the initial Rate of Interest) (subject, where

applicable, to substituting the Margin, Maximum Rate of Interest or Minimum Rate of Interest that applied to such preceding Interest Period for the Margin, Maximum Rate of Interest or Minimum Rate of Interest that is to be applied to the relevant Interest Period); for the avoidance of doubt, the proviso in this sub-paragraph shall apply to the relevant Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 6(f);

(iv) if the Independent Adviser or the Issuer (acting in a reasonable manner) determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Independent Adviser or the Issuer (acting in good faith and in a commercially reasonable manner) (as applicable), may also specify changes to these Conditions, including but not limited to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, if such changes are necessary to ensure the proper operation of such Successor Rate, Alternative Reference Rate and/or Adjustment Spread (as applicable). If the Independent Adviser (in consultation with the Issuer) or the Issuer (acting in a reasonable manner) (as applicable), determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Independent Adviser or the Issuer (acting in a reasonable manner) (as applicable) is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread. The Issuing and Paying Agent shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 6(f), provided that the Issuing and Paying Agent shall not be bound by or be obliged to give effect to any Successor Rate or Alternative Reference Rate (as applicable) or other consequential changes, if in the reasonable opinion of the Issuing and Paying Agent, the same would not be operable or would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the rights and/or the protective provisions afforded to it in these Conditions and/or the Agency Agreement and/or the relevant Pricing Supplement(s). Noteholder or Couponholder consent shall not be required in connection with effecting the Successor Rate or Alternative Reference Rate (as applicable) or such other changes, including for the execution of any documents or other steps by the Issuing and Paying Agent (if required);

(v) the Issuer shall give a written notice to the Issuing and Paying Agent and the Calculation Agent which specify the determination of the Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions and their effective dates at least five Business Days (or such shorter period as may be agreed by the Issuing and Paying Agent) prior to the first date on which the relevant calculation is to be made by the Calculation Agent; and

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate (as applicable), give notice thereof to the Noteholders and Couponholders, which shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable) and any consequential changes made to these Conditions,

provided that the determination of any Successor Rate or Alternative Reference Rate, and any other related changes to the Notes, shall be made in accordance with applicable law. Neither the Agents nor the Calculation Agent shall be responsible or liable for any determinations, decisions or elections made by the Issuer or the Independent Adviser with respect to the Successor Rate, Alternative Reference Rate or any other changes and shall be entitled to rely conclusively on any certifications provided to it in this regard.

(g) Benchmark Replacement (SOFR Benchmark)

The following provisions shall apply if Benchmark Event (SOFR) is specified as applicable in the relevant Pricing Supplement:

(i) Benchmark Replacement

If the Issuer or its designee determines on or prior to the relevant Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the-then current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Notes in respect of all determinations on such date and for all determinations on all subsequent dates.

(ii) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time. For the avoidance of doubt, any of the Agents shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required to give effect to this Condition 6(g). Noteholders' consent shall not be required in connection with effecting any such changes, including the execution of any documents or any steps to be taken by any of the Agents (if required). Further, none of the Agents shall be responsible or liable for any determinations, decisions or elections made by the Issuer or its designee with respect to any Benchmark Replacement or any other changes and shall be entitled to rely conclusively on any certifications provided to each of them in this regard.

(iii) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 6(g), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection (i) will be conclusive and binding absent manifest error, (ii) will be made in the sole discretion of the Issuer or its designee, as applicable, and (iii) notwithstanding anything to the contrary in the documentation relating to the Notes, shall become effective without consent from the Noteholders or any other party.

The following defined terms shall have the meanings set out below for purpose of Condition 6(d) (*Screen Rate Determination for Notes where the Reference Rate is specified as being SOFR Benchmark*) and this Condition 6(g):

"**Benchmark**" means, initially, the relevant SOFR Benchmark specified in the relevant Pricing Supplement; provided that if the Issuer or its designee determines on or prior to the Reference Time that a Benchmark Event and its related Benchmark Replacement Date have occurred with respect to the relevant SOFR Benchmark (including any daily published component used in the calculation thereof) or the then-current Benchmark, then "**Benchmark**" means the applicable Benchmark Replacement;

"**Benchmark Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(ii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark, which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(iii) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**Benchmark Replacement**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the sum of:

(1) the alternate reference rate that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof); and

(2) the Benchmark Replacement Adjustment;

(ii) the sum of:

(1) the ISDA Fallback Rate; and

(2) the Benchmark Replacement Adjustment; or

(iii) the sum of:

(1) the alternate reference rate that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) giving due consideration to any industry-accepted reference rate as a replacement for the then-current Benchmark (including any daily published component used in the calculation thereof) for U.S. dollar-denominated Notes at such time; and

(2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set forth in the order below that can be determined by the Issuer or its designee as of the Benchmark Replacement Date:

(i) the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected or recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(ii) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, the ISDA Fallback Adjustment; or

(iii) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark (including any daily published component used in the calculation thereof) with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated Notes at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the timing and frequency of determining rates and making payments of interest, rounding of amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including any daily published component used in the calculation thereof):

(i) in the case of sub-paragraph (i) or (ii) of the definition of "Benchmark Event", the later of:

    (1) the date of the public statement or publication of information referenced therein; and

    (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(ii) in the case of sub-paragraph (iii) of the definition of "Benchmark Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time in respect of any determination, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**designee**" means a designee as selected and separately appointed by the Issuer in writing;

"**ISDA Definitions**" means the 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc. or any successor thereto, as amended or supplemented from time to time, or any successor definitional booklet for interest rate derivatives published from time to time, including the 2021 ISDA Interest Rate Derivatives Definitions (as amended or supplemented from time to time);

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark (including any daily published component used in the calculation thereof) for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (1) if the Benchmark is the SOFR Benchmark, the SOFR Determination Time (where Simple SOFR Average or Compounded SOFR Average is specified in the relevant Pricing Supplement) or SOFR Index Determination Time (where SOFR Compounded Index is specified in the relevant Pricing Supplement); or (2) if the Benchmark is not the SOFR Benchmark, the time determined by the Issuer or its designee after giving effect to the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(h) ISDA Determination

If ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate(s) of Interest is/are to be determined, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(i) Index-Linked Interest

If the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable, the Rate(s) of Interest applicable to the Notes for each Interest Period will be determined in the manner specified in the relevant Pricing Supplement.

(j) Maximum or Minimum Rate of Interest

If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Pricing Supplement, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.

(k) Calculation of Interest Amount

The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

(l) Calculation of other amounts

If the relevant Pricing Supplement specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Pricing Supplement.

(m) Publication

The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in no event later than (i) the first day of the relevant Interest Period, if determined prior to such time, or (ii) in all other cases, the second Business Day after such determination. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 19. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(n) Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

7 ZERO COUPON NOTE PROVISIONS

(a) Application

This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Late payment on Zero Coupon Notes

If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (a) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (b) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

8 DUAL CURRENCY NOTE PROVISIONS

(a) Application

This Condition 8 (*Dual Currency Note Provisions*) is applicable to the Notes only if the Dual Currency Note Provisions are specified in the relevant Pricing Supplement as being applicable.

(b) Rate of Interest

If the rate or amount of interest falls to be determined by reference to an exchange rate, the rate or amount of interest payable shall be determined in the manner specified in the relevant Pricing Supplement.

9 REDEMPTION AND PURCHASE

(a) Scheduled redemption

Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments – Bearer Notes*) and Condition 11 (*Payments – Registered Notes*).

(b) Redemption for tax reasons

The Notes may be redeemed at the option of the Issuer in whole, but not in part:

(i) at any time (if neither the Floating Rate Note Provisions nor the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable); or

(ii) on any Interest Payment Date (if the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are specified in the relevant Pricing Supplement as being applicable),

on giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 12 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it provided, however, that no such notice of redemption shall be given earlier than:

(A) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or

(B) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Issuing and Paying Agent (1) a certificate signed by any director of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal or tax advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9(b), the Issuer shall be bound to redeem the Notes in accordance with this Condition 9(b).

(c) Redemption at the option of the Issuer

If the Call Option is specified in the relevant Pricing Supplement as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Pricing Supplement, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 32 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

(d) Partial redemption

If the Notes are to be redeemed in part only on any date in accordance with Condition 9(c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Issuing and Paying Agent approves and in such manner as the Issuing and Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 9(c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Pricing Supplement, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(e) Redemption at the option of Noteholders

If the Put Option is specified in the relevant Pricing Supplement as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9(e), the Holder of a Note must, not less than 32 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 9(e), may be withdrawn; provided, however, that if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 9(e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.

(f) No other redemption

The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) (*Scheduled Redemption*) to (e) (*Redemption at the option of Noteholders*) above.

(g) Early redemption of Zero Coupon Notes

Unless otherwise specified in the relevant Pricing Supplement, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:

(i) the Reference Price; and

(ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Pricing Supplement for the purposes of this Condition 9(g) or, if none is so specified, a Day Count Fraction of 30E/360.

(h) Purchase

The Issuer or any of the Bank's Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, provided that all unmatured Coupons are purchased therewith. The Notes so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 17 (*Meetings of Noteholders; Modification and Waiver*).

(i) Cancellation

All Notes so redeemed or purchased by the Issuer or any of the Bank's Subsidiaries and any unmatured Coupons attached to or surrendered with them may be reissued, resold or surrendered to the Issuing and Paying Agent for cancellation.

10 PAYMENTS – BEARER NOTES

This Condition 10 is only applicable to Bearer Notes.

(a) Principal

In relation to Bearer Notes not held in the CMU, payments of principal shall be made only against presentation and (provided that payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency, and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the relevant Principal Financial Centre.

(b) Interest

In relation to Bearer Notes not held in the CMU, payments of interest shall, subject to paragraph (i) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (provided that payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) (*Principal*) above.

(c) Payments for Bearer Notes held in the CMU

In relation to Bearer Notes held in the CMU, payments of principal and interest in respect of Bearer Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Bearer Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

Payments of principal and interest in respect of Bearer Notes represented by a Global Note held through CMU will be made to the person(s) for whose account(s) interests in the relevant Global Note are credited as being held within the CMU in accordance with the CMU Rules at the relevant time.

(d) Payments in New York City

Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.

(e) Payments subject to fiscal laws

All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(f) Deductions for unmatured Coupons

If the relevant Pricing Supplement specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:

(i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; provided, however, that if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;

(ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:

(A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; provided, however, that where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

(B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; provided, however, that, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) (*Principal*) above against presentation and (provided that payment is made in full) surrender of the relevant missing Coupons.

(g) Unmatured Coupons void

If the relevant Pricing Supplement specifies that this Condition 10(g) is applicable or that the Floating Rate Note Provisions or the Index-Linked Interest Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 9(b) (*Redemption for tax reasons*), Condition 9(c) (*Redemption at the option of the Issuer*), Condition 9(e) (*Redemption at the option of Noteholders*) or Condition 13 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.

(h) Payments on business days

If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.

(i) Payments other than in respect of matured Coupons

Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (d) (*Payments in New York City*) above).

(j) Partial payments

If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.

(k) Exchange of Talons

On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Issuing and Paying Agent for a further Coupon Sheet including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 14 (*Prescription*). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

11 PAYMENTS – REGISTERED NOTES

This Condition 11 is only applicable to Registered Notes.

(a) Principal

In relation to Registered Notes not held in the CMU, payments of principal shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Issuing and Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre, and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(b) Interest

In relation to Registered Notes not held in the CMU, payments of interest shall be made (i) in the case of a currency other than Renminbi, by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Issuing and Paying Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (ii) in the case of Renminbi, by transfer to an account denominated in that currency and maintained by the payee with a bank in the Principal Financial Centre, and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.

(c) Payments for Registered Notes held in the CMU

In relation to Registered Notes held in the CMU, payments of principal and interest in respect of Registered Notes held in the CMU will be made to the person(s) for whose account(s) interests in the relevant Registered Note are credited as being held with the CMU in accordance with the CMU Rules (as defined in the Agency Agreement) at the relevant time.

Each payment made in respect of the Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant Clearing System) on the Clearing System Business Day before the due date for such payment (the Record Date) where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Payments of principal and interest in respect of Registered Notes represented by a Global Note Certificate held through CMU will be made to the person(s) for whose account(s) interests in the relevant Global Note Certificate are credited as being held within the CMU in accordance with the CMU Rules at the relevant time.

(d) Payments subject to fiscal laws

All payments in respect of the Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 12 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(e) Payments on business days

Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 11 (*Payments – Registered Notes*) arriving after the due date for payment or being lost in the mail.

(f) Partial payments

If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.

(g) Record date

Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

12 TAXATION

(a) Gross up

All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of a Tax Jurisdiction or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:

(i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

(ii) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days; or

(iii) held by a Holder who would not be liable for or subject to such withholding or deduction by making a declaration of identity, non-residence or other similar claim for exemption to the relevant tax authority if, after having been requested to make such declaration or claim, such Holder fails to do so within any applicable period prescribed by such relevant tax authority.

(b) Taxing jurisdiction

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Tax Jurisdiction, respectively, references in these Conditions to the Tax Jurisdiction shall be construed as references to the Tax Jurisdiction and/or such other jurisdiction.

Notwithstanding any other provision in these Conditions, the Issuer and the Paying Agent shall be permitted to withhold or deduct any amounts required by the rules of U.S. Internal Revenue Code Sections 1471 through 1474 (or any amended or successor provisions), pursuant to any inter-governmental agreement entered into with the United States to facilitate the implementation of these provisions, implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the U.S. Internal Revenue Service (such withholding or deduction, "**FATCA Withholding**"). None of the Issuer, the Paying Agent, nor any other person will be required to pay additional amounts or otherwise indemnify a Holder for any FATCA Withholding deducted or withheld by the Issuer, a Paying Agent or any other party as a result of any person not being entitled to receive payments free of FATCA Withholding.

13 EVENTS OF DEFAULT

If any of the following events (each an "**Event of Default**") occurs and is continuing:

(a) Non-payment

default is made in the payment on the due date of principal of or any interest on any of the Notes and such failure continues for a period of 30 days; or

(b) Breach of other obligations

the Issuer does not perform or comply with any one or more of its other obligations under or in respect of the Notes which default remains unremedied for a period of 45 days after written notice of such default shall have been delivered to the Issuer (with a copy to the Issuing and Paying Agent) by Holders of an aggregate principal amount of not less than 10 per cent. of the outstanding Notes; or

(c) Cross-default

(i) any other present or future Public External Indebtedness of the Issuer or any of the Bank's Subsidiaries becomes due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described) in respect of the terms thereof; or

(ii) any such Public External Indebtedness is not paid when due or, as the case may be, within any applicable grace period,

provided that the aggregate amount of the relevant Public External Indebtedness in respect of which one or more of the events mentioned above in this Condition 13(c) have occurred equals or exceeds U.S.$30,000,000 or its equivalent; or

(d) Insolvency

the Issuer or any of the Material Subsidiaries is insolvent or bankrupt or unable to pay its debts, stops or suspends payment of all or a material part of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or a material part of the debts of the Issuer or any of the Material Subsidiaries; or

(e) Winding-up

an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer or any of the Material Subsidiaries, or the Issuer or any of the Material Subsidiaries, ceases to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by an Extraordinary Resolution of the Noteholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of the Material Subsidiaries; or

(f) Illegality

it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Notes, the Coupons or the Deed of Covenant and the Issuer fails to obtain the necessary waiver or approval or complete such other necessary remedial action within 60 days such that the Issuer may lawfully perform such obligations; or

(g) Analogous events

any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 13(d) (*Insolvency*) to 13 (f) (*Illegality*) (both inclusive),

then any Noteholder may, by written notice addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issuing and Paying Agent, declare any Notes held by it to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with accrued interest (if any) without further action or formality. Notice of any such declaration shall promptly be given to the Noteholders.

14 PRESCRIPTION

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

15 REPLACEMENT OF NOTES AND COUPONS

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Issuing and Paying Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

16 AGENTS

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Pricing Supplement. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor issuing and paying agent or registrar or Calculation Agent and additional or successor transfer or paying agents; provided, however, that:

(a) the Issuer shall at all times maintain an issuing and paying agent and a registrar; and

(b) if a Calculation Agent is specified in the relevant Pricing Supplement, the Issuer shall at all times maintain a Calculation Agent; and

(c) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

17 MEETINGS OF NOTEHOLDERS; MODIFICATION AND WAIVER

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing a clear majority of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; provided, however, that Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than 67 per cent. or, at any adjourned meeting, not less than 25 per cent. of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of not less than 90 per cent. of the Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(b) Modification

Notwithstanding Condition 17(a) (*Meetings of Noteholders*) above, the Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may, without the consent of the Noteholders or the Couponholders, agree to (i) any modification of any provision of the Agency Agreement that is of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification and any waiver or authorisation of any breach or proposed breach of any of the provisions of the Agency Agreement that in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

18 FURTHER ISSUES

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes. However, such further notes may only be issued if (i) the Rating Agency which has provided credit ratings in respect of the Notes has been informed of such issue and (ii) such issue will not result in any adverse change in the then credit rating of the Notes. In respect of further notes offered to United States persons, if such further notes are not fungible with the original Notes for United States federal income tax purposes, the further Notes will have a CUSIP, ISIN or other identifying number that is different from that of the original Notes.

19 NOTICES

(a) Bearer Notes

Notices required pursuant to the Conditions to be given to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in Hong Kong or if such publication is not practicable, in a leading English language daily newspaper having general circulation in Asia. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

(b) Registered Notes

Notices required pursuant to the Conditions to be given to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

So long as the Notes are represented by a Global Note or a Global Note Certificate and such Global Note or Global Note Certificate is held on behalf of Euroclear, Clearstream, DTC, CMU or any other clearing system, notices to the Holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system, and such notice shall be deemed to have been given to the Noteholders on the date of delivery to that clearing system.

20 CURRENCY INDEMNITY

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Issuing and Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

21 ROUNDING

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Pricing Supplement), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22 GOVERNING LAW AND JURISDICTION

(a) Governing law

The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and construed in accordance with, English law.

(b) Jurisdiction

(i) The courts of Hong Kong are to have exclusive jurisdiction to settle any dispute, claims, difference or controversy that may arise out of, in relation to or in connection with the Notes (and the Conditions), including any dispute as to its existence, validity, interpretation, performance, breach or termination or the consequences of its nullity and any dispute relating to any non-contractual obligations arising out of or in connection with it (a "**Dispute**") and accordingly any legal action or proceedings arising out of or in connection with the Notes (and the Conditions) and any non-contractual obligations arising out of or in connection with them ("**Proceedings**") may be brought in such courts.

(ii) The Issuer irrevocably submits to the exclusive jurisdiction of the courts of Hong Kong and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient or inappropriate forum to settle any Dispute.

(iii) The Issuer agrees to receive service of process in Hong Kong in relation to the Notes at the Bank's principal place of business in Hong Kong, at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong. If for any reason the Bank no longer maintains a principal place of business in Hong Kong, the Issuer shall as soon as reasonably practicable appoint a new agent for service of process in Hong Kong and deliver to the Agents a copy of the new agent's acceptance of that appointment. The Issuer agrees that failure by a process agent to notify it of any process will not invalidate the relevant proceedings. Nothing in this Condition, the Agency Agreement or the Deed of Covenant shall affect the right to serve process in any other manner permitted by law.

(c) Waiver of immunity

(i) To the extent that the Issuer may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and to the extent that such immunity (whether or not claimed) may be attributed to any such jurisdiction to the Issuer or its assets or revenues, the Issuer agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

(ii) The Issuer consents generally in respect of any Proceedings to the giving of any relief or the issue of any process in connection with such Proceedings including (without limitation) the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment which is made or given in such Proceedings.

FORM OF PRICING SUPPLEMENT

[The Pricing Supplement in respect of each Tranche of Notes will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue.]

This document is for distribution to professional investors (as defined in Chapter 37 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited) ("**Professional Investors**") only.

Notice to Hong Kong investors: the Issuer confirms that the Notes are intended for purchase by Professional Investors only and will be listed on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") on that basis. Accordingly, the Issuer confirms that the Notes are not appropriate as an investment for retail investors in Hong Kong. Investors should carefully consider the risks involved.

The Hong Kong Stock Exchange has not reviewed the contents of this document, other than to ensure that the prescribed form disclaimer and responsibility statements, and a statement limiting distribution of this document to Professional Investors only have been reproduced in this document. Listing of the Programme or the Notes on the Hong Kong Stock Exchange is not to be taken as an indication of the commercial merits or credit quality of the Programme, the Notes, the Issuer or the Group or quality of disclosure in this document. Hong Kong Exchanges and Clearing Limited and the Hong Kong Stock Exchange take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

The Offering Circular dated [*date*] (read together with this Pricing Supplement) includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Issuer and the Group. The Issuer accepts full responsibility for the accuracy of the information contained in the Offering Circular (read together with this Pricing Supplement) and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

[**MiFID II product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**UK MiFIR product governance/Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**") and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*.] Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

[**Singapore Securities and Futures Act Product Classification** – In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are ['prescribed capital markets products']/[capital markets products other than 'prescribed capital markets products'] (as defined in the CMP Regulations 2018) and [are] [Excluded]/[Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).]

Pricing Supplement dated [●]

[Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]
(*a joint stock limited company incorporated in the People's Republic of China with limited liability*)

Issue of [Aggregate Nominal Amount of Tranche]
[Title of Notes] under the U.S.$20,000,000,000 Global Medium Term Note Programme

The document constitutes the Pricing Supplement relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [*date*]. This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with such Offering Circular dated [*date*] [and the supplemental Offering Circular dated [*date*]].

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Offering Circular dated [*original date*]. This Pricing Supplement contains the pricing supplement of the Notes and must be read in conjunction with the Offering Circular dated [*date*] [and the supplemental Offering Circular dated [*date*]], save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto.]

[*Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.*]

1	Issuer:		[Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]
2	(i)	[Series Number:]	[●]
	(ii)	[Tranche Number: (*If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible*).]	[●]
3	Specified Currency or Currencies:		[●]
4	Aggregate Nominal Amount:		[●]
	[(i)]	Series:	[●]
	[(ii)	Tranche:	[●]]
5	[(i)]	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
	[(ii)	[Net/Gross] Proceeds:	[●]]
6	(i)	Specified Denominations[1, 2]:	[●]
	(ii)	Calculation Amount:	[●]
7	(i)	Issue Date:	[●]
	(ii)	Interest Commencement Date:	[*specify*/Issue Date/Not Applicable]
8	Maturity Date:		[*Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*][3]

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1 Notes (including Notes denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies).

2 If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert the additional wording as follows: €100,000 and integral multiples of €1,000 in excess there of up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000. In relation to any issue of Notes which are a "Global Note exchangeable for Definitive Notes" in circumstances other than "in the limited circumstances specified in the Global Notes", such Notes may only be issued in denominations equal to, or greater than, €100,000 (or equivalent) and multiples thereof.

3 Note that for Renminbi or Hong Kong dollar denominated Fixed Rate Notes where Interest Payment Dates are subject to modification it will be necessary to use the second option here.

		[*If the Maturity Date is less than one year from the Issue Date and either (a) the issue proceeds are received by the Issuer in the United Kingdom, or (b) the activity of issuing the Notes is carried on from an establishment maintained by the Issuer in the United Kingdom, (i) the Notes must have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be sold only to "professional investors" or (ii) another applicable exemption from section 19 of the FSMA must be available*.]
9	Interest Basis:	[[●] per cent. Fixed Rate] [[*Specify reference rate*] +/-[●] per cent. Floating Rate] [Zero Coupon] [Index Linked Interest] [Other (*Specify*)] (further particulars specified below)
10	Redemption/Payment Basis:	[Redemption at par] [Index Linked Redemption] [Dual Currency] [Partly Paid] [Instalment] [Other (*Specify*)]
11	Change of Interest or Redemption/Payment Basis:	[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]
12	Put/Call Options:	[Investor Put] [Issuer Call] [(further particulars specified below)]
13	Date of regulatory approval for Notes obtained:	[[●]/None required]
14	Listing and trading:	[The Stock Exchange of Hong Kong Limited/*specify other*/None] (*For Notes to be listed on the Hong Kong Stock Exchange, insert the expected effective listing date of the Notes*)
15	Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	**Fixed Rate Note Provisions:**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi annually/quarterly/monthly/other (*specify*)] in arrear][4]

[4] Note that for certain Renminbi or Hong Kong dollar denominated Fixed Rate Notes the Interest Payment Dates are subject to modification and the following words should be added: "provided that if any Interest Payment Date falls on a day which is not a Business Day, the Interest Payment Date will be the next succeeding Business Day unless it would thereby fall in the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day. For these purposes, "Business Day" means a day, other than a Saturday or a Sunday on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and currency deposits) in Hong Kong and [●]"

	(ii)	Interest Payment Date(s):	[●] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[●] per Calculation Amount[5]
	(iv)	Day Count Fraction:	[30/360/Actual/Actual (ICMA/ISDA)/365 (Fixed)[6]/ *specific other*]
	(v)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/*give details*]
17	**Floating Rate Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph.*)
	(i)	Interest Period(s):	[●] [Each period beginning on (and including) [the Interest Commencement Date/[●]] or any Specified Interest Period Date and ending on (but excluding) the next Specified Interest Period Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below, and "**Specified Interest Period Date**" means [[●], [●], [●] and [●]] in each year up to and including the Maturity Date, subject to adjustment in accordance with the Business Day Convention set out in (v) below] (*Only applicable in the case of SOFR Payment Delay where Interest Period Date is required*)
	(ii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	(iii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*) [The definition of "**Interest Payment Date**" in Condition 6(d)(ii) applies.] (*Only applicable in the case of SOFR Payment Delay*)
	(iv)	[First Interest Payment Date:]	[●]

[5] For Renminbi or Hong Kong dollar denominated Fixed Rate Notes where the Interest Payment Dates are subject to modification the following alternative wording is appropriate: "Each Fixed Coupon Amount shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount by the Day Count Fraction and rounding the resultant figure to the nearest CNY0.01, CNY0.005 for the case of Renminbi denominated Fixed Rate Notes or to the nearest HK$0.01, HK$0.005 for the case of Hong Kong dollar denominated Fixed Rate Notes, being rounded upwards.

[6] Applicable to Renminbi and Hong Kong dollar denominated Fixed Rate Notes.

(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(vi)	Additional Business Centre(s):	[Not Applicable/*give details*]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/Screen Rate Determination (SOFR)/ISDA Determination/other (*give details*)] *(Where different interest provisions are specified, consider adjusting or disapplying the Screen Rate Determination provisions in Condition 6(c) and including replacement provisions describing the manner in which the Rate of Interest and Interest Amount is to be determined)*
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[[*Name*] shall be the Calculation Agent]
(ix)	Screen Rate Determination:	
	• Reference Rate:	[*For example, EURIBOR*]
	• Interest Determination Date(s):	[●]
	• Relevant Screen Page:	[*For example, EURIBOR 01*]
	• Relevant Time:	[*For example, 11.00 a.m. London time/Brussels time*]
	• Relevant Financial Centre:	[*For example, London/Euro-zone (where Euro-zone means the region comprising the countries whose lawful currency is the euro*]
(x)	Screen Rate Determination (SOFR):	
	• Reference Rate:	SOFR Benchmark – [Simple SOFR Average/ Compounded SOFR Average/SOFR Compounded Index]
	• Compounded SOFR Average Method:	[Not Applicable/SOFR Observation Lag/SOFR Observation Shift/SOFR Payment Delay/SOFR Lockout – *used for Compounded SOFR Average only*]
	• Interest Determination Date(s):	[The [●] U.S. Government Securities Business Day prior to the last day of each Interest Period – *only applicable in the case of Simple SOFR Average/SOFR Observation Lag/SOFR Observation Shift/SOFR Lockout/SOFR Compounded Index*] [The Specified Interest Period Date at the end of each Interest Period, provided that the Interest Determination Date with respect to the final Interest Period will be the U.S. Government Securities Business Day immediately following the relevant SOFR Rate Cut-Off Date – *only applicable in the case of SOFR Payment Delay*]
	• Lookback Days:	[[●] U.S. Government Securities Business Days – *used for SOFR Observation Lag only*]/[Not Applicable]

	• SOFR Observation Shift Days:	[[●] U.S. Government Securities Business Days – *used for the SOFR Observation Shift or SOFR Compounded Index only*]/[Not Applicable]
	• SOFR Rate Cut-Off Days:	[The date falling [●] Business Days prior to the end of each Interest Period, the Maturity Date or the date fixed for redemption, as applicable – *used for only Simple SOFR Average (if applicable), Compounded SOFR Average – SOFR Payment Delay or SOFR Lockout only*]/[Not Applicable]
	• Interest Payment Delay Days:	[●] Business Days – *used for SOFR Payment Delay only*]/[Not Applicable]
	• SOFR $\text{Index}_{\text{Start}}$:	[Not Applicable]/[[●] U.S. Government Securities Business Days – *used for SOFR Compounded Index only*]
	• SOFR $\text{Index}_{\text{End}}$:	[Not Applicable]/[[●] U.S. Government Securities Business Days – *used for SOFR Compounded Index only*]
(xi)	ISDA Determination:	[Not Applicable/*specify*]
(xii)	Margin(s):	[+/-][●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[●]
(xvi)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[Benchmark Event/Benchmark Event (SOFR)/*specify if fallback provisions different from those set out in the Conditions*]
18	**Zero Coupon Note Provisions:**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Accrual Yield:	[●] per cent. per annum
(ii)	Reference Price:	[●]
(iii)	Any other formula/basis of determining amount payable:	[*Consider whether it is necessary to specify a Day Count Fraction for the purposes of Condition 9(g)*]
19	**Index-Linked Interest Note/other variable-linked interest Note Provisions:**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Index/Formula/other variable:	[*give or annex details*]
(ii)	Party responsible for calculating the rate(s) of Interest and/or and Interest Amount(s):	[●] shall be the Calculation Agent
(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[●]

	(iv)	Interest Determination Date(s):	[●]
	(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
	(vi)	Interest or calculation period(s):	[●]
	(vii)	Specified Period:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. A Specified Period, rather than Specified Interest Payment Dates, will only be relevant if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention. Otherwise, insert "Not Applicable"*)
	(viii)	Specified Interest Payment Dates:	[●] (*Specified Period and Specified Interest Payment Dates are alternatives. If the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention, insert "Not Applicable"*)
	(ix)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/ other (*give details*)]
	(x)	Additional Business Centre(s):	[●]
	(xi)	Minimum Rate/Amount of Interest:	[●] per cent. per annum
	(xii)	Maximum Rate/Amount of Interest:	[●] per cent. per annum
	(xiii)	Day Count Fraction:	[●]
20	**Dual Currency Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate of Exchange/method of calculating Rate of Exchange:	[*give details*]
	(ii)	Party, if any, responsible for calculating the rate(s) of Interest and/or and Interest Amount(s) (if not [●] as Calculation Agent):	[●]
	(iii)	Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[●]
	(iv)	Person at whose option Specified Currency(ies) is/are payable:	[●]

PROVISIONS RELATING TO REDEMPTION

21	**Call Option:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[●] per Calculation Amount
		(b) Maximum Redemption Amount:	[●] per Calculation Amount
	(iv)	Notice period:	[●]
22	**Put Option:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Notice period:	[●]
23	**Final Redemption Amount of each Note:**		[●] per Calculation Amount
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:		
	(i)	Index/Formula/variable:	[*give or annex details*]
	(ii)	Calculation Agent responsible for calculating the Final Redemption Amount:	[●]
	(iii)	Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[●]
	(iv)	Date for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable:	[●]

	(v)	Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[●]
	(vi)	[Payment Date]:	[●]
	(vii)	Minimum Final Redemption Amount:	[●] per Calculation Amount
	(viii)	Maximum Final Redemption Amount:	[●] per Calculation Amount
24	**Early Redemption Amount:**		[Not Applicable]
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):		(*If each of the Early Redemption Amount (Tax) and the Early Termination Amount are the principal amount of the Notes/specify the Early Redemption Amount (Tax) and/or the Early Termination Amount if different from the principal amount of the Notes*)]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25	**Form of Notes:**	**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice][7] [Permanent Global Note exchangeable for Definitive Notes on [●] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] **Registered Notes:** [Regulation S Global Note Certificate(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]] [Rule 144A Global Note Certificate(s) [(U.S.$[●] aggregate nominal amount)] registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream]]

[7] If the Specified Denominations of the Notes in paragraph 6 includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000", the Temporary/Permanent Global Note shall not be exchangeable on [●] days' notice.

		[Global Note Certificate exchangeable for Individual Note Certificates on [●] days' notice/at any time/in the limited circumstances described in the Global Note Certificate]
26	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/*give details*] (*Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which sub paragraphs 17(vi) and 19(x) relate*)
27	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]
28	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made [and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment]:	[Not Applicable/*give details*]
29	Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:	[Not Applicable/*give details*]
30	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions annexed to this Pricing Supplement apply]
31	Consolidation provisions:	[Not Applicable/The provisions in Condition 18 (*Further Issues*) [annexed to this Pricing Supplement] apply]
32	Relevant Tax Jurisdiction:	[PRC/*give details if Branch Issuer*]
33	Any applicable currency disruption/fallback provisions:	[Not Applicable/*give details*]
34	Other terms or special conditions:	[Not Applicable/*give details*]

DISTRIBUTION

35	(i)	If syndicated, names of Managers:	[Not Applicable/*give names*]
	(ii)	Stabilisation Manager (if any):	[Not Applicable/*give names*]
36	If non-syndicated, name and address of Dealer:		[Not Applicable/*give name and address*]
37	Total commission and concession:		[●] per cent. of the Aggregate Nominal Amount
38	Private bank rebate/commission:		[Not Applicable/*give details*] (*Note that this is also relevant to the requirements under the Hong Kong SFC Code of Conduct if applicable*)
39	U.S. Selling Restrictions:		Reg. S category 2[; Rule 144A] (*In the case of Bearer Notes*) – [TEFRA C/TEFRA D/TEFRA not applicable] (*In the case of Registered Notes*) – TEFRA Not Applicable

40	Prohibition of Sales to EEA Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a KID will be prepared in the EEA, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the EEA, "Applicable" should be specified.*)
41	Prohibition of Sales to UK Retail Investors:	[Applicable/Not Applicable] (*If the Notes clearly do not constitute "packaged" products or the Notes do constitute "packaged" products and a KID will be prepared in the UK, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared in the UK, "Applicable" should be specified.*)
42	Singapore Sales to Institutional Investors and Accredited Investors only:	[Applicable]/[Not Applicable]
43	Additional selling restrictions:	[Not Applicable/*give details*]

OPERATIONAL INFORMATION

44	ISIN Code:	[●]
45	Common Code:	[●]
46	CMU Instrument Number:	[●]
47	CUSIP:	[●]
48	Legal Entity Identifier:	The Legal Entity Identifier of the [Bank/Issuer] is [5493002ERZU2K9PZDL40]/[●]
49	Any clearing system(s) other than Euroclear/Clearstream, DTC and the CMU and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
50	Delivery:	Delivery [against/free of] payment
51	Additional Paying Agent(s) (if any):	[●]

52 **HONG KONG SFC CODE OF CONDUCT**

(i)	Contact email addresses of the Overall Coordinators where underlying investor information in relation to omnibus orders should be sent:	[*Include relevant contact email addresses of the Overall Coordinators where the underlying investor information should be sent – OCs to provide*]/[Not Applicable]
(ii)	Marketing and Investor Targeting Strategy:	[*if different from the programme OC*]

GENERAL

53	The aggregate principal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars):	[Not Applicable/U.S.$[●]]
54	[Ratings:	The Notes to be issued are expected to be rated: [S&P: [●]]; [Moody's: [●]];[and] [Fitch: [●]] (each a "**Rating Agency**"). If any Rating Agency shall not make a rating of the Notes publicly available, the Issuer shall select and substitute them with [●] or [●] and its successors.] [*A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension and withdrawal at any time by the relevant rating agency.*] *(The above disclosure should reflect the rating allocated to the Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

[**USE OF PROCEEDS**

Give details if different from the "Use of Proceeds" section in the Offering Circular.]

[**STABILISATION**

In connection with this issue, [insert name of Stabilisation Manager] (the "**Stabilisation Manager**") (or persons acting on behalf of any Stabilisation Manager) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager (or persons acting on behalf of any Stabilisation Manager) in accordance with all applicable laws and rules.]

[**LISTING APPLICATION**

The Pricing Supplement comprises the final terms required for the issue of Notes described herein pursuant to the U.S.$20,000,000,000 Global Medium Term Note Programme of Industrial and Commercial Bank of China Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of [Industrial and Commercial Bank of China Limited]/[*Specify Branch Issuer*]:

By: _____
Duly authorised

Appendix

[insert additional disclosure with respect to the relevant Issuer which is a Branch Issuer (if required)]

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream (together, the "**Clearing Systems**" when used in this section) currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Bank and the relevant Issuer believe to be reliable, but none of the relevant Issuer, the Bank or any Dealer takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the relevant Issuer nor any other party to the Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. Information in this section has been derived from the Clearing Systems.*

BOOK-ENTRY SYSTEMS

DTC

DTC has advised the relevant Issuer that it is a limited purpose trust company organised under the New York Banking Law, a member of the Federal Reserve System, a "banking organisation" within the meaning of the New York Banking Law, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depository Trust and Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "**Participants**"). More information about DTC can be found at www.dtcc.com and www.dtc.org but such information is not incorporated by reference in and does not form part of this Offering Circular.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**DTC Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below and receives and transmits distributions of principal and interest on DTC Notes. The DTC Rules are on file with the United States Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes similarly are required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the DTC Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of the DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note ("**Beneficial Owner**") is in turn to be recorded on the Direct Participant's and Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorised representative of DTC. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to DTC Notes unless authorised by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to Cede & Co., or such other nominee as may be requested by an authorised representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the relevant Issuer or the relevant agent (or such other nominee as may be requested by an authorised representative of DTC), on the relevant payment date in accordance with their respective holdings shown in DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to the Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which will be legended as set forth under "Transfer Restrictions".

A Beneficial Owner shall give notice to elect to have its DTC Notes purchased or tendered, through its Participant, to the relevant agent, and shall effect delivery of such DTC Notes by causing the Direct Participant to transfer the Participant's interest in the DTC Notes, on DTC's records, to the relevant agent. The requirement for physical delivery of DTC Notes in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the DTC Notes are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered DTC Notes to the relevant agent's DTC account.

DTC may discontinue providing its services as depositary with respect to the DTC Notes at any time by giving reasonable notice to the relevant Issuer or the relevant agent. Under such circumstances, in the event that a successor depositary is not obtained, DTC Note certificates are required to be printed and delivered.

The relevant Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depositary). In that event, DTC Note certificates will be printed and delivered to DTC.

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream

Euroclear and Clearstream each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective accountholders. Euroclear and Clearstream provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream customers are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an accountholder of either system.

BOOK-ENTRY OWNERSHIP OF AND PAYMENTS IN RESPECT OF DTC NOTES

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Global Note Certificate accepted in its book-entry settlement system. Upon the issue of any such Global Note Certificate, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Global Note Certificate to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Dealer. Ownership of beneficial interests in such a Global Note Certificate will be limited to Direct Participants or Indirect Participants, including, in the case of any Unrestricted Global Note Certificate, the respective depositaries of Euroclear and Clearstream. Ownership of beneficial interests in a Global Note Certificate accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Global Note Certificate accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Global Note Certificate in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participants' account.

The relevant Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. The relevant Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Paying Agents, the Registrars or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

TRANSFERS OF NOTES REPRESENTED BY GLOBAL NOTE CERTIFICATES

Transfers of any interests in Notes represented by a Global Note Certificate within DTC, Euroclear and Clearstream will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Global Note Certificate to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Global Note Certificate accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Global Note Certificate accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Transfer Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream or Euroclear accountholders, on the other, will be effected by the relevant Clearing System in accordance with its rules and through action taken by the Registrars, the Paying Agents and any custodian ("**Custodian**") with whom the relevant Global Note Certificates have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream or Euroclear and DTC Participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream and Euroclear, on the other, transfers of interests in the relevant Global Note Certificates will be effected through the Registrars, the Paying Agents and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream accountholders and DTC Participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Global Note Certificates among participants and accountholders of DTC, Clearstream and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the relevant Issuer, the Agents or any Dealer will be responsible for any performance by DTC, Clearstream or Euroclear or their direct or indirect participants or accountholders of their obligations under the rules and procedures governing their operations nor will the relevant Issuer, any Agent or any Dealer have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Global Note Certificates or for maintaining, supervising or reviewing any records relating to such beneficial interests.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

CLEARING SYSTEM ACCOUNTHOLDERS

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be that depositary, common depositary or sub-custodian, as the case may be.

In relation to any Tranche of Notes represented by a Global Note Certificate, references in the Terms and Conditions of the Notes to "**Noteholder**" are references to the person in whose name such Global Note Certificate is for the time being registered in the Register which (a) in the case of a Restricted Global Note Certificate held by or on behalf of DTC will be Cede & Co. (or such other entity as is specified in the applicable Pricing Supplement) as nominee for DTC and (b) in the case of any Unrestricted Global Note Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system, and/or a sub-custodian for the CMU, will be such depositary or common depositary, or a nominee for such depositary or common depositary, or such sub-custodian, as the case may be.

Each of the persons shown in the records of DTC, Euroclear and/or Clearstream and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Note Certificate (each an "**Accountholder**") must look solely to DTC, Euroclear and/or Clearstream and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the holder of such Global Note or Global Note Certificate and in relation to all other rights arising under such Global Note or Global Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Note Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Note Certificate, Accountholders shall have no claim directly against the relevant Issuer in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the holder of such Global Note or Global Note Certificate.

If a Global Note or a Global Note Certificate is lodged with a sub-custodian for or registered with the CMU, the person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held with the CMU in accordance with the CMU Rules at the relevant time shall be the only person(s) entitled to receive payments in respect of Notes represented by such Global Note or Global Note Certificate and the relevant Issuer will be discharged by payment to, or to the order of, such person(s) for whose account(s) interests in such Global Note or Global Note Certificate are credited as being held with the CMU in respect of each amount so paid. Each of the persons shown in the records of the CMU, as the beneficial holder of a particular nominal amount of Notes represented by such Global Note or Global Note Certificate must look solely to the CMU for his share of each payment so made by the relevant Issuer in respect of such Global Note or Global Note Certificate.

CONDITIONS APPLICABLE TO GLOBAL NOTES

Each Global Note and Global Note Certificate will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Note Certificate. The following is an overview of certain of those provisions:

Payment

All payments in respect of the Global Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Note Certificate to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that the payment is noted in a schedule thereto.

Payment Business Day

In the case of a Global Note, the relevant place of presentation shall be disregarded in the definition of "Payment Business Day" set out in Condition 2(a) (*Interpretation – Definitions*) and Condition 10(h) (*Payments – Bearer Notes – Payments on business days*).

Payment Record Date

Each payment in respect of a Global Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "Clearing System Business Day" means, in the case of DTC and Euroclear and Clearstream, Monday to Friday inclusive except 25 December and 1 January or in the case of the CMU, a day on which each clearing system for which the Global Note Certificate is being held is open for business.

Exercise of put option

In order to exercise the option contained in Condition 9(e) (*Redemption at the option of Noteholders*), the bearer of the Permanent Global Note or the holder of a Global Note Certificate must, within the period specified in the Conditions for the deposit of the relevant Note and put option notice, give written notice of such exercise to the Issuing and Paying Agent or (in respect of Notes lodged with the CMU, the CMU Lodging and Paying Agent) specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option

In connection with an exercise of the option contained in Condition 9(c) (*Redemption at the option of the Issuer*) in relation to some only of the Notes where such Notes are held with DTC, Euroclear and/or Clearstream or CMU, the Permanent Global Note or Global Note Certificate may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of DTC, Euroclear and Clearstream (to be reflected in the records of DTC, Euroclear and Clearstream as either a pool factor or a reduction in principal amount, at their discretion) or, as the case may be, CMU.

Notices

Notwithstanding Condition 19 (*Notices*), while all the Notes are represented by a Temporary Global Note (or by that Temporary Global Note and a Permanent Global Note), a Permanent Global Note (or by that Permanent Global Note and/or a Temporary Global Note) or a Global Note Certificate and the Temporary Global Note is (or the Temporary Global Note and the Permanent Global Note are), or the Permanent Global Note is (or the Permanent Global Note and the Temporary Global Note are), or the Global Note Certificate is, (i) registered in the name of DTC's nominee or deposited with a depositary or a common depositary for Euroclear and/or Clearstream and/or any other relevant clearing system (other than the CMU, in respect of which see (ii) below), notices to Noteholders may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 19 (*Notices*) on the date of delivery to DTC and/or Euroclear and/or Clearstream and/or any other relevant clearing system or (ii) deposited with a sub-custodian for the CMU, notices to Noteholders may be given by delivery of the relevant notice to the CMU and any such notice shall be deemed to have been given to Noteholders in accordance with Condition 19 (*Notices*) on the day on which such notice is delivered to the CMU.

CAPITALISATION AND INDEBTEDNESS

The following table sets forth the Group's unaudited capitalisation as at 30 June 2023. Please read this table in conjunction with the Group's 2023 Interim Financial Statements and the accompanying notes thereto, which are incorporated by reference in this Offering Circular as described under "*Documents Incorporated by Reference*".

	As at 30 June 2023
	(RMB millions)
Liability[(1)]	
Debt securities issued[(2)]	1,174,487
Equity	
Equity attributable to equity holders of the parent company	
Share capital	356,407
Other equity instruments	354,331
Reserves	1,031,901
Retained profits	1,833,360
	3,575,999
Non-controlling interests	20,421
Total equity	3,596,420
Total capitalisation[(3)]	4,770,907

Notes:

(1) As at 30 June 2023, we had due to customers, due to banks and other financial institutions, repurchase agreements, debt securities issued and other liabilities.

(2) Since 30 June 2023, we have issued additional debt securities in the ordinary course of business. See "*Recent Developments*".

(3) Total capitalisation equals the sum of debt securities issued and total equity.

Save as disclosed in this Offering Circular, there has not been any material change in the capitalisation of the Group since 30 June 2023.

DESCRIPTION OF THE BANK

OVERVIEW

We continue to lead the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits. In 2023, we ranked first place among the "Top 1000 World Banks" by The Banker and ranked first in the list of commercial banks of the "Global 500" by Fortune for the eleventh year in a row. We also ranked first among the "Top 500 Banking Brands" by Brand Finance for the seventh consecutive year.

Established on 1 January 1984, we were restructured to become a joint-stock limited company on 28 October 2005. On 27 October 2006, we were successfully listed on both the Shanghai Stock Exchange and the Hong Kong Stock Exchange.

We have developed into the leading listed bank in the world, possessing a wide customer base, a diversified business structure, strong innovation capabilities and market competitiveness. We have established presence in six continents, with a global network covering 49 countries and regions and 415 overseas institutions as at 30 June 2023. In addition, through our equity participation in Standard Bank Group Limited, we indirectly cover 20 countries in Africa. We provide comprehensive financial products and services to over 11 million corporate customers and approximately 729 million personal customers via our distribution channels domestically, internationally and as well as through our E-banking network comprising a range of internet and telephone banking services and self-service banking centres, forming a diversified and internationalised operating structure focusing on commercial banking business and maintaining a leading position in the domestic market in the commercial banking sector. As one of the leading commercial banks in terms of global presence and asset size, we implemented the "Belt and Road Initiative". We have carried out a number of projects and maintained 125 institutions in 21 countries along the "Belt and Road" as at 30 June 2023.

We provide customers with a wide range of financial products and services and have formed a cross-market, internationalised and integrated business model with a focus on commercial banking. We have maintained a leading position among PRC commercial banks in most of our core and emerging businesses.

We believe that "Industrial and Commercial Bank of China" is one of the most recognised financial service brand names in the PRC with significant international influence. We have won numerous awards over the years, including, among others:

- the first place among the "Top 1000 World Banks" for the eleventh consecutive year in 2023 by The Banker;
- the first place in the list of commercial banks of the Global 500 for the eleventh consecutive year in 2023 by Fortune;
- the first place among the Top 500 Banking Brands for the seventh consecutive year in 2023 by Brand Finance;
- the first place among the "Corporate Brand Value List" for the seventh consecutive year in 2022 by China Council for Brand Development;
- the first place among national commercial banks in the Gyroscope evaluation system for the second consecutive year in 2022 by China Banking Association;
- "Best Bank in China", "Best Corporate Bank in China" for the second consecutive year in 2022 and "Best Bank for Belt and Road in China" in 2022 by Global Finance;
- "The Strongest Bank in China", "Best International Cash Management Bank in China" and "Best Data Management Initiative in China" in 2022 by The Asian Banker;
- "Best Bank for Sustainable Finance, China", "Best Bond Advisor, China" and "Best Custodian Bank in China" in 2022 by The Asset;

- the first place among the "Global 2000" for the ninth consecutive year in 2021 by Forbes; and

- "Best Bank in China" in 2021 by FinanceAsia.

We strive to duly implement the organic unification of economic and social responsibilities, gaining wide social recognition for supporting economic and social development, protecting environment and resources, and participating in community services. In recent years, we have won awards from various institutions including "Market Leader in Corporate Banking, SME Banking, Corporate and Social Responsibility (CSR), Environmental, Social and Governance (ESG) and Digital Solutions in China" in 2022 by Euromoney; "Best ESG Practice Case of Listed Companies" in 2022 by China Association for Public Companies and "Outstanding Responsible Enterprise 2021" by Southern Weekly. In 2022, we ranked first among national commercial banks for the second consecutive year in the Gyroscope evaluation system by the China Banking Association.

For the years ended 31 December 2020, 2021 and 2022 and the six months ended 30 June 2022 and 2023, we achieved profit for the year/period of RMB317,685 million, RMB350,216 million, RMB361,038 million, RMB172,819 million and RMB174,720 million, respectively. As at 31 December 2020, 2021 and 2022 and 30 June 2023, we had total assets of RMB33,345,058 million, RMB35,171,383 million, RMB39,609,657 million and RMB43,669,606 million, respectively, and our net loans and advances to customers totalled RMB18,136,328 million, RMB20,109,200 million, RMB22,593,648 million and RMB24,602,095 million, respectively.

OUR COMPETITIVE STRENGTHS

We possess a leading market position in the PRC with growing international influence.

We have set our vision to build a world-class modern financial institution with Chinese characteristics in all aspects, and strive to be a long-lasting and ever-prosperous bank. We believe that "Industrial and Commercial Bank of China" has become one of the PRC's best-known brand names in the financial services industry, and our international influence is also expanding rapidly.

We continue to lead the PRC banking industry in terms of each of total assets, market share of loans and market share of deposits, and we benefit from the scale of our operations. As at 30 June 2023, we had RMB43,669,606 million in total assets. We are the first of the industry to have acquired more than 10 million corporate customers and as at 30 June 2023, the number of our corporate customers reached over 11 million. We are also the first commercial bank to break the RMB10 trillion mark of RMB corporate loans and one of the industry leaders in terms of the size of personal loans. As at 30 June 2023, the balance of our corporate loans reached RMB15,760,433 million, representing an increase of RMB1,933,467 million or 14.0 per cent. as compared to the end of 2022. As at 30 June 2023, the balance of our corporate deposits reached RMB16,545,202 million, representing an increase of RMB1,874,048 million or 12.8 per cent. as compared to the end of 2022.

We are one of the highest-rated domestic Chinese commercial banks in terms of international credit ratings. Currently, we have a rating of "A" with a stable outlook by S&P and a rating of "A1" with a stable outlook by Moody's.

With respect to our traditional banking business, we have further strengthened our competitive advantages and leading position, and our corporate loans and deposits and personal loans and deposits businesses have been growing steadily in recent years. We accelerated the formation of a diversified customer structure that coordinated large, medium, small, micro and personal customers, which drove the balance of RMB deposits to exceed RMB30 trillion as at 30 June 2023 and the increment compared with the end of 2022 to exceed RMB3 trillion. With respect to our emerging businesses and intermediary businesses, we have maintained a high level of growth and development in these areas and further expanded our competitive advantages. In the first half of 2023, we vigorously promoted active and flexible credit granting through a sound combination of online and offline channels, and as at 30 June 2023, our inclusive loans grew by nearly RMB500.0 billion to over RMB2.0 trillion, leading the industry in growth rate.

Leveraging on the growth of the PRC economy, we have enhanced our global influence. In recent years, with our strong corporate culture, management capability and operating performance, we have received numerous industry awards from various well-known international media publications and other institutions. Please refer to the subsection "*Description of the Bank – Overview*" above for further information.

We have transformed our business operations successfully and have created a leading business model in the PRC banking industry.

We have transformed our business and optimised our business structure to create a business model that we believe balances risks and benefits and has strong sustainability. We have optimised our asset and liability structure. With respect to assets, our returns on loans have stayed strong, while maintaining a low proportion of high-risk assets. As at 30 June 2023, our risk-weighted assets to total assets ratio was 55.52 per cent. At the same time, in view of the state of the PRC economy and from the state macro-control policy, we have maintained reasonable and balanced growth of our total amount of credit, and, on this basis, we have shifted the focus of our work to the adjustment and optimisation of the industry's credit structure and the cultivation of new growth areas. We have optimised our corporate loan product mix in terms of industry allocation, customer allocation and geographical allocation. We have supported the "13th Five-Year Plan", "14th Five-Year Plan", "four regions", "three supporting belts", the construction of Xiong'an New Area and Beijing Sub-centre, and other key projects and programmes. Since 2019, we have adhered to the "48-character" guideline, implemented the strategy of "leveraging our strengths, tackling areas of weaknesses and solidifying the foundation", strived to be stronger, bigger and better in a push for high-quality development and managed to make our financial services more adaptable, competitive and inclusive. In the first half of 2023, we earnestly implemented the state's economic and financial policies and the monetary policy orientation, adhered to the principle of commercial sustainability and accurately grasped market demands derived from the recovery process of the real economy. As at 30 June 2023, our RMB loans of domestic branches increased by RMB1.99 trillion from 31 December 2022, with the increment increased by RMB387.6 billion year-on-year. Both the total amount and increment maintained a leading position in the industry, with the structure of credit granting continuously optimized, and market competitiveness on the constant rise. As at 30 June 2023, the amount of loans we granted to the manufacturing industry reached RMB3.6 trillion, and the balance and increment of medium to long-term loans to manufacturing ranked first in the industry. In the first half of 2023, we served sci-tech innovation through the "Chunmiao Action" and other activities, and as at 30 June 2023, the balance of our loans to strategic emerging industries grew by more than RMB600 billion, leading the industry in both balance and growth, and the balance of loans to "Specialization, Refinement, Differentiation and Innovation" enterprises was 9 per cent. higher than the average growth rate of corporate loans. We actively stepped-up support for green financing and witnessed the total amount of green loans exceeded RMB5.0 trillion as at 30 June 2023, leading the market in both loan balance and growth rate.

We continue to leverage on our global service network and cross-border integrated service advantages to build a cross-border RMB product system and multi-scenario services, fostered offshore RMB market, innovated offshore RMB investment and financing products. Our branches in Laos, Kazakhstan, Pakistan and Brazil were qualified as RMB clearing banks, causing the total number of overseas RMB clearing banks to rise to 11 as at 30 June 2023. We participated in two-way opening up of financial markets and became the partner bank of the central counterparty for clearing in the "Interconnected Cooperation between Hong Kong and Chinese Mainland in Interest Rate Swap Market" business. We promoted the construction of the account system of the separate accounting units in free trade zones, and supported the innovative development of cross-border RMB business in key areas such as Shanghai Lingang Special Area, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. We strengthened cooperation with payment institutions, cross-border e-commerce platforms and other entities, and we launched the pilot project of the cross-border e-commerce collection model based on public service platforms for cross-border e-commerce in Shanghai. For the year ended 31 December 2022, our cross-border RMB business exceeded RMB9 trillion.

We have continued to optimise our income structure. We significantly enhanced our efforts to develop low capital consumption intermediary businesses and emerging businesses. In addition, we have pushed forward the diversification of our businesses and promoted a more diversified income structure. For the year ended 31 December 2022, our net fee and commission income was RMB129,265 million. Specifically, as compared with the same period in 2021, income from settlement, clearing business and cash management for the year ended 31 December 2022 increased by RMB4,169 million, mainly driven by an increase in income from third party payment, spot exchange settlement and sale as well as foreign exchange trading business; and income from bank card business for the year ended 31 December 2022 recorded an increase of RMB1,057 million as compared with the same period in 2021, mainly due to the increase in income from partnership services and acquiring business.

We have established an extensive customer base and effective distribution channels.

We have an extensive customer base. In 2022, the number of our individual customers reached approximately 720 million and the number of our mobile banking customers reached approximately 516 million as at 31 December 2022 and further exceeded 536 million as at 30 June 2023. We maintained a leading position in the banking industry in terms of the number of monthly active users at mobile terminals, which exceeded 200 million in the first half of 2023. We have an industry-leading corporate customer base, and the number of high-quality corporate banking customers has been increasing. As at 30 June 2023, we had over 11 million corporate customers. Our optimised customer structure has not only provided us with steady sources of funds and promoted the sound growth of our corporate credit business, but also has laid a solid foundation for the growth of our corporate intermediary business. The proportion of our customer base represented by medium and high-end individual customers has increased rapidly in recent periods. Our high-end individual customer base provides strong support for the further development of our personal financial products and services and steady progress was made in the transformation of businesses such as asset management, private banking and investment banking.

We have established a well-structured, extensive and efficient distribution network and continue to improve our international network. As at 30 June 2023, we had been operating 415 overseas institutions in 49 countries and regions, coupled with indirect coverage of 20 African countries through our equity participation in Standard Bank Group Limited. We also established correspondent relationships, establishing a service network covering Asia, Africa, Latin America, Europe, North America and Australia, including major international financial centres. We have strengthened our network by adjusting the geographical allocation of our branch network and upgrading outlets. We have further diversified our distribution channels in order to enhance our ability to provide individualised services. We have continued to upgrade our operational network, strengthen the build-up of our customer management team and improve our multi-level customer service system and our customer service capabilities.

We have a leading position in the industry in terms of E-banking capability and technological development and continue to focus on FinTech.

We have actively promoted our electronic banking platform, E-banking, as a substitute for traditional physical outlets. Through our customer- and market-oriented services, we have consolidated our leading position in E-banking, accelerated the development of new fields, markets and customers, as well as the expansion of overseas businesses. To ensure balanced and rapid development of the scale, quality and efficiency of our E-banking business, we have further strengthened our risk prevention and control capabilities.

We believe we have a leading position in the industry in terms of our E-banking capability by practising technology self-reliance, strengthening the "dual wheel drive" of technological innovation and system reform, and empowering the development of the new digital brand "D-ICBC" with technology. Our intelligent banking ecosystem ("**ECOS**") won the only special award of the FinTech Development Awards from the PBOC. We also had the most newly added and accumulated patents among Chinese banks as at the end of June 2023 and were the first bank to receive a five-star rating for its maturity of data management capabilities. To further strength our core capabilities in new infrastructures, we have built a series of new IT platforms, including ICBC Turing, ICBC Premier Chain and ICBC Nebula. With more than 150 breakthroughs achieved in security, performance and capacity, we were included in Forbes' Blockchain 50 2021. We remained steadfast on the road of digital development. In shifting from "bank informatization" to "informatized bank", we led the Digital 1.0 stage of digital technology driven business development. We keenly grasped the trends in the fresh technological revolution and industry transformation and made a push for IT architecture transition and the "smart banking ecosystem ECOS" project, kick-starting the Digital 2.0 stage of digitalisation led transformation in every respect. We took the lead in developing a five-dimensional plan for "digital ecosystem, digital assets, digital technology, digital infrastructure and digital genes" in 2021, and launched a farsighted digital brand "D-ICBC" in the first half of 2022, which maintained the first place in the industry in terms of IT regulatory rating. In addition, leveraging on our FinTech and data strengths, we deepened the "D-ICBC" development driven by "data and technology" on a customer-oriented basis. We participated deeply in digital transformation of the industry by continuing to build the D-ICBC digital ecosystem and innovated the ICBC Global Pay – Overseas Direct Payment, which won the first prize of the FinTech Development Awards from the PBOC.

Keeping in mind the bigger picture of building a digital China, we contributed to the healthy development of digital economy by promoting profound changes in business and service models, and improvement of quality and efficiency of product innovation. Significant improvements have been made in customer experience, service efficiency and business value. For instance, we were the first to complete aging and barrier-free transformation of internet services. In strengthening government-bank cooperation, we unleashed its technological and data strengths to facilitate the digital government construction. We were also the only bank to develop the nationwide pooling system for pension insurance funds, and cooperated with local governments in developing the dedicated government App.

We have further enhanced our risk management and internal control capability by establishing an advanced, quantitative and comprehensive risk management system.

We adopted the Five-pronged Risk Management Approach, namely the overall risk management of domestic and overseas institutions, on- and off-balance sheet businesses, commercial banking and investment banking and other services, online and offline business, and head office and subordinate institutions, continuously improved the four-pronged risk management approach to people, money, defence line and bottom line, strengthened active prevention, smart control and comprehensive management, consolidated the three lines of defence, and continuously pressed forward with the upgrade of the enterprise-wide risk management system to enhance the enterprise-wide risk management capability. We also established a cross-disciplinary "joint risk prevention and control" system focusing on customers, and won the commendation from the Ministry of Public Security for its advanced experience in reducing the number of accounts involved in telecom frauds. For the six months ended 30 June 2023, we continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable. Our overdue loans stood at RMB297,549 million as at 30 June 2023, representing an increase of RMB13,518 million from 31 December 2022. Among them, loans overdue for over 3 months amounted to RMB189,811 million, representing a decrease of RMB418 million from 31 December 2022. Our NPL ratios as at 31 December 2020, 2021 and 2022 and 30 June 2023 were 1.58 per cent., 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively. As at 30 June 2023, the ratio of overdue loans was 1.18 per cent., decreased 4 basis points from the end of 2022.

Our advanced information technology systems provide strong support for our business innovation and development.

We believe that we have one of the most advanced information technology systems in place among all commercial banks in the PRC. Since our initial public offering, we have focused on implementing our "technology driven" development strategy. Our advanced information technology systems have enabled us to maintain a competitive position in various fields such as customer service, product innovation, risk management, operation process re-engineering and electronic banking network expansion.

We have maintained the security and stability of our information technology systems despite a significant increase in our business volumes. We were the first among the five major PRC commercial banks (Industrial and Commercial Bank of China Limited, China Construction Bank Corporation, Bank of China Limited, Agricultural Bank of China Limited and Bank of Communication Co., Ltd) to achieve data centralisation, and we were the first large-scale commercial bank in the PRC to adopt a centralised full-function banking system that enables real-time processing of bank-wide data. We have continued to strengthen our information security and protection and improved our disaster recovery systems. The establishment of two key data centres (one primary and one backup) in Beijing and Shanghai in 2002 made us the first among PRC banks to complete the data centralisation. Also, we set up a local data centre in Shanghai in June 2015, enabling a full switchover between data centres within minutes.

We have significant capacity internally for continued research and development of our global banking systems and have researched and developed our fourth generation core information system on our own initiatives. We have increased our technological support for our overseas institutions and completed the establishment of systems relating to RMB clearing at our Singapore Branch. We have extended our integrated business processing system ("**FOVA**") to cover certain of our overseas institutions. We have also promoted the internet banking and mobile banking systems of our wholly owned Hong Kong subsidiary, ICBC (Asia), and have extended our internet banking coverage to our overseas institutions.

We have established a centralised technology organisation system, formed information technology management and information technology approval committees and formulated complete and sound information technology management systems, technical standards and norms in the PRC banking industry. We have one of the largest and strongest technology teams in the PRC banking industry.

We have steadily implemented our internationalisation and integration strategy for development and enhanced our capability as a comprehensive financial services provider.

Since our initial public offering, we have seized development opportunities domestically and overseas and steadily implemented our internationalisation and integration strategies, thereby enhancing our capability in cross-region, cross-market and cross-product services. We have accelerated the establishment of our global operation network and enhanced our international service capability by carrying out the following initiatives:

- with a particular emphasis on Asian and other emerging markets, we have focused on growing our businesses in both emerging and developed markets, have expanded our overseas operation network through both organic growth and strategic mergers and acquisitions and have set up both physical outlets and electronic channels;

- leveraging our overseas integrated business licence as well as the strong product support from FOVA for overseas institutions, we have built up our important global product lines, including retail, funds clearing, trade finance, global cash management, specialty financing, investment banking, bank card, internet banking and asset management, while managing our core businesses including loans, deposits and foreign exchange services; and

- following closely the trend of PRC enterprises expanding their businesses globally, we have promoted the RMB settlement business for cross-border trades and strengthened our integrated ability to serve global customers.

We have established a global network with 415 overseas institutions in 49 countries and regions as at 30 June 2023. On that basis, we have gradually shifted the focus of our internationalisation strategy to the localised, mainstream and differentiated development of overseas institutions. Through strengthening the extension of key product lines abroad and interactions between domestic and overseas operations, we have improved the competitiveness, operation and development of our overseas institutions.

Our overseas branches in Singapore, Luxembourg, Qatar, Canada, Thailand, Argentina and Russia have obtained the qualification to become RMB clearing banks, making us one of the PRC financial institutions with overseas branches that have RMB clearing capability in Asia, Europe, and the Americas and establishing a truly global RMB clearing system operating 24 hours a day, seven days a week and a solid foundation for further promoting cross-border RMB transactions. In 2022, our branches in Laos, Kazakhstan and Pakistan were qualified as RMB clearing banks and in the first half of 2023, we were authorized to act as the RMB clearing bank in Brazil, causing the total number of overseas RMB clearing banks to rise to 11. Our RMB clearing capability has facilitated cross-border RMB transactions and promoted the internationalisation of RMB.

In addition, leveraging our advantages in customer relations, capital management and information technology systems, we have proactively set up and accelerated the development of licensed non-banking financial businesses such as investment banking, fund management, financial leasing and insurance with a view to satisfying our customers' increasingly diversified needs for integrated financial services. ICBC International Holdings Limited ("**ICBC International**") has actively participated in Hong Kong listings by large multinational corporations and domestic companies and has developed its bond underwriting businesses, through which it has created a more balanced and stable income structure. ICBC Credit Suisse Asset Management Co., Ltd. ("**ICBC Credit Suisse Asset Management**") has leveraged its asset management platform, continued to develop new products, expanded its investment management system and realised steady growth in business performance, taking a lead among bank-affiliated fund management companies in the PRC. ICBC Financial Leasing Co., Ltd. ("**ICBC Leasing**") continues to work towards expanding its business, quickening its operating transformation and proactively developing leasing products. Relying on our dominant position, ICBC-AXA Assurance Co., Ltd. (**"ICBC-AXA**") has adopted a strategy of localised and independent operations and development, deepening bancassurance cooperation and intensifying product development efforts. We also established ICBC Asset Management (Global) Company Limited in Hong Kong, creating a unified global asset management platform for us.

On 8 December 2016, the board of directors of the Bank (the "**Board**") established ICBC Asset Management Co., Ltd ("**ICBC Asset Management**") in Beijing with an investment of RMB12 billion, representing 100 per cent. of the registered capital of ICBC Asset Management. ICBC Asset Management is dedicated to our debt for equity swaps business and is responsible for the overall implementation of the debt for equity swaps business for the entire Group. ICBC Asset Management carries out debt acquisition, debt for equity swaps, asset disposal and other asset management related to debt for equity swaps as required for the debt for equity swaps business, subject to the final scope of business approved by the regulatory authority. The investment has been financed by our own funds. The investment has generated reasonable investment returns for us, promoted the upgrade of our conventional business, expanded the means for our business innovation, improved our diversified financial service capability, and further consolidated the Group's resources to push forward the specialised operation of business in the relevant fields. The investment has reduced the enterprise leverage ratio and is consistent with our strategy to develop diversified financial services.

Our senior management team has extensive experience, and their vision has helped us maintain our leading position in the PRC banking industry.

Our senior management team has extensive experience in the PRC commercial banking industry. Our chairman, Mr. Chen Siqing, joined us in 2019 and has over 20 years of experience in the PRC banking industry. Our president, Mr. Liao Lin, joined us in 2019 and has over 30 years of experience in the PRC banking industry. Our senior management also has long-term strategic vision and keen insight into the PRC banking industry. Under their leadership, we have established an industry-leading operating model in the PRC. We have actively responded to changes in the external environment, continued our product development and business innovations, established powerful information technology systems and became the first in the PRC banking industry to establish a comprehensive risk management system. Our senior management team has led our transformation from the PRC's largest bank to a leading international bank.

Although we have faced increasing competition in the industry, we have continued our prudent operations, accelerated our business transformation and maintained smooth and steady development under the leadership of our management team. We believe that our strong management team will be able to lead us in maintaining our competitive advantages in the future, laying a solid foundation for our long-term sustainable growth.

OUR STRATEGIES

We will remain guided by the Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era, adhere to the general principle of pursuing progress while ensuring stability, fully and faithfully apply the new development philosophy on all fronts, and modernise our governance system and capacity. We will firmly focus on the primary task of high-quality development and the strategic task of fostering a pattern of development. We will study and carry out in depth the guiding principles of the 20th National Congress of the Communist Party of China, adhere to the "48-character" guideline, deepen the implementation of the strategic layout of "leveraging our strengths, tackling areas of weaknesses and solidifying the foundation", advance the work of maintaining stable growth, adjusting structure, increasing growth drivers, preventing risks and breaking new ground in a coordinated manner, make new progress in the building of a world-class modern financial institution with Chinese characteristics, and celebrate the 40th anniversary of the founding of ICBC with excellent results. We intend to achieve this through the following strategies:

Continuing to optimise our asset and liability structure.

We aim to optimise our business operations by focusing on new businesses with high-growth potential, including individual loans and loans to small and micro enterprises and medium-sized enterprises, as well as high-growth industries, such as strategic emerging industries, green industries, inclusive areas, private sector and agriculture-related areas, to further develop our customer base and targeted markets. We intend to maintain a prudent lending policy by promoting our businesses to customers in environmentally friendly sectors and reducing our exposure to industries with high energy consumption and over-capacity. The strategy of "No. 1 Personal Bank" will be prioritised to serve the real economy and commit to satisfying people's new expectations and demands for financial services. We intend to further mature the investment and financing system to support advanced manufacturing for high-quality development, promote financial development of small and micro enterprises and private enterprises and actively serve the livelihood-related consumption. We aim to proactively respond to national regional development strategies and strives to construct a network of collaborated development, featured development and optimised development among major regions. In line with the rural revitalisation strategy, it will focus on poverty alleviation.

We also plan to focus on low-cost demand deposits and interbank deposits in order to optimise our liability structure and achieve reductions in our cost of capital. In order to optimise our income structure, we aim to continue to focus on low capital consumption intermediary businesses (namely settlement, clearing and cash management, personal wealth management and private banking, investment banking, bank cards and emerging businesses) in order to diversify our business and achieve a more stable and balanced income structure.

Diversifying revenue and asset mix by expanding into higher growth non-credit exposure businesses.

We plan to diversify our revenue sources by continuing to develop our non-credit exposure businesses. We believe that many fee and commission-based products and services will experience stable growth over the next few years as the PRC economy continues to grow, the PRC financial services sector experiences further liberalisation and our customers' banking needs become more sophisticated. We plan to increase our support and investment in asset management and personal banking businesses and to expand into other non-credit exposure businesses such as financial insurance.

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

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

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

- In addition, in light of the opportunities presented as a result of increasing globalisation of the RMB, we plan to further develop our cross-border RMB businesses and to improve our RMB settlement system.

We believe that by offering a broader range of non-credit exposure products and services coupled with prudent risk management, we will not only improve customer satisfaction and attract new customers, but also create new revenue sources and improve our overall profitability.

Strategically expanding our traditional branch network and enhancing sales and marketing capabilities through electronic banking operations, cross-market and integrated operating platforms.

In order to further enhance the marketing of our products and services and to achieve greater operational efficiencies, we intend to fully leverage our advanced information technology platform and customer relationship management systems. We intend to actively cross-sell our products and services to our existing customers and provide enterprises with more flexible and diverse financial service options through our extensive network, cross-market and integrated operating platforms. Furthermore, we plan to expand our electronic banking operations through upgrading our technology platforms for mobile and internet banking services to deliver more products and services to our customers in a timely, reliable and convenient manner and to further increase revenue derived from our electronic banking platform.

We will also improve on cross-market platforms to render better integrated services. We intend to construct the new ecosystem of internationalised development by steadily driving forward Renminbi internationalisation, striving to become the preferred bank for foreign exchange business and facilitating the opening-up at a higher level. We also seek to refine the layout of integrated development and connect the whole value chain of financial services, in a bid to satisfy customers' demand for "one-stop" financial services.

Continuing to invest in information technology infrastructure and to utilise advanced technology to support our growing business.

We aim to further invest in information technology infrastructure and to apply data analytics, cloud computing and mobile internet technologies in areas such as marketing and sales, customer services, product innovation and risk control in order to support our business, with a focus on the integration of finance and technology. Since the official release of ECOS in 2019, we have reorganised the business structure and set up a new system of intra-group product consolidation, information sharing, process coordination and channel synchronisation. We have advanced ESOS and have already developed two core IT infrastructure platforms in-house to deal with all the core operations of ICBC, providing safe and stable financial services to over 729 million individual customers and over 11 million corporate customers, with the system availability always above 99.99 per cent. We will continue to improve the ECOS tech ecosystem in a way that ensures "stability" of the system, "flexibility" of the architecture and "advanced nature" of technology so as to provide five engines for high-quality development, which are namely flexible architecture, high intelligent data fusion capability, new breakthroughs in the transformation of technical system, upgraded clouding of infrastructure and progress in agile research and development ("**R&D**"). Since the beginning of 2023, we have adhered to the concept of digital development and pressed forward with the development of D-ICBC in depth. With a focus on "serving customers, empowering employees", we continuously improved the two supporting systems of business and data technology, and accelerated the reform of business model and management process, empowering the high-quality business development by digital transformation.

Continuing to strengthen risk management and internal control systems.

We believe effective risk management is an essential component of our overall business strategy. We plan to continue to align our risk management and internal control capabilities with international best practices. We intend to continue to implement enhanced risk management procedures for credit exposures, such as improving our risk warning and early identification and prevention and mitigation capabilities. We are also instituting changes to further strengthen the independence of our internal control functions and to improve our bank-wide internal control systems. We also seek to continue to improve our risk management capabilities by enhancing our asset and liability management capabilities and by further centralising our risk management. We will continue to reinforce the "three lines of defence" in risk management and construct a comprehensive risk management system covering the whole staff and whole processes globally, to manage cross and imported risks, safeguard the lifeline of asset quality and prevent and resolve financial risks.

Enhancing employee performance through performance-linked incentive schemes and regular training and development initiatives.

We intend to continue to manage our human resources through various initiatives in order to support our business strategies. With the focus on high-quality development of operation and areas vital to market competition, we assigned more human resources to strategic areas and improved operation through the transformation and upgrading of human resources. We have introduced five career tracks into our human resource system, namely, "management", "profession", "sales", "customer service" and "operation", in order to facilitate employee career development, enhance performance appraisal and remuneration measures. We have developed quality training programs and conducted tiered and classified training sessions effectively, and we intend to continue to provide training and development programmes for our employees to enhance their skills and professional development. We also adopted a remuneration policy that is in line with corporate governance requirements, in combination with high-quality development targets, in adaptation to risk management system and talent development strategy, and well-matched with employees' value contribution, We believe that through these initiatives, we can attract, retain, motivate and develop a workforce of high quality.

OUR BUSINESS OPERATIONS

Our principal businesses include corporate banking, personal banking, asset management services and treasury operations.

Corporate Banking

Insisting on making efforts early on and making targeted and appropriate efforts, we deepened the corporate credit layout of new manufacturing, new services, new basic industries and high-tech customer groups, and constantly improved the adaptability and competitiveness of services for the real economy. We increased the counter- and cross-cyclical credit supply, and carried out a series of activities to help stabilize the macro-economy. We launched the campaign of "financing 10,000 enterprises to help stabilize the macro-economy", and held the cloud signing activity of "trillion financing for 100 big projects to promote investment and stabilize economic growth". We strengthened the innovation of corporate digital product system, upgraded the digital industrial finance platforms such as ICBC Finance Pool and ICBC Chain, built the "government service + finance" and "industry + finance" ecosystem, and effectively empowered the digital government building and corporate digital transformation. At the end of 2022, corporate loans reached RMB13,826,966 million, representing an increase of RMB1,632,260 million or 13.4 per cent. over the end of the previous year. Corporate deposits stood at RMB14,671,154 million, representing an increase of RMB1,339,691 million or 10.0 per cent. over the end of the previous year. As at 30 June 2023, corporate loans reached RMB15,760,433 million, representing an increase of RMB1,933,467 million or 14.0 per cent. over the end of the previous year. Corporate deposits stood at RMB16,545,202 million as at 30 June 2023, representing an increase of RMB1,874,048 million or 12.8 per cent. over the end of the previous year.

New breakthroughs have been achieved in customer base. We deeply conducted the "net making and patching" programme, expanded the customer base, improved customer quality, activated customer transactions, and enhanced customer expansion and maintenance capability. While focusing on high-quality customer marketing, we vigorously expanded medium-sized enterprise customer groups to establish a coordinated, active and loyal customer base comprising large, medium and small enterprises. As at 30 June 2023, the number of corporate customers increased by 744,000 over the end of the previous year to 11,437,000.

We served the high-quality development of the manufacturing. In 2022, we carried out the campaign of "Financial Service Quality Enhancement Program for Manufacturing", and launched innovative measures such as "professional layout, special list, specific assessment and dedicated resources". At the end of 2022, the balance of manufacturing loans exceeded RMB3 trillion, ranking first among peers in terms of both the balance and increment of loans to manufacturing, medium to long-term loans to manufacturing and credit loans to manufacturing. As at 30 June 2023, the balance of loans to manufacturing reached RMB3.6 trillion, ranking first among peers in terms of both the balance and increment of medium to long-term loans to manufacturing.

In 2022, we supported self-reliance and self-improvement in advanced science and technology. We carried out the campaign of "Chunmiao Action" targeting high and new technology enterprises, enterprises featuring "Specialisation, Refinement, Differentiation and Innovation" and other key customer groups, and launched the campaign of "Financial Service for National High-tech Industrial Development Zones and High-tech Enterprises" in conjunction with the Torch High Technology Industry Development Centre of the Ministry of Science and Technology. At the end of 2022, the balance of loans to enterprises in the high-tech fields supported by the state and that of strategic emerging industries reached RMB1.23 trillion and RMB1.75 trillion respectively. As at 30 June 2023, the balance of loans to strategic emerging industries grew by more than RMB600 billion from the end of 2022, and the growth rate of loans to "Specialization, Refinement, Differentiation and Innovation" enterprises was 9 per cent. higher than the average growth rate of corporate loans.

We provided comprehensive financial services for private enterprises. We cooperated with the All-China Federation of Industry and Commerce to jointly carry out the campaign of sci-tech innovation in financial services for private enterprises, to help private enterprises accelerate sci-tech innovation. At the end of 2022, the balance of loans to private enterprises reached RMB3.77 trillion. At the end of June 2023, the balance of loans to private enterprises exceeded RMB5 trillion.

We drove green development with green finance and actively supported green and low-carbon transformation, especially the financial needs of green industries such as clean energy and green transportation. We took full advantage of structural monetary policy tools such as carbon emission reduction support tools and the clean and efficient use of coal. At the end of 2022, the balance of green loans (under the former CBIRC's criteria) amounted to RMB3,978,458 million. We, as the lead underwriter, underwrote RMB56,338 million green bonds in China in the year of 2022. As at 30 June 2023, the balance of green loans exceeded RMB5.0 trillion.

We actively integrated into the regional coordinated development strategy. We stepped up financial support focusing on coordinated development of the Beijing-Tianjin-Hebei region, integrated development of the Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, the rise of central China, and the Chengdu-Chongqing economic circle. At the end of 2022, RMB corporate loans in key regions reached RMB8.81 trillion, accounting for 71.7 per cent. of the balance of RMB corporate loans of domestic branches, representing an increase of RMB1.27 trillion over the end of 2021.

Corporate Loans

Corporate loans represent the largest portion of our loan portfolio. Our corporate loans include short-term loans and medium to long-term loans. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our corporate loans were RMB11,102,733 million, RMB12,194,706 million, RMB13,826,966 million and RMB15,760,433 million, respectively. We actively supported the constructions of ongoing infrastructure projects and major projects for making up shortcomings and offered prominent support to the high-quality development of manufacturing, meeting funding requirements of customers in anti-epidemic service sectors for continuing operations. In the first six months ended 30 June 2023, we continued to increase credit allocation to key areas such as manufacturing, strategic emerging industries, inclusive finance, green finance and rural revitalization. Our corporate loans in key areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macau Greater Bay Area, Central China and Chengdu-Chongqing region continued to grow.

We provide short-term loans with maturities of up to one year to our corporate banking customers. A substantial majority of our short-term corporate loans are working capital loans including trade finance loans. In addition, we provide our corporate banking customers with bills discounting, factoring and forfeiting loans. As at 31 December 2022, the balance of our short-term corporate loans amounted to RMB3,150,517 million, accounting for approximately 13.6 per cent. of the balance of our total loans. As at 30 June 2023, the balance of our short-term corporate loans amounted to RMB3,755,221 million, accounting for approximately 14.8 per cent. of the balance of our total loans.

Our medium to long-term corporate loans generally feature terms ranging from one year to 10 years and primarily comprise project loans and property loans. As at 31 December 2022, the balance of our medium to long-term corporate loans amounted to RMB10,676,449 million, accounting for approximately 46.0 per cent. of the balance of our total loans. As at 30 June 2023, the balance of our medium to long-term corporate loans amounted to RMB12,005,212 million, accounting for approximately 47.5 per cent. of the balance of our total loans.

In recent years, we have adopted the following measures to promote the stable growth and structural optimisation of our corporate loans business:

- in response to changes in the macroeconomic environment, we optimised the distribution of our lending and further adjusted our credit structure to promote the stable and healthy development of our credit business;

- we proactively provided support for the real economy, satisfied funding needs of key national and regional projects and extended more loans to Central and Western China and Northeastern China;

- we allocated additional financial resources to key industries and quality customers so as to support key national projects under construction and expanded our businesses in areas such as urbanisation-related industries, basic industries and infrastructure, energy and resources, modern services industries, advanced manufacturing, cultural industries, environmental protection, energy conservation and modern agriculture;

- we strengthened the management of our lending to LGFVs and controlled loans to the real estate industry and industries with over-capacity, and gave financial support to various energy conservation and emission reduction projects;

- we accelerated the development of our supply chain financing, including providing e-supply chain financing products in order to enhance the development of trade finance and small and micro enterprises and medium-sized enterprises credit business; and

- we increased our efforts to compete for major corporate customers and industrial leaders and sought new customers among core enterprises and upstream and downstream small and micro enterprises and medium-sized enterprises of supply chains, in an effort to achieve balanced growth of high quality large, medium and small corporate customers.

Corporate Deposits

We provide corporate banking customers with multiple demand and time deposit-taking services in RMB and major foreign currencies. Corporate deposits constitute our major source of funds. In response to challenges posed by the liberalisation of interest rates, we leveraged our advantages in integrated financial services such as corporate wealth management, cash management, E-banking and assets custody to increase our market competitiveness in the corporate deposits business.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the balance of our corporate deposits was RMB12,944,860 million, RMB13,331,463 million, RMB14,671,154 million and RMB16,545,202 million, respectively.

Inclusive Finance

We have always regarded the development of inclusive finance as an important measure to serve the real economy and realise its transformation and development.

Driven by innovation and transformation, we further developed the "digital inclusive" model, improved the product system, and innovated the service model. We continuously improved the comprehensive services of inclusive finance to promote the sustainable and high-quality development of the inclusive finance sector. In 2022, we were rated the best in the regulatory evaluation of financial services of commercial banks for small and micro enterprises conducted by the former CBIRC for two consecutive years.

We further developed digital inclusive services and continued to refine the three major digital inclusive product systems, namely, Online Revolving Loan, Quick Lending for Operation and Digital Supply Chain. In terms of Online Revolving Loan, we launched e-Mortgage Quick Loan, an innovative online mortgage service that enables whole-process online handling of mortgage services. It enriched the online assessment function for e-Enterprise Quick Loan based on nonstandard collateral such as factory buildings and commercial buildings. In terms of Quick Lending for Operation, we created national scenarios such as settlement, taxation, employment and cross-border business, as well as regional scenarios including planting, breeding, and specialized markets. We launched "Merchant Loan" based on acquiring information to effectively support inclusive long-tail customers such as self-employed businesses. In terms of Digital Supply Chain, we actively further enhanced cooperation with leading enterprises in key industries, built a financial service system for industrial chain scenarios, and launched customized online financing products to effectively meet the diversified financial needs of production, purchase and sales. We established a supply chain-related financial service platform and accelerated the promotion of platform customization and full-scenario financing services.

We shouldered the responsibilities as a large bank to help enterprises solve difficulties. Focusing on key areas and weak links, we refined and implemented 19 special measures to strengthen financial services and solve difficulties for small and micro customers. We improved the emergency financing service system, and enhanced the financial support for the industries such as wholesale and retailing, accommodation, catering, and foreign trade. We conscientiously implemented the policy of deferred repayment of principal and interest, well conducted fund continuation services, improved online loan renewal procedures, and enabled customer self-service application and automatic system approval.

We strengthened the dual supply of credit funds and business opportunities, built a comprehensive financial service system of "financing, consulting and commercial services" for small and micro enterprises, and created a sound development ecosystem. We promoted a series of activities such as "ICBC Inclusive Finance Travel" and "Ten Thousand Small and Micro Enterprises Growth Plan", and provided small and micro enterprises with a package of comprehensive financial services, including financing, settlement and payroll payment agency service. "ICBC Business Matchmaker", a cross-border matchmaking service platform, helped small and micro enterprises access industrial and supply chains, attracted more than 170,000 enterprises from 75 countries and regions, and promoted more than 16,000 cooperation intentions.

Following the development of "digital inclusiveness", we formed a financing risk management system characterized by "data driven, intelligent warning, dynamic management and continuous operation", which further consolidated the foundation of risk management. We constantly optimized and iterated

access, rating and credit models, and accurately judged customers' substantial risk status through model control, online and offline cross-validation, and other methods. We strengthened anti-fake and anti-fraud work, selected customer groups with good credit and stable operation, and strictly controlled customer access. By comprehensively integrating internal and external data sources such as financing, settlement, justice, credit reference, taxation and customs, we built a "1+N" intelligent risk control system adapted to the risk characteristics of small and micro enterprises, in order to accurately identify the risk changes during the period of financing. We strengthened the dynamic risk monitoring and early warning, and established a risk control mechanism of "off-site warning by the Head Office + on-site verification by branches".

At the end of 2022, inclusive small and micro enterprise loans amounted to RMB1,550,316 million, representing an increase of RMB451,304 million or 41.1 per cent. over the beginning of the year; inclusive small and micro enterprise loan customers numbered 1,016,000, representing an increase of 221,000; and the average interest rate of newly granted inclusive loans was 3.84 per cent. As at 31 December 2022, the balance of agriculture-related loans was RMB3,300,196 million, representing an increase of RMB648,976 million or 24.5 per cent. over the beginning of the year; the average interest rate of newly granted agriculture-related loans was 3.86 per cent., down 27 basis points from the previous year. We had 355 small and micro financial business centres as at 31 December 2022.

At the end of June 2023, the balance of inclusive small and micro enterprise loans amounted to RMB2,049,212 million, representing an increase of RMB498,896 million or 32.2 per cent. over the beginning of the year. Inclusive small and micro enterprise loan customers numbered 1,269,000, representing an increase of 253,000. The average interest rate of inclusive small and micro enterprise loans newly granted in the first half of 2023 was 3.64 per cent. At the end of June 2023, the balance of agriculture-related loans were nearly RMB4 trillion, representing an increase of 20.0 per cent. over the beginning of 2023.

Institutional Banking

Our institutional banking businesses include financial services provided via our cooperation with securities companies, insurance companies, other banks, governmental agencies and futures companies.

In recent years, we have carried out various strategic initiatives to enhance the sustainable development of our institutional banking business. We offer diversified financial services to institutional customers covering assets, liabilities and intermediary services. We have improved financial services relating to the livelihood of our customers, such as social insurance, housing allowance, finance, education and medical care. The reform services in the key areas of China have been deepened. We served the integrated fiscal budget reform, and were the first in the industry to launch a digital integrated system of fiscal budget management. We exerted its utmost to render supporting financial services for the overall reform of social security, constantly improved the features of "ICBC e Social Security" service, and continued to expand the coverage of "social security and banking integrated outlets". We energetically assisted with the building of a mobile payment and clearing system for medical insurance, and comprehensively promoted the online, convenient and information technology-based medical insurance public services. "ICBC Cloud Healthcare", an intelligent healthcare open platform, was launched to provide "finance + industry" comprehensive intelligent healthcare scenario program for medical management departments and healthcare institutions at all levels. We established an all-in-one service system – "Intelligent Education", and took the lead in the industry to launch the "Intelligent Vocational Education Cloud" to advance the development of vocational education. We established an industry-leading ICBC Anxin fund supervision platform to cooperate with education authorities in the supervision of education and training funds, and assist in supervising more than 33,000 education and training institutions. Closely focusing on the reform of judicial system, we took the lead in the industry to launch the "Intelligent Politics and Laws" comprehensive service platform, helped judicial agencies at all levels in China to achieve the whole-process refined management of case funds, improve the efficiency of return of case funds, and reduce the case cycle.

Financial market services were further developed in all respects. We strengthened the collaboration with development financial institutions and policy banks, and gave play to the complementary advantages to meet the financing needs of national infrastructure and major projects. We enhanced the syndicate cooperation of strategic projects such as equipment manufacturing, green energy and infrastructure connectivity, and consolidated and promoted the cooperation of the Belt and Road development projects.

We continued to strengthen the connection of financial infrastructure services, and was among those in the industry which first obtained the qualification of depository bank designated by Shanghai Futures Exchange for commodity exchange, first conducted registration cooperation in warehouse receipt pledge and completed financing registration with Dalian Commodity Exchange, and first obtained the qualification of settlement bank for connectivity cooperation in the domestic bond market. We were also among those which were first allowed to engage the margin depository business on Guangzhou Futures Exchange. We established a new model of financial services for the real economy, strengthened the innovation of the investment and loan interconnection between banking and securities institutions, and gave play to the complementary advantages of banking and insurance institutions. We worked with Dalian Commodity Exchange to promote the establishment of the "standard delivery warehouse for pigs" in Dazhou City, Sichuan Province, in order to help upgrade the local farming industry. We provided bill brokerage services for more than 8,000 corporate customers and gathered new momentum to serve small and micro enterprises. The output of FinTech had new bright spots. We provided 54 interbank customers with FinTech service programs such as anti-money laundering and risk management, and won the "Outstanding Contribution Award for Financial Risk Control" at the 2022 China Fintech Research Conference.

Settlement and Cash Management

We provide domestic clearing and settlement services for our customers and comprehensive services such as centralised payments and cash management for large companies and their subsidiaries.

We have expanded our cash management services into financial asset management and have developed a variety of management products such as management of account transactions, liquidity management, supply chain finance, investment, risk management and wealth management. We offer personalised and professional cash management service plans to meet the cash management needs of rapidly developing industries, including cultural industries, logistics, tourism, high-tech industry and equipment manufacturing. We built the brand system called "Caizhi Account" as the core brand to enhance our influence in the cash management market.

In recent years, we have implemented cluster marketing strategies to strengthen the marketing of important products, enhance the establishment of channels for corporate customers and optimise our customer structure. The "Enterprise Link" service integrating functions such as industrial and commercial registration, account opening, internet banking and settlement was selectively rolled out at certain locations for a full range of comprehensive, one-stop services for new registrants. The functions of the Caizhi Account were improved to enable inter-bank point-of-sale card transactions and self-service small deposit and withdrawal.

With diversified products and services, we offer comprehensive cash management solutions to corporate customers such as information services, account management, liquidity management, collection and payment management, short-term investment and financing service and risk management. We provide corporate groups with centralised treasury management services of cross-border bilateral RMB cash pool, centralised operation management services for cross-border funds and cross-border cash management services based on domestic and overseas treasury management policies. In recent years, we were named the "Best Cash Management Bank in China" by The Asset, Global Finance and The Asian Banker. In 2022, we were awarded the "Best International Cash Management Bank" for seven consecutive years by The Asian Banker and the "Best Global Cash Management Bank" for four consecutive years by Treasury China.

We promoted the digital transformation and development of settlement finance, pushed forward the process optimisation and intelligent transformation of the operation mode, and established a new model of ecological marketing services for settlement financial scenarios covering large, medium, small and micro customers. We actively explored supply chain, industrial chain and "financial + non-financial" services, and constantly diversified services. We actively responded to and implemented the national policy of reducing fees, and steadily promoted the reduction of fees for small and micro enterprises and self-employed businesses.

We independently developed a treasury information system, gave full play to the advantages of cash management products and services, met the capital management needs in the building of enterprise treasury system through product output, and enabled the financial digital transformation of large domestic enterprises. In line with the development trend of global financial and asset management, we boosted the global treasury management of corporate customers with the help of "zero time lag" information decision-making support, efficient and safe global capital settlement and cross-border position management, rich and comprehensive capital appreciation products and risk mitigation tools.

At the end of June 2023, we maintained 13,027,000 corporate settlement accounts, representing an increase of 744,000 over the end of 2022. We had 1,872,000 cash management customers, including 10,935 global cash management customers. The volume of corporate settlements reached RMB1,207 trillion in the first half of 2023.

International Settlement and Trade Finance

In recent years, we have accelerated the development of our international settlement and trade finance business and actively promoted our brand, and we believe we have established a competitive edge in the international business area through the following initiatives:

- we leveraged our advantages in domestic and foreign currency business and close interaction between domestic and overseas branches and improved our product portfolios by integrating financing, settlement, wealth management and trading to better serve the needs of our import and export enterprise customers;

- we accelerated the expansion of global supply chain products, integrated products denominated in RMB and foreign currencies and optimised our business structure;

- we launched an import aval business and e-presentation of documents of letter of credit, and rolled out a global documents management system, further enhancing the centralised processing efficiency of our documents management business;

- we strengthened our systems for checking trade backgrounds to prevent false transactions and arbitrage behaviours of enterprises;

- we participated in cross-border RMB pilot programmes in many regions, including the Shanghai Free Trade Zone, Khorgos Xinjiang and Qianhai Shenzhen, and participated in the launch of various innovative services and products such as two-way RMB cross-border cash pooling and overseas RMB lending; and

- we improved the "ICBC Cross-border Express" product system and launched innovative RMB cross-border products such as Direct Financing Express, agreed-upon payment and structural financing.

In recent years, relying on the intensive advantage in customs import and export data, we launched a "single window" financial service in an innovative manner, and became one of the first batch of pilot banks which directly connected with the cross-border financial blockchain service platform of SAFE. To support the development of new business patterns such as cross-border e-business, we strengthened cooperation with domestic and foreign payment institutions, cross-border e-business platforms and other different customers in cross-border payment, and launched the "Cross-border e-Business Connect", a comprehensive service platform. In terms of cooperation projects under the Belt and Road Initiative, we further deepened trade finance and cross-border finance in support of such projects. We also developed the "ICBC Global Pay" product series to provide one-stop global cash management services, which covered 16 countries and regions in 2022.

Investment Banking

Our investment banking business mainly includes regular financial advisory services, enterprise credit services, investment and financing advisory services, syndicated loan arrangement and management services, corporate assets and debt restructuring services, corporate acquisition and merger services, asset securitisation services, credit capital transfer and trading services, underwriting of corporate debt financing instruments such as commercial paper, medium-term notes and financial bonds, direct investment advisory services, financial advisory services for corporate issuance of equities and bonds and services for equity investment funds.

We provide diversified financing services for our corporate customers, quality investment products for our high net-worth customers and restructuring and mergers and acquisitions services for our corporate customers with global operations.

We specially strengthened financing support for manufacturing mergers and acquisitions ("**M&A**") transactions, focusing on key areas such as the reform of state-owned enterprises, capital market, industrial integration, and the Belt and Road initiative. We built an intelligent marketing system, strengthened the services for key customers such as listed companies, and continued to maintain a leading position in terms of the market share of M&A financing at home and abroad. By number of M&A deals led by us, we ranked first in China in Refinitiv's ranking of Any Chinese Investment Completed and first in the ranking of China Outbound Announced M&A in 2022.

We actively assisted in rehabilitating existing assets and expanding effective investment. We supported the innovative development of publicly offered Real Estate Investment Trust ("**REITs**"), and strengthened services for infrastructure, sci-tech innovation, advanced manufacturing, green environmental protection and other fields. We innovated equity financing products to help enterprises optimise their capital structure. It expanded actively managed asset securitization business to meet the needs of customers for comprehensive financial services. We advanced the financing rearrangement and enterprise debt restructuring, and defused the liquidity pressure and potential risks of customers. We enriched the digital investment banking service scenarios and cultivated the brands such as ICBC ISP, "AI+", ICBC e Intelligence "Platform+", ICBC e Security "Risk Control+", ICBC e RM "Financial Management+", and ICBC e Confirmation Service "Credit+".

For the years ended 31 December 2020, 2021 and 2022, our investment banking income was RMB21,460 million, RMB22,416 million, and RMB19,586 million, respectively, representing an increase of 4.5 per cent. from 2020 to 2021, mainly due to the income increase from service lines including the securitization service, and a decrease of 12.6 per cent. from 2021 to 2022, mainly due to the decrease in fee rates for our investment banking business.

In 2022, we continued to consolidate its advantages in bond underwriting, and, as a lead underwriter, underwrote 2,716 domestic bond projects, with a total amount of RMB2,028,748 million. We fully supported the national ESG transformation strategy, and, as a lead underwriter, underwrote RMB145,713 million worth of ESG bonds, including green bonds, sustainable development-linked bonds, and social responsibility bonds.

For the six months ended 30 June 2022 and 2023, our investment banking income was RMB12,983 million and RMB13,677 million, respectively, representing an increase of 5.3 per cent, which is mainly because of the increase in income from syndicate arrangement underwriting and management business.

Discounted Bills

We followed the trend of providing differentiated bill services for key fields and industrial customers. We advanced supply chain bill business steadily and efficiently, and launched the universal supply chain bill business on Bill Financing Comprehensive Management System. We were one of the first institutions connected with the new-generation bill business system of Shanghai Commercial Paper Exchange. We had also put "ICBC Manufacturing Companionship" bill innovation project in support of manufacturing industry into service with all functions, and launched "Rural Revitalization Discounting", a pioneer bill product that provides chain services for agriculture-related industries.

As at 31 December 2022, our discounted bills amounted to RMB2,204,409 million, representing an increase of 29.0 per cent. as compared to the end of 2021 and kept the leading position in the market. We were awarded "Excellent Market Organization", "Excellent Underwriter", "Excellent Discounting Organization" and "Excellent Dealer" by Shanghai Commercial Paper Exchange. As at 30 June 2023, our discounted bills amounted to RMB1,055,573 million.

Personal Banking

Our personal banking products and services include savings deposits, personal loans, private banking, bank cards, personal wealth management and others.

In 2022, we focused on the strategic requirements of further building the No.1 Personal Bank and accelerated the ecological construction and digital transformation of personal banking. Being customer-centric, we continued to improve the tiered and classified maintenance of customers. Focusing on the core financial needs of personal customers, it built a new ecosystem of wealth management, consumer finance, payment and settlement, and account management services, and promoted high-quality business development. We accelerated the ecological construction of personal customers and enhanced GBC three-end collaborative operation capability. We seized market opportunities such as rural revitalization, the third pillar of pension and new citizens and actively developed new customers. For the customer groups such as payroll payment agency service, generation Z, and the elderly, we worked on the operation and promotion of key customer service brands such as "ICBC Salary Manager", "ICBC i Xiaoyu", and "ICBC Aixiangban". Focusing on high-frequency life scenarios such as living, travel and education, as well as different local life scenarios, we integrated financial services into daily life to improve the applicability and availability of services. Tailored to customer needs, we integrated personal customer financing services, and formed a new full-process service model of credit card, credit loan, collateralized loan.

We facilitated the digital transformation of personal banking. We improved the unified view of personal customers, strengthened the construction of "Intelligent Brain" to steer the marketing services of personal banking, and make personal customer marketing more intelligent and targeted. Centering on the core needs of customers, we pooled resources to create new product and service architectures such as open wealth management platform, a new generation of personal loan system and ICBC Lingtong Account, and improved professional service capabilities. With "mobile banking + ICBC e Life" as a main platform, we strengthened the promotion of an open wealth community, advanced the building of open banks such as Ju Fu Tong and e Wallet, and created an open platform and a light portal. While building a unified risk view for personal customers, we made efforts to enhance intelligent risk control capabilities and the capabilities of early warning, in-process intervention and ex post verification of risks.

Focusing on customer needs and capital flows, we acquired new customers and new funds, and improved the quality and efficiency of existing customers. We increased the supply of deposit products for key customer groups, and constantly enhanced the stability of personal deposit growth. In response to the changes in the market, we enhanced financing support for market entities such as small and micro enterprises, self-employed businesses and truck drivers, continued to optimize the structure of personal loan products, and launched innovative products, including Ease Long-term Loan, Consolidate Preferential Loan and Revolving e Loan. Consumer loans and business loans both achieved rapid development. The Bank built an "own platform + third-party payment + e-CNY" payment ecosystem, which provides customers with intelligent and scenario-based payment and settlement services.

At the end of 2022, the number of personal customers increased by 16.72 million over the end of 2021 to 720 million. Personal financial assets totalled RMB18.66 trillion as at 31 December 2022. Specifically, personal deposits reached RMB14,545,306 million as at 31 December 2022, representing an increase of RMB2,047,338 million or 16.4 per cent. over the end of 2021. Personal loans stood at RMB8,236,561 million as at 31 December 2022, representing an increase of RMB291,780 million or 3.7 per cent. over the end of 2021. As at 31 December 2022, funds under agency sales amounted to RMB368.8 billion, government bonds under agency distribution were valued at RMB62.2 billion, and personal insurance products under agency sales were reported at RMB114.4 billion.

At the end of June 2023, the number of personal customers increased by 9.05 million as compared to the end of 2022 to 729 million. Personal deposits reached RMB16,122,514 million as at 30 June 2023, representing an increase of RMB1,577,208 million or 10.8 per cent. compared with the end of 2022. Personal loans stood at RMB8,475,915 million as at 30 June 2023, representing an increase of RMB239,354 million or 2.9 per cent., compared with the end of 2022.

Private Banking

With the implementation of our globalisation strategy, we have established private banking network and service teams in many countries and regions, among which the Asia-Pacific region is the key area. Our key offshore institutions providing private banking services include but not limited to ICBC (Asia), ICBC (Macau), ICBC International and ICBC Singapore Branch.

We adhered to product and service innovation. Relying on the advantages of group financial services, we integrated the service resources of investment and financing products, and strengthened the operation and maintenance management of the whole lifecycle of products. We built a product selection system, and worked with ICBC Wealth Management to steadily expand the agency sales of wealth management products of other institutions. In 2022, we comprehensively upgraded the exclusive rights and interests of family trust business, held two entrepreneur seminars, and created scenarios to improve customer's sense of respect and experience. At the end of 2022, 420 "Entrepreneurs Service Centres" were listed in 280 key cities and regions of China.

In cooperation with China Charity Alliance, China Charity Federation and other authoritative associations and organizations, we established the "Partner Charity Trust", pooled funds to assist scientific research and charity, and connected wealth to public service fields. In recent years, we were awarded the "Best Private Bank, China" by The Asset, the "World's Best Private Bank for Entrepreneurs" by Global Finance, and "High Net Worth Professional Service of the Year in China" by The Asian Banker.

At the end of June 2023, we maintained 262,000 private banking customers, representing an increase of 36,000 or 15.9 per cent. from the end of 2022. Assets under management totalled RMB2.96 trillion, representing an increase of RMB338.6 billion or 12.9 per cent over the end of 2022.

Personal Deposits

We provide demand deposits and term deposits in RMB and foreign currencies. We targeted important customer groups, constantly expanded our customer base and optimised the customer structure. Adapting to the trend of interest rate liberalisation, we enhanced our management of interest rates. The synergetic development of our wealth management products and savings deposits promoted improved circulation of customer funds within our system.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the balance of our personal deposits amounted to RMB11,660,536 million, RMB12,497,968 million, RMB14,545,306 million and RMB16,122,514 million, respectively, representing an increase of 7.2 per cent. from 31 December 2020 to 31 December 2021, an increase of 16.4 per cent. from 31 December 2021 to 31 December 2022, and a further increase of 10.8 per cent. from 31 December 2022 to 30 June 2023. As at 31 December 2021, our personal demand deposits and personal time deposits rose by 3.7 per cent. and 10.0 per cent., respectively, compared to such deposits as at 31 December 2020. As at 31 December 2022, our personal demand deposits and personal time deposits rose by 11.1 per cent. and 20.4 per cent., respectively, compared to such deposits as at 31 December 2021. As at 30 June 2023, our personal demand deposits and personal time deposits rose by 0.2 per cent. and 18.3 per cent., respectively, compared to such deposits as at 31 December 2022.

Personal Loans

Loans to personal customers include residential mortgages, personal consumption loans, personal business loans and credit card overdrafts. Personal loans are a major component of our personal banking business. In recent years, residential mortgages have become an important component of our personal loans business and have been growing in a steady and healthy manner. In light of our consumers' changing consumption patterns and transaction practices, we applied "Easy Loan" in a wider scope. "Easy Loan" is an unsecured retail consumer loan product characterised by small value, speed and convenience designed to meet our customers' varied financial needs. Our personal customers can pledge their financial assets and quickly and conveniently obtain loans by providing different kinds of collaterals.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our personal loans amounted to RMB7,115.3 billion, RMB7,944.8 billion, RMB8,236.6 billion and RMB8,475.9 billion, respectively, representing an increase of 11.7 per cent. in 2021 as compared to 2020, an increase of 3.7 per cent. in 2022 as compared to 2021 and an increase of 2.9 per cent. in the first half of 2023 as compared to the end of 2022,

respectively. Our residential mortgages as at 31 December 2021 rose by 11.1 per cent. compared to such mortgages as at 31 December 2020, our residential mortgages as at 31 December 2022 rose by 1.1 per cent. compared to such mortgages as at 31 December 2021 and our residential mortgages as at 30 June 2023 decreased by 0.9 per cent. compared to such mortgages as at 31 December 2022.

Bank Cards Business

We provide personal customers with comprehensive bank card products and services, including single-currency and dual-currency credit and debit cards. Our "Peony Card" brand is one of the most renowned bank card brands in the PRC. In recent years, we have improved bank card service quality, increased bank card product development and further solidified our leading position in the PRC bank card industry.

In 2022, the ICBC e Life platform was upgraded in all respects. We launched a new version of e Life 5.0 focusing on the four major segments, i.e., "Life Spending, Installment Products, Credit Rewards, Bank Account". We created a non-financial ecosystem centering on three life circles – "scenario life, office life and community life", and initially formed an online and offline consumption ecosystem. Based on the business development philosophy of "mega merchants", we established a pan-financial ecosystem of merchants through GBC+ interconnection and diversified operation, and utilized its digitization achievements to facilitate the diversified operation of merchant customers.

We launched the first green and low-carbon credit card – "ICBC-China Southern Power Grid Co-branded Credit Card". We also launched the "Xinrui Future Card" for new citizens who start business or get employed in urban areas after graduation from universities or secondary specialized or technical schools, and the "ICBC i Future Credit Card" for young customers of Generation Z, so as to improve customers' financial service experience through exclusive customer group products.

Bank card business generated a fee income of RMB17,736 million for the year ended 31 December 2022, representing an increase of RMB1,057 million or 6.3 per cent. as compared to 2021, which is mainly due to the increase in income from partnership services and acquiring business. For the six months ended 30 June 2023, our income from bank card business amounted to RMB10,234 million, representing an increase of RMB1,553 million compared with the same period in 2022, principally due to the increase in income from merchant acquiring service fee, etc.

As at the end of June 2023, we had issued 1,235 million bank cards, up 16.44 million over the end of 2022, including 1,071 million debit cards and 164 million credit cards. The balance of credit card overdrafts was RMB650,086 million. In the first half of 2023, ICBC bank cards registered a spending volume of RMB10.30 trillion, including RMB9.21 trillion from debit cards and RMB1.09 trillion from credit cards.

Credit Cards

In terms of the number of credit cards issued and the total number of customers, we are the largest credit card issuing bank in the PRC. We offer RMB credit cards, dual-currency credit cards and multi-currency credit cards. we meet our customers' unique needs by leveraging our advanced technology and service capabilities.

In recent years, with the rapid development of internet, we have created a batch of new credit card products with warmth, sentimentality and thought based on the development concept of "customising products", and gradually formed the ICBC credit card products system covering over ten different customer groups. In 2017, in contemplation of the "hardworking" spirit, we created Fendou Card targeting the sentimental customers. In the same year, in order to meet young customers' payment needs, we issued Constellation Card with constellation features that were well loved by young customers. In 2019, we launched the Forbidden City credit card with the collaboration of the Palace Museum, achieving the brand new "culture + finance + technology" cooperation model, demonstrating national self-confidence and promoting cultural confidence. In the same year, closely followed the national ETC development strategy, we launched the ICBC ETC credit card with the benefits of having 5 per cent. cashback for refuelling and 70 per cent. off for instalment rates etc., promoting the national ETC development strategy. In addition, we also have many products exclusively for frequent travellers such as ICBC Global Travel credit card, co-branded credit cards with different airlines and hotels, serving the business and personal travel market and boosting the consumption upgrades.

We stick to the "customer first" principal, focusing on customer feedback and the quality of service. Starting from 2017, we carried out series of promotions for "I GO" credit cards, bringing benefits to the customers. We also provided various services related to travel and capital security insurance to the customers such as lounges at airports and high-speed railway stations, valet parking, fast security check etc. which were well loved by the customers. Based on the innovative application of internet financial technology, we were the first to offer the safe and convenient online acquiring services without bank card in the PRC. We were named "No. 1 Credit Card Brand in China" by the Ministry of Industry and Information Technology, won the Global Finance "Best Commercial Corporate Credit Card", awarded "2020 Credit Card Risk Technology Improvement" by The Asian Banker. The constellation credit card and the Chinese zodiac credit card won the "ELAN – Best Safe Payment Card" and "ELAN – Most Popular Award" Gold Award in 2018 and 2019 by the International Card Manufacturers Association. We also received the "Best Risk Control in Asia-Pacific" from Visa Inc.

Debit Cards

We issue RMB debit cards and dual currency debit cards, such as RMB-U.S. dollar debit cards, to our customers. In recent years, we adopted measures to improve the safety of chip cards, promoted single chip cards and improved card replacement services. Chip cards have wider industry applications such as social security, medical care, transportation, education and electronic identification, as one card could be applied in many sectors.

Asset Management Services

Our asset management services include wealth management services, asset custody services and pension services.

In recent years, we have adopted the following measures to promote stable growth and optimise the structure of our financial asset services:

- we engaged in cross-industry cooperation and competition with other institutions in order to seize the market opportunities for asset management services and satisfy our customers' needs for the management of their financial assets;

- we consolidated our advantages in wealth management, custody and pension businesses and the functions of subsidiaries specialised in investment banking, funds and insurance;

- we expedited the establishment of an integrated business operation system covering domestic and overseas regions across different lines of business; and

- we built a full-service asset management platform covering a wide range of markets and clients.

We strictly implemented regulatory requirements, actively seized development opportunities, and enhanced investment management and research capabilities on all fronts. In 2022, a customer-centred "ICBC Asset Management" brand was launched to improve the professionalism of financial services such as wealth management, fund, insurance, pension, etc. We leveraged the license advantages of diversified subsidiaries of fund, insurance, leasing, investment banking and wealth management to jointly meet customers' diversified financial needs for both products and investments.

Wealth Management Services

We offer comprehensive asset management services to different types of clients, including individuals, corporate clients, private banking clients and institutions. In recent years, we reformed our profit centres, optimised our procedures for wealth management product development, investment management and risk management and promoted the standardised, sustainable and orderly development of the business. Also, we adapted our products in order to meet the demands of various types of customers with different risk-reward features and investments in different types of markets.

We optimised product issuance and marketing strategies, and at the same time expanded online and off-line sales channels. As a result, our customers can access our wealth management products online.

On 22 May 2019, the former CBIRC approved the opening of ICBC Wealth Management Co., Ltd. ("**ICBC Wealth Management**"). As a wealth management banking company approved to open in the first batch, ICBC Wealth Management's registered capital was RMB16 billion. It mainly focuses on asset management related businesses such as public and private offering of wealth management products, and wealth management consulting and advisory services. The establishment of ICBC Wealth Management would allow us to focus on the three tasks of serving the real economy, preventing and controlling financial risks, and deepening financial reform, implement regulatory requirements, promote our wealth management business to develop healthily and adhere to the origin of asset management.

In 2022, we implemented the New Rules on Asset Management and regulatory requirements, seized the market development opportunities, and cultivated qualified investor customer groups. We adhered to investment research and technology empowerment, steadily reduced existing wealth management size and improved duration management.

For the years ended 31 December 2020, 2021 and 2022 and for the six months ended 30 June 2022 and 2023, the net fee and commission income generated from our personal wealth management and private banking services amounted to RMB29,630 million, RMB30,001 million, RMB26,253 million, RMB15,499 million and RMB14,019 million, respectively.

Asset Custody Services

As the first asset custody bank in the PRC, we have established a complete custodial service system after 22 years of development and innovation, in order to provide customers with comprehensive custodial services. At present, our custody products include but are not limited to securities investment funds, insurance assets, commercial bank wealth management products, pension assets, securities company customer asset management plans, trust plans, QDII assets and QFII assets. Our custody service is embedded in the whole process of customer asset management. We can provide customers with basic custody services such as asset custody, fund clearing, accounting, asset valuation, investment supervision and information disclosure, as well as value-added custody services such as performance analysis, information consultation, transaction convenience and investor services. At the same time, we can provide customers with outsourcing services such as valuation accounting and registration of various asset management products.

Since 2018, following the development of the asset management industry, the opening of domestic capital markets globally and the reform of the pension insurance system, we have managed three strategic allotment funds and promoted the transformation of our net wealth management by providing integrated services of "custody + outsourcing". We won the bid for the central and provincial occupational annuity custody qualifications ranking the first place among all bidders, obtained the Chinese Depository Receipt depository qualification approved by the former CBIRC and successfully conducted the first global depository receipts ("**GDR**") depositary business in the market – Huatai Securities GDR domestic basic securities custody, becoming the first custodian bank to participate in "Shanghai-London Stock Connect" programme. In addition, we maintain a leading position in the fields of public funds, corporate annuities, insurance, bank wealth management and global custody in the PRC. We were in the first batch of receiving "Shanghai-London Stock Connect" deposit qualifications and the first bank to conduct GDR trusteeship and marketing Chinese depository receipt ("**CDR**") depository business in the market.

In 2022, new breakthroughs were made in key products, and our leading position in the industry was further consolidated. Some innovation products were newly under custody, including Specialization, Refinement, Differentiation and Innovation Index Fund, Carbon Neutrality Index Fund and BSE 50 Index Fund. The first batch of pension and wealth management products, personal pension insurance products and other personal pension products were under our custody. We also stayed ahead of peers in terms of the scale of "Southbound Connect" custody business. At the end of June 2023, the insurance assets under our custody totalled RMB6.9 trillion, the mutual funds under custody amounted to RMB3.7 trillion, and the pension funds under our custody totalled RMB2.7 trillion, all ranking first in the industry.

In 2022, our brand value and industry influence improved significantly. We held the "Full Custody" service brand presentation, launched the first custody service brand in the industry, and improved the service philosophy of "accompanying you all the way with comprehensive and considerate services". We were awarded the "Best Custodian Bank, Onshore, China" and the "Best Insurance Custodian, Onshore, China" by The Asset and the "Tianji Award for Outstanding Asset Custodian Bank" by Securities Times.

As at 31 December 2020, 2021 and 2022, the total net value of assets under custody was RMB18,540.3 billion, RMB19,980.9 billion and RMB20,047.7 billion, respectively, representing an increase of 7.77 per cent. from 31 December 2020 to 31 December 2021 and an increase of 0.3 percent from 31 December 2021 to 31 December 2022.

At the end of June 2023, the size of our custody business (excluding the fund supervision business) stood at RMB21.7 trillion, which included assets under administration of RMB2.3 trillion.

Pension Services

In recent years, leveraging on the strengths of our business qualifications, professionality, service experience, service network, information systems, customer resource and market reputation, we have promoted the development of our pension businesses.

Also, diversifying the product system, we optimised our integrated enterprise annuity scheme "Ruyi Pension Management" and serial pension-related wealth management products "Ruyi Benefit Plan" and issued Taikang Golden Banking Co-brand Card for Special Medical Services. A variety of service channels including sales outlets, internet banking, telephone banking and mobile banking were made available, enabling customers to have better transaction experience. Our pension services won awards from the China Banking Association such as the "Best Performance Award" and the "Best Development Award". We also won the "Tianji Award for Pension Financial Services Bank" by Securities Times and the "Top 10 Digital Wealth Management Innovation" by The Chinese Banker.

In 2022, our personal pension business was promoted steadily. We worked closely with the regulatory authorities to carry out personal pension policy research, process design and system building. We made every effort to create a personal pension financial service system satisfactory to the people, and helped formulate and promote personal pension system. We actively participated in the pilot projects of specific pension savings, pension wealth management products and other pension financial products, created a full-category, shelf-type personal pension product system, and highlighted the pension attribute and inclusive features in respect of product design, investment arrangement, rate setting, etc.

The quality and efficiency of operation service kept improving. We improved customer services, continuously strengthened the classified management of customers, and paid return visits to customers through multiple channels. We initiated the centralized operation of pension business on a trial basis, refined the operation service process, and improved intensive operation of business remarkably.

At the end of June 2023, the entrusted annuity funds amounted to RMB516.2 billion. We managed 12.78 million individual enterprise annuity accounts, and the annuity funds under custody reached RMB1,321.6 billion as at 30 June 2023. We led our peers in terms of the scale of entrusted enterprise annuity funds, number of individual enterprise annuity accounts and annuity funds under custody.

Financial Market Business

Our financial market business operations include money market, investment business, treasury trading business, asset securitisation business and precious metals business. We aim to enhance the profitability of our treasury operations through product innovation, timely adjustment of investment and trading strategies, enhancement of our capital operation efficiency, improvement of management capabilities and prevention of business risks.

Money Market Activities

Our money market activities include: (i) short-term borrowing and lending with other banks and financial institutions; and (ii) bond repurchase and purchase. We have adopted a cautious development strategy for our business with other banks and financial institutions. We aim to increase the return on our funds, and we conduct our business activities flexibly in response to our liquidity management needs.

In terms of RMB, we actively fulfilled our responsibilities as a large bank, took the initiative to increase financing and assisted in maintaining a proper and adequate level of liquidity supply and the stable operation of interest rates in the interbank money market. We kept a close eye on macro situation and market trend, scientifically formulated financing strategies, reasonably designed financing varieties and maturity structure, and improved the efficiency of capital operation. We persisted in taking the initiative to prevent risks, continued to improve rules and systems, strictly implemented risk control requirements, and ensured business compliance.

In terms of foreign currencies, we closely tracked changes in the fund liquidity and interest rates of foreign currency markets. While ensuring liquidity safety, we flexibly employed foreign currency market operation tools to support the foreign currency financing needs of the real economy. We enriched foreign currency market operation tools, and was among the first to conduct foreign currency C-lending transactions in the interbank market, foreign currency bilateral repo transactions for bonds under China Central Depository & Clearing Co., Ltd. ("**CCDC**") custody and third-party foreign currency repo transactions with ESG bond basket as collateral.

In 2022, we won many honors, including the "Best Foreign Currency Lending Panel Bank" and the "Best Foreign Currency Lending Member" conferred by China Foreign Exchange Trade System.

Investment

We make investments in RMB-denominated bonds issued by the PRC Government, the PBOC, policy banks and a few other local financial institutions, short-term commercial paper issued by domestic enterprises, and foreign currency bonds issued by foreign governments, financial institutions, and corporations. We also trade bonds and bills that are issued by the PRC Government, the PBOC and foreign governments as well as derivatives, foreign exchange and foreign/local currency dominated bonds.

In terms of RMB bonds, we adhered to serving the real economy, and played a key role in financial services. We ranked first in the market for eight consecutive years in terms of the balance and increment of local government bonds. We continued to well conduct investment in the enterprises of key fields, including green development, rural revitalization and advanced manufacturing.

In terms of foreign currency bonds, we constantly strengthened study and judgment on the trends of foreign currency interest rates and credit spread and steadily engaged in foreign currency bond investment. We dynamically adjusted the structure of investment portfolios, actively promoted investment in non-USD currencies, such as AUD and EUR, and improved the use efficiency of foreign currency funds. We increased support for green finance and steadily advanced "Southbound Connect" transactions.

In 2022, we came in first among Chinese banks in the selection of "Top Investment Houses in Asian G3 Bonds" by The Asset.

Financing

We engage in active liability management. We have diversified the sources of funding from different channels and with different tenors through a variety of liability management instruments to support the growth of our business. Please refer to "*Funding and Capital Adequacy – Capital Financing Management*" for some capital instruments issued by us during the three years ended 31 December 2022 and during the six months ended 30 June 2023.

We reasonably adjusted the financing structure based on liquidity management requirements, and operating benefit improved steadily. We actively advanced the development of the business system, improved the level of refined business management, and promoted the steady development of the financing business.

Treasury Trading Business on Behalf of Customers

We offer a wide range of treasury operations services to enterprises and individual customers on an agency basis. We provide spot and forward foreign exchange trading services, swap transaction services for RMB and foreign currencies and interest rate swap for RMB. In addition, we act as an agent for foreign exchange trading on behalf of our clients 24 hours a day, and we trade foreign currencies, precious metal, forward foreign currency contracts, interest rate swaps, currency swaps, options and other financial derivatives on behalf of our customers.

In terms of foreign exchange settlement and sales and foreign exchange trading on behalf of customers, we actively publicized the concept of foreign exchange risk neutrality through online and offline channels, centralized salons and door-to-door visits, traditional media and new media, so as to help enterprises manage exchange rate risks. We constantly improved online transaction functions and customer experience, and enriched tradable currencies to meet the diversified, convenient and personalized

exchange hedging needs of customers. We promoted business innovation and development, and entered into the first RMB/foreign exchange options transactions on behalf of customers on the bank-enterprise platform. We promoted forward settlement and sales of foreign exchange under third-party guarantee to small and medium-sized foreign trade enterprises, and the USD interest rate swap transactions on behalf of customers linked to SOFR in combination with the reform of international benchmark interest rates.

In terms of corporate commodity derivative trading, we exploited our advantages to help enterprises cope with the risk of price fluctuations in the global commodity markets and achieved smooth operation of commodity trading.

In terms of the over-the-counter ("**OTC**") bond business, we distributed the first financial bond with the themes of major water conservancy projects and green bond of the Agricultural Development Bank of China, as well as the OTC local government bonds in 35 provinces (autonomous regions, municipalities directly under the Central Government, and cities specifically designated in the state plan), assisting in major projects, green finance and regional development. We were awarded the "Excellent Underwriter Award for Over-the-Counter Circulating Bonds" and the "Excellent Underwriter Award for Over-the-Counter Local Government Bonds" by CCDC, and the "Excellent Participant in OTC Bond Business" by Shanghai Clearing House.

In 2022, we actively served foreign institutional investors from more than 60 countries and regions, to meet their needs of investing and trading in China's interbank market. It won the "Award for Market Influence of the Year – Opening-Up Participants" and the "Market Innovation Award – Cross-border Service Innovation" granted by the National Interbank Funding Centre, the "Excellent Settlement Agent under Global Connect Business" and the "Excellent Contributors to International Business" granted by CCDC, and the "Bond Connect Market Promotion Award" granted by Bond Connect Co., Ltd.

Asset Securitisation Business

Asset securitisation is the process of converting assets with low liquidity into liquid securitisation products through risk isolation, conversion and packaging of cash flows and credit enhancement. The assets with low liquidity that can be converted are generally assets with stable cash flows such as residential mortgage loans, commercial property mortgage loans, project loans and other cash generating assets.

The asset securitisation business effectively supported us in disposing of non-performing assets and optimizing credit structure, and further improved our capability to serve the real economy. In 2022, we issued 4 asset-backed securities, of which one was a personal residential mortgage securitization program and three were non-performing loans securitization programs, with a total amount of RMB11,375 million.

Precious Metal Business

We operate four product lines in our precious metals business: physical bullion, trading, precious metals linked financing and wealth management. Due to fluctuations of the precious metals market, we diversified our products to promote our precious metals business.

We developed high-quality physical precious metal products for the customers of different scenarios and regions. We carried out circle marketing to parents and Generation Z customer groups, and launched the first "Harry Potter" series co-brand products designed by fans. Focusing on regional cultural characteristics, we developed regional brand products such as the "Magnificent Jilin", the "Magnificent Liaoning" and the "Magnificent Shanxi", integrating the representative cultural elements of each region.

We improved precious metal services for corporate and institutional customers. Focusing on the green and low-carbon transformation and development needs of enterprises in the industrial chain of precious metals, we realized the leasing of precious metals to enterprises in emerging fields for the first time. We steadily promoted corporate agency price asking, trading on behalf of customers and interbank precious metal business. In 2022, the Bank ranked first in the market in terms of the amount of clearing on behalf of Shanghai Gold Exchange, and the scale of gold enterprise leasing and interbank leasing, and was re-elected "First Prize Winner of the Excellent Financial Member" by Shanghai Gold Exchange.

FinTech

Centering on the FinTech development plan during the 14th Five-Year Plan period and the general plan for deepening digital transformation, we facilitated the building of a "tech-empowered bank" and "D-ICBC", reinforced production safety and deepened the innovative technology-driven capacity. We strengthened the application of data governance and empowerment, enhanced the capacity of rendering financial services, continued to improve the scientific and technological innovation system and actively promoted the high-quality development throughout our Bank.

In 2022, we were ranked at first place in the banking industry in the former CBIRC's IT supervision ratings, keeping the leading position among peers. Our six technical achievements won PBOC's "FinTech Development Awards", of which ICBC global payment and clearing system won the First Prize, staying ahead of peers in terms of the number of awards.

We were the only one in the banking industry to win the title of "Top 10 Brands in Data Management for the Year 2022". We won the "Best Financial Innovation Award" and the "Top 10 FinTech Innovation Award" conferred by The Chinese Banker and the "International Best Cloud Computing Project" and the "Best Data Management Project" again conferred by The Asian Banker.

Reinforcing Production Safety

We actively responded to the complicated and changing external situation and the new challenges brought by technological innovation, adhered to the production safety measures, and deepened the intelligent transformation of operation and maintenance. We accelerated the upgrading of its security system, and enhanced the technical capability of data security. The availability of our information system remained above 99.99 per cent., providing strong support for our digital transformation.

Our network and information security system kept improving. We took the initiative to reinforce external threat intelligence monitoring and protection measures, and improved our dynamic security capability by building a comprehensive honeynet system, deploying a host security protection system, and introducing a pilot zero trust system framework. We actively promoted the security protection of key information infrastructure, and were named as a pilot demonstration unit for security protection of key information infrastructure. We strengthened the cultivation of network security professionals and the research and reserve of core capabilities of attack and defence, and jointly built the first comprehensive financial attack and defence shooting range in the industry with domestic leading research institutions in the field of network security.

The transformation of production, operation and maintenance was advanced as scheduled. We established an open platform disaster recovery system. We were the first in the banking industry to successfully complete sudden and practical emergency drills organized by regulatory authorities, and successfully winded up the annual business-level nonlocal disaster recovery drill. The completeness of the emergency management system was effectively verified. We built an operation and maintenance data centre and an operation and maintenance service platform, which effectively improved the monitoring efficiency of important application systems, and significantly reduced the switching time of emergency response.

The management of data security and information protection kept improving. We facilitated the implementation of tiered and classified data security standards and the protection of customers' sensitive information, and strengthened the implementation of industry standards. We launched a data security management module of the enterprise-level data governance platform, established an identification rule library to drive the automatic implementation of standards, and enhanced the data security management based on data classification. We conducted risk self-assessment on the data security in the fields of data security management, data security protection, and data security operation and maintenance, and continued to improve the bank-wide data security protection.

Deepening Innovative Technology-Driven Capabilities

We adhered to technology self-reliance, updated ECOS technology ecosystem, promoted technology breakthrough in key fields of infrastructure system, and strengthened research and application of cutting-edge technologies. A series of new enterprise-level technology platforms with industry-leading advantages were built up. As at the end of 2022, we had the most newly added and accumulated patents

among Chinese banks, and led the industry in terms of the number of industry standards it established. We strengthened the capabilities of technical support for "cloud computing + distributed" core platforms. We continued to promote the new generation of cloud platform, and stayed ahead of peers in terms of the scale of cloud access and platform capabilities. Our financial cloud platform has been awarded the "International Best Cloud Computing Project" by The Asian Banker for two consecutive years. Our distributed technology system was further enhanced, with an average daily service invocation of over 17 billion times, and won the First Prize of "Dingxin Cup" in digital technology innovation conferred by the China Academy of Information and Communication Technology.

The technical support capabilities of enterprise-level new technology platform were enhanced in 2022. Our AI technology platform was the first in the financial industry to pass the "application maturity of AI development platforms" universal assessment and obtain the highest level of certification. Our blockchain integrated multi-party security computing technology to facilitate the safe and reliable circulation of data assets. We have been selected as part of "Global Blockchain 50" by Forbes for two consecutive years in 2022. "ICBC Anxin Asset Management Blockchain" was selected as one of the national blockchain innovation and application pilot projects. Our privacy computing platform was the only pilot demonstration project for big data industry development selected by the Ministry of Industry and Information Technology in the banking industry.

The middle-office data empowerment was also enhanced in 2022. We promoted the data entry and sharing of the data lake, with a total of 45,000 tables entered into the data lake. We established a hierarchical data centre system, adding knowledge map, customer tag, data service and other elements, and supported the construction of more than 300 key scenarios such as bank-wide digital operation, joint risk prevention and control, and outlet connect. We intensified data asset management, activated data element ecosystem, and completed the preparation of 11 industry standards for the fields such as data security management and federal learning.

Enhancing the Capability of Rendering Financial Services

Focusing on needs of national strategies such as serving the real economy, preventing financial risks and deepening the financial reform, we deepened FinTech empowerment and data application from the dimensions of marketing, risk control and operation etc., and developed a series of quality services satisfactory to the people.

Digital marketing capability was strengthened. We took full advantage of AI and big data and upgraded the "Intelligent Brain" of marketing throughout the front, middle and back offices to meet the different needs of all customers. We established a fully connected credit card marketing service system to transmit data between marketing resources, marketing channels and marketing nodes in the market, realized the digital marketing and intelligent service of credit card products, and enabled the marketing staff to actively remind and serve target customers. We innovated the corporate banking marketing management system, established the differentiated smart marketing system and the special version of mobile smart marketing, carried out digital marketing for various corporate customer groups, and enriched digital services such as GBC fund retention and corporate boutique smart marketing.

We enhanced digital risk control and advanced the building of "ICBC e" series of risk control systems. Based on "ICBC e Security", the first financial risk information service product in the banking industry, and hundreds of risk categories and more than 3 billion data, we provided multi-channel service modes such as API, APP and web page using big data and information technology. We served nearly 100,000 domestic enterprise customers and over 300 customers in the banking industry. "ICBC e Prevention" credit risk monitoring system provided comprehensive services for our credit risk prevention and control, and achieved post-lending intelligent monitoring of infrastructure, green energy and other fields relying on big data and industrial remote sensing identification technology. We built an enterprise-level anti-fraud platform – "ICBC e Shield" to enhance the capabilities of managing and monitoring enterprise-wide risk, market risk and personal customer risk. It supports round-the-clock real-time blocking of transaction risk. We established the brand of "ICBC e Control" to meet the needs of our business scenarios such as internal control and compliance management, supervision, inspection and evaluation, operational risk of case prevention and anti-money laundering management, and provide strong system support for our internal control and compliance management.

A digital operation system was built. We utilized OCR technology to realize the intelligent identification of business voucher elements such as cheques and power of attorney, with an average monthly processing volume of more than 17 million transactions. We utilized voice recognition, voiceprint recognition, voice synthesis and other technologies to build complete voice recognition and feedback capabilities, which were widely used in various business scenarios such as intelligent customer service and intelligent marketing. We covered 108 channels and 2,400 business scenarios such as mobile banking and telephone banking, as well as multiple business fields including personal banking and inclusive finance. The volume of intelligent service sessions reached 620 million. We accelerated the application of the "technology in lieu of man" scenario, releasing workload of more than 18,000 persons in the year of 2022. It was the first in the industry to launch a digital employee operation management platform, and innovatively launched digital employees such as Gong Xiao Ban, Gong Xiao Xun and Gino (Gong Xiao Zhi).

Continuously Improving Technical Innovation System

We implemented the national decisions on the reform of sci-tech system and mechanism and the building of sci-tech talent team, deepened the reform of FinTech system, and consolidated the foundation of scientific and technological innovation talents. We promote penetration of the sci-tech gene, continued to improve financial innovation response efficiency and supply capability, and unleashed the vitality of our FinTech innovation. We invested RMB26,224 million in FinTech in 2022, and had 36,000 FinTech personnel at the end of 2022, accounting for 8.3% of all employees across our network. We also had more than 7,700 data analysts at the end of 2022.

Organizational structure kept improving. Centering on the needs of the national strategy of regional coordinated development, we established eight digital transformation demonstration banks, and further improved and extended the significance of digital transformation and digital finance through practice. We explored effective ways of in-depth integration of business, data and technology, promoted financial digital transformation in all areas by pilot projects in certain areas, and better met the development needs of key regions. We developed a new operation layout, established an operation centre of data middle-office, and set up a FinTech ecosystem expansion team and promoted business ecosystem expansion through technological cooperation.

We closely followed the guidance of national sci-tech policies and improved the incentive system for sci-tech innovation. We established a multi-dimensional special incentive mechanism for digital transformation to reward key talents of key projects and those who made key technology breakthroughs. It provided more suitable incentives for outstanding technological innovation talents, and fully unleashed the innovation vitality of talents.

We stepped up efforts to cultivate sci-tech talents and laid a solid foundation of innovation talents. The Bank further strengthened the introduction of sci-tech talents, carried out special social recruitment of sci-tech and data talents for the first time, and conducted cross-department joint cultivation of digital elites and centralized cultivation of sci-tech elites. We deepened the flow of sci-tech and business talents at different levels, selected nearly 1,000 sci-tech talents for business exchange and grass-roots job training, and promoted the penetration and integration of the sci-tech gene into business management through talent flow.

Internet Finance

We accelerated the construction of digital finance service system, promoted the innovation of online platforms as a whole, and cultivated new drives of digital operation to boost the digital development of economy and society. In 2022, digital business accounted for 98.9 per cent. of total. We won a number of major awards for internet finance, including the "Best Digital Consumer Bank in Asia Pacific", the "Best Digital Consumer Bank in China" and the "Best Digital Corporate Bank in China" awarded by Global Finance and the "Best Mobile Banking Technology Implementation in China" by The Asian Banker.

Cultivating New Drives of Remote Services, Digital Operation and Digital Risk Control

In 2022, we accelerated the upgrading of remote banking services. We reinforced intelligent services, human-machine collaboration and cross-channel collaboration, enhanced the capabilities of online problem solving, business handling and complaint handling, and created comprehensive remote intelligent services. We established the most complete new media matrix in the industry, and expanded new channel

contacts. We have made ourselves the first institution in the industry to integrate online omni-channel access and operation as well as remote intelligent services. We accelerated the intelligent transformation of remote services, widely used new technologies such as multi-round dialogs, knowledge graph, RPA robot scenarios, and innovated the "answer before asking" service prediction model to improve service efficiency. In 2022, the intelligent customer service-Gino was awarded the "Best Chatbot Application in China" by The Asian Banker. Through various forms of remote services such as "On-site Customer Service + Home Agent Customer Service", "intelligent + self-service + manual", and "voice + text + audio and video", we ensured the continuous stability of remote services. In 2022, we provided remote banking services for more than 1.1 billion customers, with nearly 2 billion transactions.

Digital risk prevention and control was strengthened. We kept improving the in-process risk control system for online financial transactions and established a risk transaction identification mechanism of "intelligent model + expert rules + various lists". In 2022, the in-process risk control system for online financial transactions successfully blocked more than 200,000 fraudulent transactions, avoiding customer losses of over RMB1 billion.

Accelerating Online and Offline Integrated Development

We continued to promote the online and offline integrated operation mode. In 2022, our online and offline integrated service had covered 33 types of individual and corporate business scenarios, with 45.3 million transactions handled. In key scenarios, more than 90 per cent. of transactions had been carried out online.

We innovated diversified and open service channels and models. It deeply promoted the "Cloud ICBC" non-contact service brand, and upgraded and promoted "Cloud Outlets" and "Cloud Studio" relying on mobile banking, our WeChat official account and applet. We provided online financial services via more than 15,000 "Cloud Outlets" and 28,000 wealth managers, and registered more than 800 million visits to "Cloud Outlets" in 2022. We innovated the "Ma Shang Ying" partner marketing model, comprehensively promoted corporate WeChat platforms, improved the online contact with customers and empowered offline outlet marketing services.

We gave play to the role of remote banking in online and offline connection. We strengthened the connection between remote banking and mobile banking and intelligent machines and tools at outlets, and continued to enrich "screen to screen" non-contact consulting, auditing and other services. In 2022, the business volume of "screen to screen" non-contact services reached 5.12 million accumulatively.

Outlet Building and Service Improvement

We promoted the optimization of outlet layout, efficiency improvement, experience improvement and model upgrading.

We actively pushed forward the optimization and adjustment of outlet layout, and built and relocated 587 outlets in 2022, of which more than 60% were located in China's key areas, 91 outlets were newly established in central cities, emerging markets and other areas with potential, 65 outlets were established in counties and towns, including some counties of Guizhou, Sichuan and Yunnan where we had no outlets previously. The coverage of outlets in counties steadily increased to 86.2%. We integrated the philosophy of green environmental protection and low-carbon energy saving into the construction of outlets, decorated 1,246 outlets, and continuously improved the hardware facilities and services of outlets. We upgraded the outlet construction standards adapted to the elderly, and increased the service facilities and convenience service equipment suitable for the elderly, focusing on the building of thousands of core elderly service outlets. We well conducted the upgrading of machinery and equipment suitable for the elderly, and enhanced the supply of services for the elderly. At the end of 2022, we had 15,639 outlets, 22,636 self-service banks, 75,889 intelligent devices and 60,204 automatic teller machines ("ATMs"). The transaction volume of ATMs reached RMB4,608.6 billion in the year.

We advanced the construction of rural inclusive financial service points as scheduled.

We established asset-light and online inclusive financial service points that integrated scenario ecosystem in rural areas. We had set up a total of 3,756 service points in 1,470 counties and 2,543 towns. Focusing on rural Party building, government affairs, agricultural product production and marketing, we explored ecological co-building with county and township-level governments, village committees, large leading enterprises, local enterprises, self-employed businesses and other partners, and orderly promoted services in the countryside.

Solid steps were taken to advance the construction of a "bank satisfactory to the people".

The "ICBC Outlets System" platform was established, which fully integrated the outlet system, reduced the manual operations of outlets, and improved the efficiency of business processing. We deepened the construction of "ICBC Sharing Station+" public welfare service system for the benefit of the people. Relying on 15,500 "ICBC Sharing Stations", we carried out nearly 120 thousand "care" series of theme activities, and gave full play to the scale advantages of channel resources. We continued to deepen financial services for the benefit of the people, enriched the functions of relevant services, and provided customers with considerate "financial + pan-financial" services. We carried out the campaign of customer service improvement season with the theme of "staying true to the original aspiration and satisfying the people". We strove to consolidate the foundation of service management of outlets, enhance customer service management, and improve service experience and service value from the perspectives of beautifying outlets, strengthening services for special groups, and devoting to publicity and education of consumer protection knowledge. We carried out the Management Year for Complaints from Customers, and continued to promote the solution of hot issues based on the feedback of customers and voice of employees, so as to improve customer service experience.

Digital empowerment operation services were reinforced.

We actively participated in the construction of the national digital government system, and promoted the bank-government interconnection services such as electronic social security, tax and fee payment, smart medical insurance, credit report, and e-CNY at the smart ATMs of outlets. We created the "government service halls" by the side of customers, and added 1,603 one-stop government service outlets in 2022. We deepened the construction of the corporate digital operation and service system, strengthened the ecological co-building with government agencies, enterprises and public institutions, created a series of brands such as ICBC e-Confirmation Service, OFD Cloud Receipt, Cloud Reconciliation, etc., and promoted the green and low-carbon transformation of corporate customers through upgrading of banking services. We improved the quality and efficiency of enterprise account services, refined the exclusive brand of "ICBC Account Link" of corporate account services, provided online and offline integrated convenient account opening services for small and micro start-ups, and launched the "Supply Chain 1+1", an off-site witness account opening services for industrial chain development enterprises. We deepened the application of intelligent technology, built and applied on a large scale of digital employees, further realized the intelligent processing of complex business such as remote authorization, cross-border payment and account opening, and created 46 intelligent scenarios in total, with an annual processing volume of 280 million intelligent transactions in the field of business operation. We promoted the intelligent transformation of self-service equipment, and enabled customers to handle 11 types of transactions with one submission, one signature and one review of new debit cards, significantly improving the efficiency and experience of customer services at outlets.

We gave full play to the supporting role of the business continuity operation system.

To ensure the continuity and stability of online business and customer services, we provided customers with convenient, efficient and stable round-the-clock financial services through mobile banking, internet banking, WeChat official account and other online platforms. We effectively ensured the services of key regional outlets, established a multi-node Head Office-branch backup system, and comprehensively completed the task of business continuity management and security in special periods such as the Winter Olympics and the power shortage period in summer.

Internationalized Operation

We actively gave play to its advantage in global operation, deeply implemented the Preferred Bank Strategy for Foreign Exchange Business, refined the integrated operation system combining domestic and overseas operations as well as local and foreign currencies, supported the high-quality development of the Belt and Road Initiative, and served China's high-level opening up to the outside world. We were awarded the "Best Bank for Belt and Road", the "Outstanding Sustainable Financing in Emerging Markets (Asia-Pacific)" by the *Global Finance* and the "Project Finance House, China" by *The Asset*.

Corporate banking: We, by leveraging our linked advantage of "global response through one-point access", provided "one-stop" financial services in local and foreign currencies for key customers such as Chinese enterprises "Going Global", foreign enterprises "Bringing In" and global trade companies. The number of outbound merger and acquisition of Chinese-funded enterprises continued to rank first in Refinitiv's list. We were among market leaders in Hong Kong IPO underwriting and sponsorship, and the underwriting of overseas bonds and offshore China bonds. We actively provided convenient services to foreign trade and foreign-funded companies by continuing to optimize the financial services on the "Single Window" platform such as international settlement and trade financing. We developed the innovative product "ICBC Global Pay", building a self-reliant and controllable global direct payment platform. We cover 16 countries and regions, and provide important financial guarantee for improving domestic and international circulations.

Personal banking: We strengthened sophisticated and classified management of retail business and gradually built a level-by-level, category-by-category customer management system. ICBC (Thai) launched Kylin Card, Student Card and Digital Card for our three key customer groups, namely, payroll customers, student customers and new-generation customers. Vientiane Branch rolled out a brand new non-contact debit card. ICBC (Asia) obtained the qualification to provide "Greater Bay Area Account Service" in Hong Kong. We accelerated digital transformation and development of overseas bank card business, facilitated interconnection of domestic and overseas mobile payment, and expanded the coverage of the "ICBC e Payment" mobile payment platform among overseas institutions. ICBC (Malaysia) and ICBC (Canada) launched local and cross-border QR code payment functions. We also accelerated global layout of offshore family business. ICBC (Asia) and Singapore Branch launched family trust service, meeting the needs of private banking customers in family wealth inheritance.

Internet financial services: Through internet banking, mobile banking and other online channels, we offered services across 46 countries and regions in 15 languages. A full range of financial services, including account inquiry, transfer and remittance, investment and wealth management, payroll payment agency service, and trade finance were available to customers. Focusing on key products, scenarios and regions, we promoted online business innovation and characteristic development of overseas institutions and enhanced the basic service capabilities of overseas corporate online banking platforms. We made a major breakthrough in cross-border payroll scenarios. We rolled out the payroll service that allows overseas enterprises to pay salaries to domestic accounts in RMB, the first of its kind in the industry.

Financial market business: We underwrote 18 panda bonds, raising funds of RMB37.2 billion in total. We established the interbank bond and foreign exchange market business partnership with overseas institutional investors from more than 60 countries and regions. Our foreign exchange trading capacity improved further to fully support our customers. Nine overseas branches including Sydney, Seoul, Luxembourg and Singapore have successfully entered into interest rate swaps linked with RFRs, alternative rates of IBORs. We maintained market leadership in the scale of offshore RMB market making, and our offshore RMB exchange rate trading capability and market influence further continued to improve. We were among the first banks in the domestic market to conduct foreign currency interbank lending matchmaking transaction and were also among the first to conclude the tri-party repo transaction with green bonds as collateral.

Global asset management business: We further advanced the steady development of our foreign exchange and cross-border wealth management business and promoted overseas investors' investment in the Chinese bond market. "ICBC CSOP FTSE Chinese Government Bond Index ETF", for which ICBC Wealth Management and ICBCAMG acted as the investment advisor, had an asset scale of RMB7.3 billion. "ICBC CSOP FTSE Chinese Government and Policy Bank Bond Index ETF", for which ICBCAMG acted as the investment advisor, had an asset scale of RMB5.4 billion, and became the first Chinese government bond ETF approved by the Mandatory Provident Fund Schemes Authority (MPFA) of Hong Kong SAR, China.

Global custody business: We have further reinforced and expanded our position as a market leader in the cross-border custody business. We maintained the lead in the industry in terms of the number of global custody and depositary clients. Our global custody business exceeded RMB1 trillion, and we have further extended our reach by successfully launching the first depository receipt business under the interconnection mechanism of domestic and overseas securities exchanges.

Cross-border RMB business: We promoted the construction of cross-border RMB product system and multi-scenario services, fostered offshore RMB market, innovated offshore RMB investment and financing products. Our branches in Brazil, Laos, Kazakhstan and Pakistan were qualified as RMB clearing banks, causing the total number of overseas RMB clearing banks to rise to 11. We participated in two-way opening up of financial markets and became the partner bank of the central counterparty for clearing in the "Interconnected Cooperation between Hong Kong and Chinese Mainland in Interest Rate Swap Market" business. We promoted the construction of the account system of the separate accounting units in free trade zones, and supported the innovative development of cross-border RMB business in key areas such as Shanghai Lingang Special Area, Guangdong-Hong Kong-Macao Greater Bay Area and Hainan Free Trade Port. We strengthened cooperation with payment institutions, cross-border e-commerce platforms and other entities. We launched the pilot project of the cross-border e-commerce collection model based on public service platforms for cross-border e-commerce in Shanghai. In 2022, cross-border RMB business exceeded RMB9 trillion.

As at the end of June 2023, we had established 415 overseas institutions in 49 countries and regions, and indirectly covered 20 African countries as a shareholder of Standard Bank Group. We had 125 institutions in 21 countries along the Belt and Road. We also established business relationships with 1,438 foreign banks in 142 countries and regions. Our service network covered six continents and important international financial centres around the world, and our global network layout continued to improve.

Major Indicators for our Overseas Institutions

The following table set forth, as at the dates and for the periods indicated, the distribution of the total assets, profit before tax and total number of institutions of our international operations by geographic area.

	Assets (in USD millions)		**Profit before tax (in USD millions)**		**Number of institutions**	
	As at		**For the six months ended**		**As at**	
	30 June 2023	**31 December 2022**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**31 December 2022**
Hong Kong SAR and Macau SAR	203,966	213,726	636	789	96	97
Asia-Pacific region (except Hong Kong SAR and Macau SAR)	134,629	135,854	882	682	91	91
Europe	84,407	85,048	490	512	74	74
America	62,174	60,335	232	155	153	153
African Representative Office	–	–	–	–	1	1
Eliminations	(49,156)	(50,786)	–	–	–	–
Subtotal	436,020	444,177	2,240	2,138	415	416
Investment in Standard Bank[(1)]	3,442	3,722[(2)]	216	186[(2)]	–	–
Total	439,462	447,899	2,456	2,324	415	416

Notes:

(1) The assets represent the balance of our investment in Standard Bank Group Limited, and profit before tax represents our gain on investment that we recognised during the period.

(2) These figures are derived from the Group's 2023 Interim Financial Statements and have been restated due to the application of the New Insurance Contract Standard by Standard Bank Group Limited.

Comprehensive Operation

We remained committed to serving the real economy and national strategies, focused on main business, refined specialized business, and formed a multi-field integrated development layout covering fund, leasing, insurance, debt-for-equity swap, wealth management, Fintech, overseas investment banking, etc. Total market financial service capability further improved.

We continued to refine the Group's integrated governance system, strengthened the management mechanism featuring "leading coordination and focusing on lines", and consolidated and improved the Group headquarters' integrated governance capability. We continuously optimized the integrated subsidiary governance model with Party building, corporate governance, and equity management at its core, promoted synergy between the integration strategy and the internationalization strategy in a coordinated manner, and further refined the Group control and coordination mechanism. We also optimized the subsidiary governance mechanism, strengthened the efficiency of the role of full-time and part-time directors, and promoted deep integration of Party building and corporate governance of domestic subsidiaries. Meanwhile, we optimized the strategic evaluation mechanism and promoted deep and accurate transmission of the Group's strategy to subsidiaries. We strengthened capital management, promoted IT building, data governance and digital transformation, and further improved the influence of subsidiaries in our industries as well as our core competitiveness and customer service capabilities.

We deepened risk management. Based on the risk management principles of "plan ahead, see the big from the small, remedy in time and draw inferences", we formulated and optimized risk management policies, refined the Group-wide risk management system that can cover the risk characteristics of integrated subsidiaries. We intensified penetrating management and monitor of subsidiaries and strengthened systematic, standardized and intelligent management of equity investment information. Meanwhile, we stepped up efforts in the building of the three lines of defense of subsidiaries, improved risk prevention & control and internal control and compliance capabilities, and pursued high-quality development.

ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management is mainly engaged in fund raising, fund sales, asset management and other businesses approved by the CSRC. It had many business qualifications such as mutual fund, QDII, enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity and basic endowment insurance investment manager, and was one of the "fully qualified" fund companies in the industry.

ICBC Credit Suisse Asset Management maintained stable business development. Its total assets under management remained stable, pension business and fixed-income funds grew well, equity fund shares were stable, and long-term investment performance is among the best in the industry. ICBC Credit Suisse Asset Management supported the building of the third pillar of pension business and launched the first personal pension business. A number of its funds were included into the directory of first personal pension funds released by CSRC. ICBC Credit Suisse Asset Management served the real economy in making better use of existing assets and made positive progress in publicly offered REITs business. ICBC Credit Suisse Asset Management strengthened the protection of investors' rights and interests, and further promoted investor education, which was again rated as excellent in the assessment of the national securities and futures investor education base. In 2022, ICBC Credit Suisse Asset Management won "Golden Bull Award for Fund Company" of China Securities Journal, "Gold Fund Top Company Award" of Shanghai Securities News, "Top 10 Star Fund Companies" of Securities Times, etc.At the end of June 2023, ICBC Credit Suisse Asset Management managed 238 mutual funds, and 622 annuities, separately managed accounts and special portfolios, with assets totalling RMB1.72 trillion.

ICBC Leasing

ICBC Leasing is mainly engaged in financial leasing of large-scale equipment in key areas such as aviation, shipping, energy and power, rail transit, equipment manufacturing, and areas requiring "specialization, refinement, differentiation and innovation". It provided a number of financial and industrial services such as transfer of leasing assets, asset trading and asset management.

In aviation business, ICBC Leasing actively optimized its business layout, steadily increased the proportion of domestic business, actively supported the implementation of the large homemade aircraft strategy, and consolidated its leading position in strategic cooperation with Commercial Aircraft Corporation of China ("**COMAC**"). Seizing the opportunities presented by recovery of quality markets overseas, ICBC Leasing actively marketed and expanded business layout and completed its first used passenger-to-freighter aircraft conversion project and the first operating lease project of aircraft engines among domestic financial leasing peers.

In maritime business, ICBC Leasing actively responded to the strategy of strengthening maritime power and a transportation power and seized the market opportunity when global industrial chains and supply chains were being reshaped. On the basis of continuing to consolidate its strength in cooperation with container liners, large bulk transporters and large cruise ship owners, ICBC Leasing further increased the scale of liquefied natural gas carrier business and actively expanded the shipping market of exported Chinese automobiles. ICBC Leasing paid close attention to the development of new areas of maritime economy and made sound progress in the expansion of underwater construction equipment areas such as cable ships and the offshore wind power installation maintenance market.

In domestic comprehensive leasing business, ICBC Leasing continued to intensify support to key innovation and transformation areas such as new infrastructure, high-end manufacturing, green and low-carbon development, culture & tourism, "specialization, refinement, differentiation and innovation", etc. to help maintain stable macroeconomic performance.

ICBC-AXA

ICBC-AXA operated various insurance businesses such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, business permitted by national laws and regulations to use insurance funds and other businesses approved by the former CBIRC (now NAFR).

ICBC-AXA supported the implementation of the national elderly care strategy and actively seized the development opportunities of the elderly care industry. Under the "ICBC Elderly Care" overall brand framework, with annuity products at the core and elderly care services as the support, ICBC-AXA launched an elderly care sub-brand and built a full-process integrated elderly care service model. Meanwhile, it refined the diversified product line, completed the upgrade of critical illness insurance, and promoted the R&D and launch of whole life insurance products in an orderly manner. Based on the Group's business needs and new regulatory requirements, it rebuilt the accident insurance product system and provided quality insurance and service to new urban residents.

Upholding the customer-centric philosophy, ICBC-AXA provided proactive care service of customers' rights and interests and increased the coverage and depth of customer services. It built a digital service platform, which improved both customer experience and service efficiency. It promoted transformation to intelligent operation, upgraded operating service capability, optimized the claim payment procedures, and continued to improve the time effectiveness of claim and security. ICBC-AXA also supported inclusive insurance projects and actively participated in the "Huimin Insurance" business in many cities.

In 2022, ICBC-AXA won "Extraordinary Insurance Company of the Year" of Jiemian News of Shanghai United Media Group, "Most Competitive Financial Institution of the Year" on the top financial list of The Paper, etc.

ICBC International

ICBC International is a wholly owned subsidiary of the Bank in Hong Kong. It is mainly engaged in sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc. and provides all-round cross-border integrated financial services to corporate and personal customers.

ICBC International continued to consolidate and strengthen its four major product lines, namely, corporate financing, investment, sales and trading, and asset management. It remained in the top league of the market in terms of shares and bond underwriting. It set a record in the underwriting of green bonds. ICBC International participated in the IPO of China Tourism Group Duty Free Corporation Ltd., Sunshine Insurance Group Company Limited and Onewo Inc. and also in the issuance of Hainan Provincial

Government's offshore RMB bonds, Saudi Arabia Public Investment Fund's green sovereign US dollar bonds, etc. It vigorously expanded investment and financing presence in key industries such as infrastructure, advanced manufacturing, sci-tech innovation, modern agriculture, healthcare and pharmaceuticals. Its sales and trading product and service system is continuously improving and its asset management business is further optimized and restructured. In 2022, ICBC International was awarded "Best Bond Adviser – HKSAR" by The Asset for the fourth year straight.

ICBC Financial Asset Investment Co., Limited ("ICBC Investment")

ICBC Investment is one of the first pilot institutions in China to conduct debt-for-equity swap of banks. It holds the franchise license of non-bank financial institution and is mainly engaged in debt-for-equity swap and the supporting business.

By giving full play to its debt-for-equity swap license and professional advantage, ICBC Investment, with a focus on serving the real economy and deepening the supply-side structural reform, strengthened coordination within the Group and between investment and loan businesses, developed diversified financial services, enriched and expanded debt-for-equity swap investment plans and private fund products, and steadily promoted increase in coverage and quality improvement of market-based debt-for-equity swap, effectively supporting enterprises reducing leverage, preventing risks and advancing reforms. Meanwhile, ICBC Investment continued to improve the capability and effect of coordinating Group efforts to resolve risk assets, assisted enterprises getting out of trouble through reform, and kept improving the quality of bank assets. ICBC Investment further played its part as a shareholder and sent directors and supervisors to the enterprises in which it conducted debt-for-equity swap according to law. It deeply engaged in the enterprises' corporate governance, provided integrated financial services, and promoted healthy and sustainable development of the enterprises.

ICBC Wealth Management

ICBC Wealth Management engages mainly in the issuance of wealth management products, wealth management advisory and consulting service and other activities approved by the former CBIRC (now NAFR).

ICBC Wealth Management actively integrated into the building of the Group wealth management community, promoted optimization of the product structure and development of quality products, intensified layout of stable wealth management products with low fluctuations, and developed and launched themed wealth management products such as "specialization, refinement, differentiation and innovation" area wealth management products and ESG wealth management products. ICBC Wealth Management built a well-established elderly care wealth management brand. It was among the first companies approved to open personal pension wealth management business, supporting the building of the multi-tiered elderly care finance system of the third pillar. It continued to improve asset allocation capability and diversified strategic investment capability, refined diversified, balanced asset allocation strategies and increased the investment proportion in green industries, manufacturing, technological innovation, etc. Its capability to serve the real economy was further strengthened. On 1 August 2022, Goldman Sachs ICBC Wealth Management Co., Ltd., a wealth management joint-venture established by ICBC Wealth Management and Goldman Sachs Asset Management, L.P., was officially set up in Shanghai.

ICBC Wealth Management upgraded companionship customer services, strengthened protection of investors' rights and interests, and established an all-round investor education system, in an effort to become a wealth management company that the people are satisfied with. In 2022, ICBC Wealth Management won "Golden Bull Award for Wealth Management CSR in the Banking Industry" from China Securities Journal. As at the end of June 2023, the balance of ICBC Wealth Management's wealth management products were RMB1,502,055 million, all of which were net-worth products.

MAJOR CONTROLLED SUBSIDIARIES AND MAJOR EQUITY PARTICIPATING COMPANY

Major Overseas Subsidiaries

ICBC (ASIA)

ICBC (Asia) is our wholly-owned Hong Kong registered bank and has an issued share capital of HK$44,188 million. It provides comprehensive commercial banking services and its major businesses include commercial credit, trade finance, investment service, retail banking, E-banking, custody, credit card, receiving bank services for IPOs and dividend distribution. As at 30 June 2023, ICBC (Asia) recorded total assets of U.S.$118,386.53 million and net assets of U.S.$18,747.71 million. It generated a net profit of U.S.$495.85 million for the six months ended 30 June 2023.

ICBC International

ICBC International, a licensed integrated platform for financial services in Hong Kong that is wholly-owned by us, has a paid-up capital of HK$5,963 million. It is mainly engaged in sponsorship and underwriting for listing, underwriting for bond issuance, financial consulting, direct investment, sales and trading, asset management, market research, etc. and provides all-round cross-border comprehensive financial services to corporate and personal customers. As at 30 June 2023, ICBC International recorded total assets of U.S.$7,474.80 million and net assets of U.S.$1,218.80 million. It recorded a net loss of U.S.$114.17 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Macau) Limited ("ICBC (Macau)")

ICBC (Macau) is the largest local legal banking entity in Macau. It has a share capital of MOP589 million, in which we hold an 89.33 per cent. stake. ICBC (Macau) mainly engages in comprehensive commercial banking services such as deposit, loan, trade finance and international settlement. As at 30 June 2023, ICBC (Macau) recorded total assets of U.S.$48,296.73 million and net assets of U.S.$3,874.06 million. It generated a net profit of U.S.$112.98 million for the six months ended 30 June 2023.

PT. Bank ICBC Indonesia ("ICBC (Indonesia)")

ICBC (Indonesia) is a fully-licensed commercial banking subsidiary registered in Indonesia, with a paid-up capital of IDR3.71 trillion, of which we hold a 98.61 per cent. stake. ICBC (Indonesia) mainly engage in financial services such as deposit, loan and trade finance, settlement, agency services, inter-bank borrowing and lending and foreign exchange. As at 30 June 2023, ICBC (Indonesia) recorded total assets of U.S.$3,653.06 million and net assets of U.S.$442.30 million. It generated a net profit of U.S.$12.39 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Malaysia) Berhad ("ICBC (Malaysia)")

ICBC (Malaysia) is our wholly-owned subsidiary established in Malaysia. With a paid-up capital of MYR833 million, it is able to provide a full range of commercial banking services. As at 30 June 2023, ICBC (Malaysia) recorded total assets of U.S.$966.04 million and net assets of U.S.$288.87 million. It generated a net profit of U.S.$7.63 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Thai) Public Company Limited ("ICBC (Thai)")

ICBC (Thai), our subsidiary in Thailand, has a share capital of THB20,107 million, of which we hold a 97.98 per cent. stake. ICBC (Thai) holds a comprehensive banking licence and provides various services including deposit, loan, trade finance, remittance, settlement, leasing and consulting. As at 30 June 2023, ICBC (Thai) recorded total assets of U.S.$7,266.30 million and net assets of U.S.$1,170.84 million. It generated a net profit of U.S.$44.00 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Almaty) Joint Stock Company ("ICBC (Almaty)")

ICBC (Almaty), our wholly-owned subsidiary, was incorporated in Kazakhstan with a share capital of KZT8,933 million. The primary commercial banking services it engages in include deposit, loan, international settlement and trade finance, foreign currency exchange, guarantee, account management, E-banking and bank card. As at 30 June 2023, ICBC (Almaty) recorded total assets of U.S.$785.41 million and net assets of U.S.$127.53 million. It generated a net profit of U.S.$18.59 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (New Zealand) Limited ("ICBC (New Zealand)")

ICBC (New Zealand) is our wholly-owned subsidiary with a paid-up capital of NZD234 million. ICBC (New Zealand) provides corporate and personal banking services such as account management, transfer and remittance, international settlement, trade finance, corporate credit, residential mortgages and credit card business. As at 30 June 2023, it recorded total assets of U.S.$1,344.19 million and net assets of U.S.$187.59 million. It generated a net profit of U.S.$6.19 million for the six months ended 30 June 2023.

ICBC (Europe)

ICBC (Europe), our wholly-owned subsidiary, was incorporated in Luxembourg with a paid-up capital of EUR437 million. It has several institutions including Paris Branch, Brussels Branch, Amsterdam Branch, Milan Branch, Madrid Branch, Warsaw Branch and Greece Representative Office, which mainly offer financial services including loan, trade finance, settlement, treasury, investment banking, custody, franchise wealth management, etc. As at 30 June 2023, ICBC (Europe) recorded total assets of U.S.$6,122.27 million and net assets of U.S.$528.02 million. It recorded a net loss of U.S.$35.36 million for the six months ended 30 June 2023.

ICBC (London) Plc ("ICBC (London)")

ICBC (London), our wholly-owned subsidiary, was incorporated in the United Kingdom with a paid-up capital of U.S.$200 million. It provides banking services such as deposit and exchange, loan, trade finance, international settlement, funds clearing, foreign exchange trading and retail banking services. As at 30 June 2023, ICBC (London) recorded total assets of U.S.$1,430.34 million and net assets of U.S.$478.81 million. It generated a net profit of U.S.$8.43 million for the six months ended 30 June 2023.

ICBC Standard Bank Plc ("ICBC Standard Bank")

ICBC Standard Bank, our subsidiary in the United Kingdom, has an issued share capital of U.S.$1,083 million, in which we hold a direct 60 per cent. stake. ICBC Standard Bank mainly provides global commodity trading businesses such as base metals, precious metals, commodities and energy as well as global financial markets businesses such as exchange rate, interest rate and credit. As at 30 June 2023, ICBC Standard Bank recorded total assets of U.S.$23,690.41 million and net assets of U.S.$1,855.40 million. It generated a net profit of U.S.$154.73 million for the six months ended 30 June 2023.

Bank ICBC (Joint Stock Company) ("Bank ICBC (JSC)")

Bank ICBC (JSC), our wholly-owned subsidiary, was incorporated in Russia with a share capital of RUB10.81 billion. It mainly provides a full spectrum of corporate banking services including corporate and project loan, trade finance, deposit, settlement, securities brokerage, custody, franchise treasury business and securities trading, foreign currency exchange, global cash management, investment banking and corporate financial consulting, as well as personal banking services. As at 30 June 2023, Bank ICBC (JSC) recorded total assets of U.S.$4,274.25 million and net assets of U.S.$404.00 million. It generated a net profit of U.S.$109.92 million for the six months ended 30 June 2023.

ICBC Turkey Bank Anonim Sirketi ("ICBC (Turkey)")

ICBC (Turkey), our controlled subsidiary in Turkey, has a share capital of TRY6,360 million, in which we hold a 92.84 per cent. stake. With licences for commercial banking, investment banking and asset management, ICBC (Turkey) provides corporate customers with integrated financial services including deposit, project loan, syndicated loan, trade finance, small and medium-sized enterprise loan, investment and financing advisory services, securities brokerage and asset management. At the same time, it provides personal customers with financial services such as deposit, consumption loan, residential mortgages, credit card and E-banking. As at 30 June 2023, ICBC (Turkey) recorded total assets of U.S.$3,421.59 million and net assets of U.S.$179.87 million. It generated a net profit of U.S.$34.71 million for the six months ended 30 June 2023.

ICBC Austria Bank GmbH ("ICBC (Austria)")

ICBC (Austria), is our wholly-controlled subsidiary in Austria, has a share capital of EUR200 million. ICBC (Austria) provides financial services such as corporate deposits, loans, trade finance, international settlement, cash management, cross-border RMB business, foreign exchange transactions, and financial advisory for cross-border investment and financing. As at 30 June 2023, ICBC (Austria) recorded total assets of U.S.$1,289.99 million and net assets of U.S.$213.58 million. It generated a net profit of U.S.$3.48 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (USA) NA ("ICBC (USA)")

ICBC (USA), our controlled subsidiary in the United States, has a paid-up capital of U.S.$369 million, of which we hold an 80 per cent. stake. Holding a fully-functional commercial banking licence registered in the USA Federal International Qualification Authentication Corp, ICBC (USA) is a member of Federal Deposit Insurance Corporation, providing corporate and retail banking services such as deposit, loan, settlement and remittance, trade finance, cross-border settlement, cash management, E-banking and bank card services. As at 30 June 2023, ICBC (USA) recorded total assets of U.S.$2,953.46 million and net assets of U.S.$441.86 million. It generated a net profit of U.S.$18.39 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China Financial Services LLC ("ICBCFS")

ICBCFS, our wholly-owned subsidiary in the United States, has a paid-up capital of U.S.$50 million. It mainly specialises in securities clearing and financing business in Europe and America, and offers securities brokerage services including securities clearing, financing and custody for institutional customers. As at 30 June 2023, ICBCFS recorded total assets of U.S.$24,459.23 million and net assets of U.S.$62.18 million. It recorded a net loss of U.S.$11.78 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Canada) ("ICBC (Canada)")

ICBC (Canada) is our subsidiary in Canada with a paid-up capital of CAD208 million, of which we hold an 80 per cent. stake. Holding a full-functional commercial banking licence, ICBC (Canada) provides various corporate and retail banking services such as deposit, loan, settlement, remittance, trade finance, foreign exchange trading, funds clearing, cross-border RMB settlement, RMB currency notes, cash management, E-banking, bank card and investment and financing consultation. As at 30 June 2023, ICBC (Canada) recorded total assets of U.S.$2,215.95 million and net assets of U.S.$317.93 million. It generated a net profit of U.S.$15.56 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China Mexico S.A. ("ICBC (Mexico)")

ICBC (Mexico), our wholly-owned subsidiary in Mexico, has a paid-up capital of MXN1,597 million. Holding a full-functional commercial banking licence, ICBC (Mexico) offers corporate deposit, loan, international settlement, trade finance, foreign exchange trading and other services. As at 30 June 2023, ICBC (Mexico) recorded total assets of U.S.$357.39 million and net assets of U.S.$50.29 million. It generated a net profit of U.S.$1.65 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Brasil) S.A. ("ICBC (Brasil)")

ICBC (Brasil), our wholly-owned subsidiary in Brazil, has a paid-up capital of BRL202 million. ICBC (Brasil) offers commercial banking and investment banking services such as deposit, loan, trade finance, international settlement, fund transaction, franchise wealth management and financial advisory. As at 30 June 2023, ICBC (Brasil) recorded total assets of U.S.$441.57 million and net assets of U.S.$35.46 million. It recorded a net loss of U.S.$2.79 million for the six months ended 30 June 2023.

ICBC Peru Bank ("ICBC (Peru)")

ICBC (Peru), our wholly-owned subsidiary in Peru, has a paid-up capital of U.S.$120 million. Holding a full-functional commercial banking licence, ICBC (Peru) offers corporate deposit, loan, financial leasing, international settlement, trade finance, foreign exchange trading and E-banking and other services. As at 30 June 2023, ICBC (Peru) had total assets of U.S.$729.27 million and net assets of U.S.$127.65 million. It generated a net profit of U.S.$5.98 million for the six months ended 30 June 2023.

Industrial and Commercial Bank of China (Argentina) S.A. ("ICBC (Argentina)")

ICBC (Argentina), our wholly-owned subsidiary in Argentina, has a paid-up capital of ARS82,896 million. With a commercial banking licence, ICBC (Argentina) provides a full range of commercial banking services including working capital loan, syndicated loan, structured financing, trade finance, personal loan, auto loan, spot/forward foreign exchange trading, financial markets, cash management, investment banking, bond underwriting, asset custody, leasing, international settlement, E-banking, credit card and asset management. As at 30 June 2023, ICBC (Argentina) recorded total assets of U.S.$6,457.99 million and net assets of U.S.$1,114.30 million. It generated a net profit of U.S.$93.97 million for the six months ended 30 June 2023.

Major Domestic Subsidiaries

ICBC Credit Suisse Asset Management

ICBC Credit Suisse Asset Management, a subsidiary in which we hold an 80 per cent. stake and has a paid-up capital of RMB200 million. It mainly engages in fund raising, fund sales, asset management and other businesses approved by CSRC, and owns many business qualifications including mutual fund, QDII, enterprise annuity, specific asset management, domestic (foreign) investment manager of social security fund, RQFII, insurance fund management, special asset management, occupational annuity and basic endowment insurance investment manager. It is one of the "fully qualified" fund companies in the industry. At the end of June 2023, ICBC Credit Suisse Asset Management managed a total of 238 mutual funds and 622 annuities, separately managed accounts and special portfolios, with assets totaling RMB1.72 trillion. As at 30 June 2023, it recorded total assets of RMB21,763 million and net assets of RMB18,078 million. It generated a net profit of RMB1,284 million for the six months ended 30 June 2023.

ICBC Leasing

ICBC Leasing, our wholly-owned subsidiary, has a paid-up capital of RMB18.0 billion. It mainly operates the financial leasing of large-scale equipment in critical fields such as aviation, shipping, energy and power, rail transit, equipment manufacturing and areas requiring "specialization, refinement, differentiation and innovation". It provides a range of financial and industrial services such as transfer of leasing assets, asset trading and asset management. As at 30 June 2023, ICBC Leasing recorded total assets of RMB311,221 million and net assets of RMB42,706 million. It generated a net profit of RMB229 million for the six months ended 30 June 2023.

ICBC-AXA

ICBC-AXA, a subsidiary in which we hold a 60 per cent. stake and has a paid-up capital of RMB12,505 million. ICBC-AXA engages in a variety of insurance businesses such as life insurance, health insurance and accident insurance, as well as reinsurance of the aforesaid businesses, business permitted by national laws and regulations to use insurance funds and other businesses approved by former CBIRC (now NAFR). As at 30 June 2023, it recorded total assets of RMB304,286 million and net assets of RMB17,957 million. It generated a net profit of RMB519 million for the six months ended 30 June 2023.

ICBC Investment

With a paid-in capital of RMB27.0 billion, ICBC Investment is our wholly-owned subsidiary and one of the first pilot institutions in China to conduct debt-for-equity swap of banks one of the first pilot institutions in China to conduct debt-for-equity swap of banks. It holds the franchise licence of non-bank financial institution and is mainly engaged in debt-for-equity swap and the supporting business. As at 30 June 2023, ICBC Investment recorded total assets of RMB179,846 million and net assets of RMB45,726 million. It generated a net profit of RMB2,657 million for the six months ended 30 June 2023.

ICBC Wealth Management

ICBC Wealth Management is our wholly-owned subsidiary with a paid-in capital of RMB16.0 billion. It engages mainly in the issuance of wealth management products, wealth management advisory and consulting service and other activities approved by the former CBIRC (now NAFR).

On 25 May 2021, the Board announced that ICBC Wealth Management received the former CBIRC's approval to cooperate with Goldman Sachs Asset Management, L.P. ("**Goldman Sachs Asset Management**") to establish a Sino-foreign joint venture wealth management company (the "Joint Venture Wealth Management Company"). The Joint Venture Wealth Management Company will be jointly funded and established by ICBC Wealth Management and Goldman Sachs Asset Management. The funding contribution ratio of ICBC Wealth Management and Goldman Sachs Asset Management will be 49 per cent. and 51 per cent. respectively. The joint funding and establishment of the Joint Venture Wealth Management Company by ICBC Wealth Management and Goldman Sachs Asset Management will be beneficial to our provisions of more diversified and professional wealth management services, and further enhance the our comprehensive ability to serve the real economy. In the next step, we will push forward ICBC Wealth Management to complete the establishment of the Joint Venture Wealth Management Company in accordance with the regulatory requirements.

As at 30 June 2023, ICBC Wealth Management recorded total assets of RMB20,239 million and net assets of RMB19,921 million. It generated a net profit of RMB969 million for the six months ended 30 June 2023.

Major Equity Participation Company

Standard Bank Group Limited

Standard Bank Group Limited is the largest commercial bank in Africa. Its scope of business covers commercial banking, investment banking, life insurance business and other areas. The Bank continued to hold 324,963,464 shares or 19.39 per cent. of Standard Bank and to be its single largest shareholder. Based on mutual benefit and win-win cooperation, the two sides furthered their cooperation in equity cooperation, customer expansion, project financing, product innovation, risk management, Fintech and staff exchange, etc. As at the end of June 2023, Standard Bank Group Limited recorded total assets of ZAR3,028,679 million and net assets of ZAR272,150 million. It generated a net profit of ZAR25,091 million in the first half of 2023.

IT-BASED BANKING DEVELOPMENT

We continued to improve the "big data" basis for IT-based banking development, input data of financial market, e-commerce platform and comprehensive subsidiaries as data warehouse, and incorporated personal internet banking logs and other unstructured data into our database. We strengthened data analysis mining and application in terms of e-commerce, risk management, precision marketing and product classification. We integrated business handling process, continued to improve consolidation of customer information and optimised our customer-oriented marketing assessment system. We also improved our financial asset service system and implemented full-process management on asset investment and operation. Furthermore, we advanced the system building in our international and diversified operations and accomplished comprehensive business system development in ICBC-AXA, ICBC Credit Suisse Investment Management and other subsidiaries.

Our information system maintained stable and secure operation. We have acquired the capability to switch our city-wide host systems in two technical parks within several minutes and transformed from traditional disaster recovery mode to dual-centre parallel mode to ensure the around-the-clock operation of our global business. We continued to build the group-wide daily administrative mechanism on information security and conducted tiered authorisation and information protection. We reformed the financial IC card, mobile payment and other application systems, enhanced our controllability on information security protection and reinforced security protection measures for customer service system.

INTELLECTUAL PROPERTY RIGHTS

As of 2022, we were ranked first place in the banking industry for nine consecutive years in the former CBIRC's IT supervision ratings. Six of our technical achievements won the annual Banking Technological Development Award from PBOC, of which ICBC global payment and clearing system won the first prize, staying ahead of peers in terms of the number of awards. As at 30 June 2023, we also had 1,878 new patents issued and 2,941 patents granted accumulatively, both ranking first in the industry.

We are also the registered owner of the domain names of our websites such as "www.icbc.com.cn", "www.icbc.com.hk" and "www.icbc.asia". The trademark "ICBC" (individually and collectively with our Chinese and/or English name), for which we have the copyright, has been widely used on our signboards, badges, publicity materials and internal documents. See also "– IT-Based Banking Development" above.

HUMAN RESOURCES MANAGEMENT

As at 30 June 2023, we had a total of 415,719 employees.

With the focus on high-quality development of operation and areas vital to market competition, we assigned more human resources to strategic areas and improved operation through the transformation and upgrading of human resources. We focused on building four kinds of talented workforce, namely, leading talents, innovative talents, professional talents and young talents. Centering on key areas such as emerging business, international business, risk control and security, sci-tech data, etc., we cultivated, introduced and made good use of talents in all respects, and put forth effort to build a high-end financial workforce that meets the requirements of financial work in the New Era. In addition, we accelerated digital transformation, deepened technology-driven empowerment, optimized institutional function setting, enriched the frontline marketing service personnel team, and promoted financial service resources to lower tiers.

We took solid steps to promote the building of corporate culture to unite employees for better operation and development. We actively fostered innovation culture. We held the 3rd "Innovative ICBC", in which 74 domestic and overseas institutions recommended a total of 468 projects and nearly 270,000 employees participated online. We created a good atmosphere across ourselves that encourages, supports and upholds innovation. Meanwhile, we actively carried forward the enterprising spirit by putting on the "Enterprising ICBC" micro video show, which showcased ICBC employees' enterprising outlook and motivated them to make new achievements in the new era. We promoted cultural communication and mutual learning, holding the Selection of "Advanced Units in Culture Building at ICBC Overseas Institutions" & Commendation of the 30th Anniversary of Internationalization. We held the third cultural event "That's China, That's ICBC", which sent about 20,000 cultural books to all 415 overseas institutions in 49 countries and regions.

We developed quality training programs and conducted tiered and classified training sessions effectively. For management personnel, we mainly carried out training programs aimed to improve the capabilities of credit division heads (dispatched credit risk officers) and newly appointed personal banking division heads and the operation management capability of heads of tier-one sub-branches to strengthen their strategic thinking and management competence. For professionals, we advanced such training programs as "Practical Capability Training Camp for the Discipline Inspection Line", "Elite Program for Full-time Committee Members" and "Digital Elite Program" to further improve their professional competency and business capabilities. For front-line employees, we implemented the online rotating training program for outlet heads, coordinated and strengthened the training for front-line employees such as customer mangers and customer service managers to continue to improve their job qualities and service capabilities. For society and customers, we held training programs like "ICBC Training for Rural Revitalization" and "Advanced Financial Studies Class" among the cadres working at primary-level governmental organs of the counties that ICBC is paired up for assistance under the rural revitalization strategy, private enterprise customers, etc. to serve their business expansion and support the development of the real economy. Focusing on the growth of talents, we held series programs including Young and Middle-aged Cadres Training, International Talents Training, ICBC Star Program – New Employees Training, etc., and built a full-chain, systematic training system.

LEGAL AND REGULATORY PROCEEDINGS

We were involved in lawsuits and arbitrations during our normal course of operations. Most of these cases were initiated by us to recover NPLs, while some were related to disputes with clients. As at 30 June 2023, there were a number of legal proceedings and arbitrations outstanding against the Bank and/or its subsidiaries with a total claimed amount of RMB6,860 million. We do not expect any material adverse effect from the above-mentioned legal proceedings and arbitrations on our business, financial position or operating results.

We strictly comply with applicable anti-money laundering and anti-terrorism laws and other regulations in the PRC, Hong Kong, Singapore and other jurisdictions where we have operations. We actively fulfil our obligations and responsibilities in terms of anti-money laundering by coordinating the establishment of anti-money laundering policies and systems. We have carried out customer identification, large amount and suspicious transaction reporting, money laundering risk assessment, anti-money laundering training and audits, which have improved our anti-money laundering and anti-terrorist financing compliance capabilities. Save as disclosed under "*Risk Factors – Other Risks Relating to Our Business – We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities*" of this Offering Circular, we are not currently aware of any money laundering or terrorist financing activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations.

DESCRIPTION OF CERTAIN BRANCHES OF THE BANK

We operate principally in Mainland China, and has an overseas network covering 49 countries and regions with 416 institutions as at 31 December 2022 (including Hong Kong, Macau, Singapore, Frankfurt, Luxembourg, Seoul, Tokyo, London, Almaty, Jakarta, Moscow, Doha, Dubai, Abu Dhabi, Sydney, Toronto, Kuala Lumpur, Hanoi, Bangkok, New York, Karachi, Mumbai, Phnom Penh, Vientiane, Lima, Buenos Aires, Sao Paulo, Auckland, Kuwait City, Mexico City, Yangon, Riyadh, Istanbul, Prague, Manila, Vienna, Greece and Zurich). For further details on the principal subsidiaries of the Bank, please refer to the section "*Description of the Bank – Controlled Subsidiaries and Major Equity Participating Company*".

DESCRIPTION OF HONG KONG BRANCH

The Bank commenced operations in Hong Kong in 1995 through its branch set up in Hong Kong (the "**Hong Kong Branch**"). The Bank was registered in Hong Kong under Part XI of the predecessor Companies Ordinance (Cap. 32) of Hong Kong on 18 July 1996 with business registration number of 18119178-000-05-22-7. The registered office of the Hong Kong Branch is at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong and its telephone number is +852 2588 1188.

Business Activities

The Hong Kong Branch is a fully licensed bank in Hong Kong and currently focuses on the development of its wholesale banking business. A broad range of financial services are offered by the Hong Kong Branch to serve clients' specific needs, including:

- trade finance including issuance of letters of credit, shipping guarantees, trust receipts, inward collections, advising and confirmation of letters of credit, letters of credit negotiation, outward collections, bill discounts and packing loans;
- corporate finance in the forms of commercial paper issuance, bond underwriting and derivative dealings;
- treasury products, foreign exchange and derivative products, capital markets services, risk management as well as asset and liability management consultancy services;
- lending services including syndicated loans, commercial lending and mortgage lending;
- deposits and remittances; and
- issuance of certificates of deposit.

Hong Kong Regulatory Guidelines

The banking industry in Hong Kong is regulated under the provisions of the Banking Ordinance (Cap. 155) of Hong Kong (the "**Banking Ordinance**") and subject to the powers and functions ascribed by the Banking Ordinance to the HKMA. The Banking Ordinance provides that only banks which have been granted a banking licence by the HKMA may carry on banking business (as defined in the Banking Ordinance) in Hong Kong and contains controls and restrictions on such banks ("**licensed banks**").

The provisions of the Banking Ordinance are implemented by the HKMA, the principal function of which is to promote the general stability and effectiveness of the banking system, especially in the area of supervising compliance with the provisions of the Banking Ordinance. The HKMA supervises licensed banks through, *inter alia*, a regular information gathering process, the main features of which are as follows:

- each licensed bank must submit a monthly return to the HKMA setting out the assets and liabilities of its principal place of business in Hong Kong and all local branches and a further comprehensive quarterly return relating to its principal place of business in Hong Kong and all local branches, unless the HKMA permits returns to be made at less frequent intervals;

- the HKMA may order a licensed bank, any of its subsidiaries, its holding company or any subsidiaries of its holding company to provide such further information (either specifically or periodically) as it may reasonably require for the exercise of its functions under the Banking Ordinance or as it may consider necessary in the interests of the depositors or potential depositors of the licensed bank concerned. Such information shall be submitted within such period and in such manner as the HKMA may require. The HKMA may also require a report by a licensed bank's auditors (approved by the HKMA for the purpose of preparing the report) confirming whether or not such information or return is correctly compiled in all material respects;

- licensed banks may be required to provide information to the HKMA regarding companies in which they have an aggregate of 20 per cent. or more direct or indirect shareholding or with which they have common directors or managers (as defined in the Banking Ordinance), the same controller (as defined in the Banking Ordinance), with common features in their names or a concert party arrangement to promote the licensed bank's business;

- licensed banks are obliged to report to the HKMA immediately of their likelihood of becoming unable to meet their obligations;

- the HKMA may direct a licensed bank to appoint an auditor to report to the HKMA on the state of affairs and/or profit and loss of the licensed bank or the adequacy of the systems of control of the licensed bank or other matters as the HKMA may reasonably require; and

- the HKMA may, at any time, with or without prior notice, examine the books, accounts and transactions of any licensed bank, and in the case of a licensed bank incorporated in Hong Kong, any local branch, overseas branch, overseas representative office or subsidiary, whether local or overseas, of such licensed bank. Such inspections are carried out by the HKMA on a regular basis.

In addition, we are also subject to the FIRO. Please refer to "*Risk Factors – Risks relating to the Notes issued under the Programme – The Financial Institutions (Resolution) Ordinance may adversely affect the Notes where the Issuer is the Hong Kong Branch*" for further information.

RECENT DEVELOPMENTS

APPOINTMENT OF SENIOR EXECUTIVE VICE PRESIDENT

The meeting of the Board held on 17 January 2023 considered and approved the proposal on nomination of Mr. Duan Hongtao as candidate of senior executive vice president of the Bank. Mr. Duan's qualification was approved by the former CBIRC in March 2023. The appointment of Mr. Duan Hongtao as senior executive vice president of the Bank has become effective.

RESIGNATION OF EMPLOYEE SUPERVISOR

Mr. Wu Xiangjiang has resigned as employee supervisor of the Bank for the reason of his age, and his resignation took effect on 17 January 2023. Mr. Wu has confirmed that he has no disagreement with the Board and there are no matters relating to his resignation that need to be brought to the attention of the shareholders and creditors of the Bank.

APPOINTMENT OF NON-EXECUTIVE DIRECTORS

The term of office of Mr. Feng Weidong as non-executive director of the Bank expired in January 2023. On 23 February 2023, the Board resolved to nominate Mr. Feng Weidong as candidate for re-election as non-executive director of the Bank, and that Mr. Feng Weidong shall retain his previous posts as member of the Audit Committee, Risk Management Committee, Nomination Committee and US Risk Committee, after the general meeting of shareholders of the Bank approves his re-election. The appointment of Mr. Feng Weidong as non-executive director of the Bank was considered and approved at the general meeting of shareholders of the Bank and has become effective on 29 June 2023.

The term of office of Ms. Cao Liqun as non-executive director of the Bank expired in January 2023. On 23 February 2023, the Board resolved to nominate Ms. Cao Liqun as candidate for re-election as non-executive director of the Bank, and that Ms. Cao Liqun shall retain her previous posts as member of the Corporate Social Responsibility and Consumer Protection Committee, Risk Management Committee, Audit Committee and US Risk Committee, after the general meeting of shareholders of the Bank approves her re-election. The appointment of Ms. Cao Liqun as non-executive director of the Bank was considered and approved at the general meeting of shareholders of the Bank and has become effective on 29 June 2023.

RESIGNATION OF EXECUTIVE DIRECTOR AND SENIOR EXECUTIVE VICE PRESIDENT

On 13 April 2023, Mr. Zheng Guoyu tendered his resignation to the Board, resigning from the positions of executive director, member of the Strategy Committee, the Corporate Social Responsibility and Consumer Protection Committee and the Risk Management Committee of the board of directors of the Bank and senior executive vice president of the Bank due to change of job assignments. According to relevant regulations, the resignation of Mr. Zheng took effect when it was tendered to the Board. Mr. Zheng has confirmed that he has no disagreement with the Board and there are no other matters relating to his resignation that need to be brought to the attention of the shareholders and creditors of the Bank.

ISSUANCE PROGRESS OF TIER 2 CAPITAL BONDS

With the approvals of relevant regulatory authorities, the Bank issued two tranches of tier 2 capital bonds of RMB55 billion each in China's national interbank bond market in April and August 2023. The proceeds from these issuances will be used to replenish the Bank's tier 2 capital in accordance with the applicable laws and the approvals by the regulatory authorities.

NOMINATION OF CHIEF BUSINESS OFFICERS

The meeting of the Board held on 29 June 2023 considered and approved the proposal on nomination of Mr. Tian Fenglin as candidate of Chief Business Officers of the Bank. The nomination of Mr. Tian is further subject to the approval of the NAFR. The term of office of Mr. Tian as Chief Business Officer of the Bank will take effect on the date when the approval from the NAFR is obtained.

INCREASE IN SHAREHOLDING OF THE BANK BY ITS CONTROLLING SHAREHOLDER

Huijin increased its holding in the Bank by 27,611,989 A shares on the Shanghai Stock Exchange on 11 October 2023. Please refer to "*Principal Shareholders*" for Huijin's shareholding of the Bank before the increase. After the increase in shareholding, Huijin held 123,745,464,940 A shares in the Bank, representing approximately 34.72 per cent. of the Bank's total issued share capital. In addition, according to Huijin's notification received by the Bank on 11 October 2023, it intends to continue to increase, in its own capacity, its shareholding in the Bank by acquiring shares of the Bank in the secondary market within the next 6 months (commencing from 11 October 2023).

FUNDING AND CAPITAL ADEQUACY

FUNDING

Our funding operations are designed to ensure stability of funding, minimise funding costs and effectively manage liquidity. Although customer deposits have always been our main source of funding, we aim to maintain a diversified funding base. Our funding is primarily derived from deposits placed with us by our corporate and personal customers. We also derive funding from shareholders' equity, debt instrument issuances and inter-bank borrowings. We raise foreign currency from customers' foreign currency deposits and occasionally from debt instruments and from borrowings with counterparties.

The following table gives a breakdown of our customer deposits (on a consolidated basis) by remaining maturity as at 31 December 2020, 2021 and 2022 and 30 June 2023.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Item								
Overdue/repayable on demand	13,499,762	53.7	13,002,739	49.2	14,271,619	47.8	14,137,467	42.4
Less than one month	1,233,220	4.9	1,546,301	5.8	1,913,802	6.4	2,340,419	7.0
One to three months	1,336,721	5.3	1,491,308	5.6	1,683,372	5.6	1,826,308	5.5
Three months to one year	3,849,682	15.3	4,409,851	16.7	5,432,348	18.2	7,060,032	21.2
One to Five years	5,194,433	20.7	5,972,715	22.6	6,551,322	21.9	7,993,095	24.0
More than five years	20,908	0.1	18,860	0.1	18,028	0.1	16,451	0.0
Total	25,134,726	100.0	26,441,774	100.0	29,870,491	100.0	33,373,772	100.0

CAPITAL ADEQUACY

We further deepened the capital management reform, strengthened capital saving and optimisation, intensified the constraint of economic capital on risk-weighted assets and continued to elevate the capital use efficiency. On the basis of capital replenishment by retained profits, we proactively expanded the channels for external capital replenishment and continuously promoted the innovation of capital instruments to reinforce the capital strength, optimise capital structure and control the cost of capital rationally.

The following table sets forth our capital and capital adequacy ratios as at the dates indicated below, calculated in accordance with the Capital Regulation.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Group	Parent Company	Group	Parent Company	Group	Parent Company	Group	Parent Company
	(in RMB millions, except for percentages)							
Item								
Net common equity tier 1 capital	2,653,002	2,404,030	2,886,378	2,614,392	3,121,080	2,824,565	3,201,381	2,886,248
Net tier 1 capital	2,872,792	2,605,594	3,241,364	2,944,636	3,475,995	3,152,660	3,556,297	3,213,112
Net capital base	3,396,186	3,114,878	3,909,669	3,600,883	4,281,079	3,945,322	4,473,996	4,120,514
Common equity tier 1 capital adequacy ratio (%)	13.18	13.14	13.31	13.29	14.04	14.03	13.20	13.01
Tier 1 capital adequacy ratio (%)	14.28	14.24	14.94	14.97	15.64	15.66	14.67	14.49
Capital adequacy ratio (%)	16.88	17.02	18.02	18.30	19.26	19.60	18.45	18.58

The following table sets forth the information relating to the Group's capital adequacy as at the dates indicated below, calculated in accordance with the Capital Regulation.

	As at 31 December			As at 30 June
	2020	2021	2022	2023
	(in RMB millions, except for percentages)			
Common equity tier 1 capital	2,669,055	2,903,516	3,141,891	3,221,767
Paid-in capital	356,407	356,407	356,407	356,407
Valid portion of capital reserve	148,534	148,597	148,174	148,190
Surplus reserve	322,692	356,849	392,162	392,414
General reserve	339,486	438,640	496,406	496,678
Retained profits	1,508,562	1,618,142	1,766,288	1,827,301
Valid portion of minority interests	3,552	3,539	3,293	3,283
Others	(10,178)	(18,658)	(20,839)	(2,506)
Common equity tier 1 capital deductions	16,053	17,138	20,811	20,386
Goodwill	8,107	7,691	8,320	8,631
Other intangible assets other than land use rights	4,582	5,669	7,473	6,989
Cash flow hedge reserve that relates to the hedging of items that are not fair valued on the balance sheet	(4,616)	(4,202)	(2,962)	(3,214)
Investments in common equity tier 1 capital instruments issued by financial institutions that are under control but not subject to consolidation	7,980	7,980	7,980	7,980
Net common equity tier 1 capital	2,653,002	2,886,378	3,121,080	3,201,381
Additional tier 1 capital	219,790	354,986	354,915	354,916
Additional tier 1 capital instruments and related premiums	219,143	354,331	354,331	354,331
Valid portion of minority interests	647	655	584	585
Net Tier 1 Capital	2,872,792	3,241,364	3,475,995	3,556,297
Tier 2 Capital	523,394	668,305	805,084	917,699
Valid portion of tier 2 capital instruments and related premiums	351,568	418,415	528,307	583,691
Surplus provision for loan impairment	170,712	248,774	275,764	332,970
Valid portion of minority interests	1,114	1,116	1,013	1,038
Net capital base	3,396,186	3,909,669	4,281,079	4,473,996
Risk-weighted assets[(1)]	20,124,139	21,690,349	22,225,272	24,244,321
Common equity tier 1 capital adequacy ratio (%)	13.18	13.31	14.04	13.20
Tier 1 capital adequacy ratio (%)	14.28	14.94	15.64	14.67
Capital adequacy ratio (%)	16.88	18.02	19.26	18.45

Note:

(1) Refers to risk-weighted assets after the capital floor and adjustments.

As at 30 June 2023, we were subject to the G-SIB buffer requirement of 1.5 per cent. As at 31 December 2022, our common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio (in each case, for the Group) were 14.04 per cent., 15.64 per cent. and 19.26 per cent., respectively, which are above the minimum requirement with safety margins and complying with regulatory requirements. As at 30 June 2023, our common equity tier 1 capital adequacy ratio, tier 1 capital adequacy ratio and capital adequacy ratio (in each case, for the Group) were 13.20 per cent., 14.67 per cent. and 18.45 per cent., respectively, which are above the minimum requirement with safety margins and complying with regulatory requirements. Accordingly, we have no need to raise more capital to qualify as a G-SIB.

Capital Financing Management

We actively carried out external capital replenishment and promoted the issuance of new capital instruments on the basis of achieving replenishment by retained profits.

In September 2020, we made a non-public issuance of 145 million USD-denominated non-cumulative perpetual offshore preference shares with an initial interest of 3.58 per cent. and raised a total of U.S.$2.9 billion. In September and November 2020, we issued tier 2 capital bonds of RMB60 billion and RMB40 billion in China's national interbank bond market respectively.

In January 2021, we issued RMB30 billion tier-2 capital bonds in China's national interbank bond market. In March 2021, we received the approvals from the former CBIRC and the PBOC respectively, for us to publicly issue undated additional tier 1 capital bonds of no more than RMB100.0 billion in China's national inter-bank bond market. We issued two tranches of undated additional tier 1 capital bonds of RMB70.0 billion and RMB30.0 billion in China's national interbank bond market in June and November 2021 respectively, and one tranche of undated additional tier 1 capital bonds of U.S.$6.16 billion in the offshore market in September 2021. In December 2021, we also received the approvals from the former CBIRC and the PBOC respectively, for us to publicly issue tier 2 capital bonds of no more than RMB190.0 billion in China's national inter-bank bond market. In December 2021, we issued tier 2 capital bonds of RMB60.0 billion in the national inter-bank bond market.

In January, April, August, November and December 2022, we issued five tranches of tier 2 capital bonds of RMB40.0 billion, RMB50.0 billion, RMB40.0 billion, RMB60.0 billion and RMB30.0 billion in the national inter-bank bond market, respectively. Further in October 2022, we received approval from the former CBIRC to publicly issue tier 2 capital bonds of no more than RMB200.0 billion in China's national inter-bank bond market. In November 2022, we also exercised our right to redeem in full two tranches of tier 2 capital bonds of RMB44.0 billion, each at face value, in accordance with the relevant terms in the prospectus for the issuance of such bonds.

In April and August 2023, we issued two tranches of tier 2 capital bonds of RMB55.0 billion each in the national inter-bank bond market, respectively.

Allocation and Management of Economic Capital

Our economic capital management includes three major aspects: measurement, allocation and application. Economic capital indicators include Economic Capital ("**EC**"), Risk-Adjusted Return on Capital ("**RAROC**") and Economic Value-added ("**EVA**"). All of the above are applied in credit resource allocation, risk constraint, performance assessment, expenditure allocation, product pricing and customer management, etc.

In recent years, we continuously improved the EVA value ecosystem and leveraged the leading and driving role of capital, further optimised the economic capital measurement policy, and increased the preferential allocation to key areas such as manufacturing, green development, sci-tech innovation, strategic emerging industries and rural revitalisation. In addition, we improved the capital constraint mechanism and comprehensively strengthened capital management of domestic and overseas branches, controlled institutions and departments of the head office. We also increased the use of economic capital in incentive assessment, and actively promoted the optimisation of asset structure and the enhancement of value creation capacity.

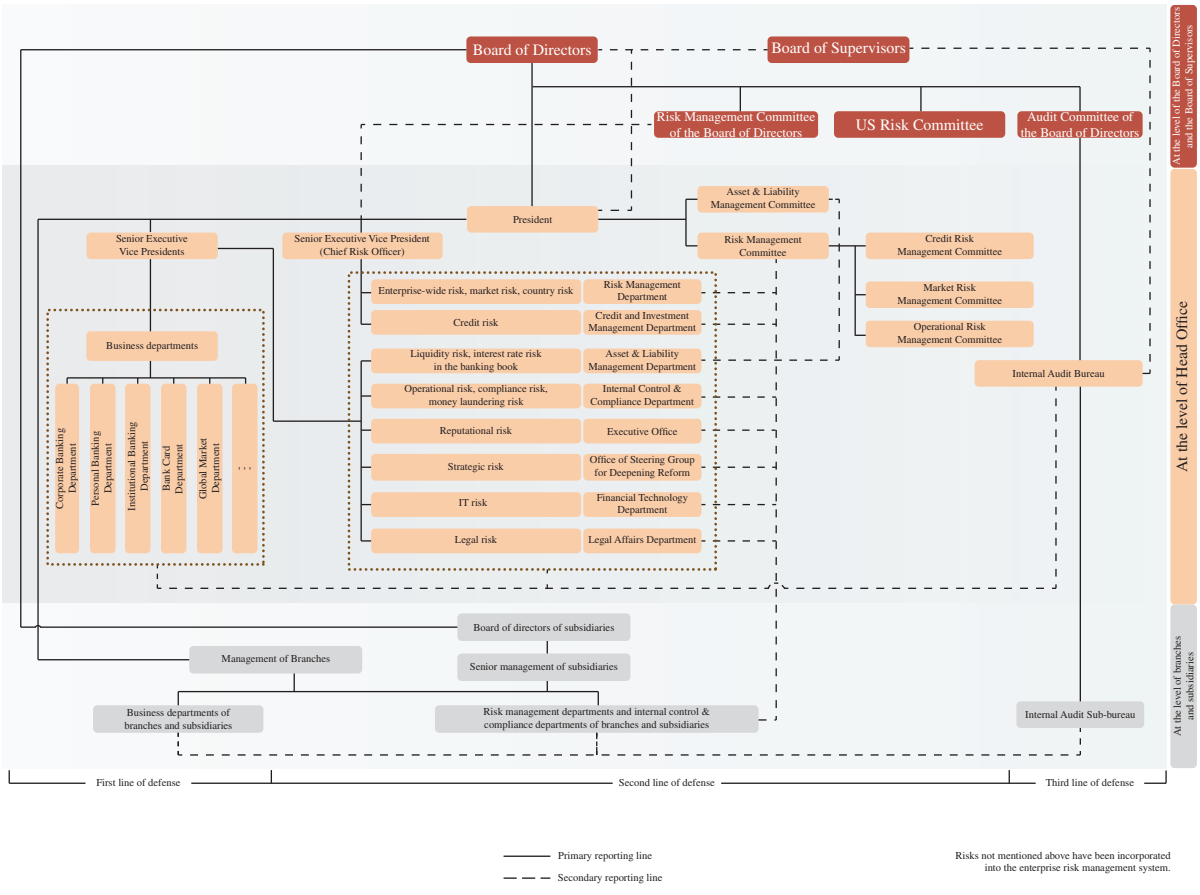
RISK MANAGEMENT

ENTERPRISE-WIDE RISK MANAGEMENT SYSTEM

As a commercial bank, we are subject to a number of risks, primarily including credit risk, market risk, operational risk, liquidity risk and compliance risk. In order to manage these risks, we have established an enterprise-wide risk management system, a process whereby the Board, senior management and other employees perform their respective duties and responsibilities to take effective control of different types of risks at various business levels in order to provide a reasonable guarantee of the achievement of our risk management objectives. Our risk management principles include, among others, the matching of risk with return, internal checks and balances with consideration as to efficiency, risk diversification, quantitative and qualitative analysis, dynamic adaptability adjustments and gradual improvement.

We promote the consistency and standardisation of our risk management policies, processes, models, methods and systems. Our head office guides, manages and controls the business activities of our branches through delegation and credit extension, risk limits and other risk control instruments. Our organisational structure for risk management comprises, among others, the Board and its special committees, our senior management and its special committees, our risk management department and our internal audit department.

Our risk management organisational structure is illustrated below.



The Board is responsible for the establishment and implementation of an effective internal control system for us to ensure that we operate within applicable legal and regulatory frameworks. Our senior management is responsible for implementing risk management strategies formulated by the Board, formulating risk management procedures and processes, managing risks associated with our various business lines and ensuring the various parameters are in line with our risk preference. Our chief risk officer assists our president in overseeing our risk management and making related decisions. The risk management committee of the Board is primarily responsible for reviewing and revising our risk management strategies, policies, procedures and internal control processes as well as the supervision and evaluation of risk management related work performed by our senior management and risk management departments. We have clarified the responsibilities of the respective risk management departments. In line with our risk management strategy, each of the various business departments, risk management departments, internal control departments and internal audit department performs their respective risk management responsibilities.

ACHIEVEMENTS IN RISK MANAGEMENT IN RECENT YEARS

Since our initial public offering in 2006, we have actively responded to the challenges posed by various uncertain factors and risks by enhancing corporate governance and improving internal control. We have continued to improve our enterprise-wide risk management system, strengthened the overall construction of enterprise-wide risk management policies, developed and completed templates for risk evaluation, gradually established an industry-leading risk information system and built up an enterprise-wide risk management system with unique characteristics, which we continue to improve and refine.

In recent years, we have achieved a series of satisfactory results in risk management. Our achievements can be summarised as "full process, full coverage, new standards and new technologies". In particular, we have implemented risk management throughout the entire process of risk identification, measurement, control, monitoring, evaluation and reporting covering entities from the Group level to all overseas branches and all business operations.

We have taken the initiative in the PRC in developing and researching methods and systems of measuring various risks pursuant to the new capital regulatory standards and have been maintaining a leading position in the domestic industry. We have established an industry-leading information technology support system with the capability to cover comprehensively the entire risk management process, in order to provide technical support for risk management.

Over the past few years, we have taken the following initiatives to strengthen our risk management systems:

- we further improved the enterprise-wide risk management system, continuously upgraded risk management technologies and methods, enhanced the capacity of risk pre-judgment and dynamic control, strengthened risk data governance, and upgraded risk management technologies and methods, so as to make the enterprise-wide risk management more forward-looking and effective;

- we further improved the enterprise-wide risk management system, enhanced risk appetite transmission and limit management and control, intensified the capability of risk response and crisis management and enhanced effective reporting according to the latest regulatory requirements;

- we enhanced the Group's foundation for consolidated risk management, boosted business penetration of non-banking subsidiaries, and strengthened regional risk management of overseas institutions;

- we enhanced our capacity of managing cross risks, strengthened risk management and control of cooperative institutions, and promoted the application of the Group's investment and financing risk monitoring platform to achieve risk data integration involving different risks, markets, institutions and products;

- we actively advanced FinTech application such as big data, developed an intelligent risk monitoring system and enterprise-level anti-fraud platform, and continued to upgrade risk measurement models for better application;

- we also promoted the implementation of the latest international and domestic regulatory requirements, improved the basic policies for enterprise-wide risk management and better managed related work of G-SIB;

- we strengthened consolidated risk management in the Group, intensified the management of risk limits for non-banking subsidiaries, and organised the risk assessment of the subsidiaries;

- we advanced country risk management by strengthening monitoring analysis, reporting and limit management, and enhanced sovereign risk control capability;

- we reinforced the management of the Group's market risk, strengthened the market risk management of overseas institutions and continued perfecting our product control; and

- we further implemented the advanced capital management approaches and continued to refine the measurement system concerning credit risk, market risk and operational risk and strengthen the monitoring, improvement, validation and management application of the risk measurement system.

Our ongoing efforts in risk management in recent years have achieved positive results. In recent years, we have maintained stable assets quality. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our NPL ratios were 1.58 per cent., 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively.

In 2022, we adhered to the principle of "laying a sound foundation for risk control". We promoted the iterative upgrade of enterprise-wide risk management system with the over-arching "Five-pronged Risk Management Approach", namely the overall risk management of domestic and overseas institutions, on-and off-balance sheet business, commercial banking and investment banking and other services, online and offline business, and the head office and subordinate institutions. We strengthened the top-level design for risk management by formulating and implementing our risk management plan for the "14th Five-Year Plan" period, to ameliorate the risk management system, consolidate the responsibilities of the three defense lines for risk management, and enhance the effectiveness of enterprise-wide risk management. We conducted comprehensive inspection of various potential risks, continuously improved the capability of overseas institutions and subsidiaries in risk data penetration management, to reflect the overall picture of our risks in a sufficient and dynamic manner. Besides, we strengthened risk prevention and control in emerging fields, strictly implemented regulatory requirements for wealth management business, and intensified the risk management of cooperation institutions in investment and financing business.

IMPLEMENTATION OF NEW CAPITAL MANAGEMENT RULES

In June 2012, the former CBRC (now NAFR) issued the Capital Regulation, which set out stricter requirements on capital management of commercial banks. In order to implement the relevant requirements of the NAFR, we continue to promote the adoption of advanced capital management methods. We have preliminarily established an internal capital adequacy assessment system and regularly published capital adequacy ratio reports for 2020, 2021 and 2022 in accordance with the Capital Regulation.

Continuously promoted the adoption of advanced capital management methods

In recent years, we have been preparing for the implementation of the advanced capital management methods. We have improved data quality management, optimised our risk measurement model, upgraded our information technology systems and extended their coverage abroad, expanded the application of risk measurement results and further increased our risk management capability. See "*Risk Management – Credit Risk*", "*Risk Management – Market Risk*", and "*Risk Management – Operational Risk*" for further details regarding the measures we have adopted for credit risk, market risk, and operational risk.

Pursuant to the implementation of the advanced capital management approaches, as approved by the former CBRC, we adopted the foundation internal ratings-based approach for corporate credit risks and retail credit risks, the internal model approach for market risk and the standardised approach for operational risk meeting regulatory requirements.

Preliminarily established an internal capital adequacy assessment system

We preliminarily established an assessment system for internal capital adequacy, comprising, among others, substantial risk assessment, capital adequacy forecasting and integrated stress testing. The substantial risk assessment system was able to assess the substantial risks to which we are subject. In addition, it can conduct comprehensive analyses of the risk level and management of various kinds of substantial risks. The capital adequacy forecast system can predict changes in various types of risk-weighted assets and capital based on our business and financial plans, so as to predict the capital adequacy level in following years. The integrated stress testing system can set stress scenarios reflecting the business operation, the assets and liabilities portfolio and our risk features based on the analyses of the macroeconomic trend in the future. Thereafter, it can conduct sensitivity analysis on various parameters (including the capital adequacy ratio) of us under each stress scenario.

Publication of the Capital Adequacy Ratio Report

In accordance with the Capital Regulation, we published our 2020, 2021 and 2022 capital adequacy ratio reports, which set out detailed disclosure of, among others, capital composition, measurement of risk-weighted assets, internal capital adequacy assessment, capital planning and capital adequacy management plans.

CREDIT RISK

Overview

Credit risk is the risk where loss is caused to the banking business when the borrower or counterparty fails to meet its contractual obligations. Our credit risks mainly originate from loans, treasury operations (including deposits with banks and other financial institutions, placements with banks and other financial institutions, reverse repurchase agreements, corporate bonds and financial bonds investment), receivables and off-balance sheet credit business (including guarantees, commitments and financial derivatives trading).

We strictly adhere to regulatory requirements regarding credit risk management, diligently fulfil established strategies and objectives under the leadership of the Board and the senior management and implement an independent, centralised and vertical credit risk management mode. The Board assumes the ultimate responsibility for the effectiveness of credit risk management. The senior management is responsible for executing the strategies, overall policy and system regarding credit risk management approved by the Board. The Credit Risk Management Committee of the senior management is our reviewing and decision-making organ in respect of credit risk management, is responsible for reviewing material and important affairs of credit risk management and performs its duty in accordance with the Charters of the Credit Risk Management Committee. The credit and investment management departments at different levels undertake the responsibility of coordinating credit risk management at respective levels, and the business departments implement credit risk management policies and standards for their respective business areas in accordance with their functions.

According to the regulatory requirement on loan risk classification, we implemented five-category classification management in relation to loan quality and classified loans into five categories: pass, special mention, substandard, doubtful and loss, based on the possibility of collecting the principal and interest of loans. In order to implement sophisticated management of credit asset quality and improve risk management, we implemented the twelve-category internal classification system for corporate loans. We applied five-category classification management to personal credit assets and ascertained the category of the loans based on the number of months in default, expected loss ratio, credit rating, collateral and other quantitative and qualitative factors.

We continued to strengthen the construction of credit risk management system and consolidated the foundation for credit risk management. We improved the construction of our unified investment and financing risk limit management system, optimized the limit review and approval procedure for sovereign customers, and intensified the construction of risk limit management system for our affiliates. Moreover, we clarified the life cycle management requirements for credit products, and included the responsibilities of three defence lines for risk management in the credit product risk management system, to fulfil the primary responsibility for risk control.

We accurately grasped the layout and direction of investment and financing business and strengthened credit risk management. In terms of corporate credit business, we actively supported the infrastructure construction projects involving "New infrastructure, New urbanization initiatives and Major projects", implemented the rural revitalisation and new urbanization strategies, and continued to provide more investment and financing support for the areas of manufacturing industry such as intelligent manufacturing, digital economy, strategic emerging industries and transformation and upgrading of traditional industries. We actively implemented the development strategies of five key regions (namely, Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, central China and Chengdu-Chongqing economic circle), and kept improving differentiated region credit policies. In terms of personal credit business, we continued to facilitate the construction of "digital post-loan" system, accelerated the digital transformation of risk control area for personal loans and optimised the risk model deployment strategy, to enhance the efficiency of risk control. We also strengthened the refined management and collection of overdue loans, and optimised the personal loan disposal policy.

We prevented and mitigated the risks in key fields such as local government debts, real estate, high polluting and high energy-consuming industries. We strictly implemented the national laws, regulations and regulatory policies on the management of local government debts and financing platforms, continued with credit access management and monitoring, and firmly held the bottom line for no regional systemic risks. We strictly implemented the real estate macro-control policy, with the focus on the objectives of "stabilising land prices, housing prices and expectations", and maintained stable and orderly disbursement of real estate loans. To positively respond to the changes in real estate market, we carried out the risk resolution project M&A loan business, targeting key real estate enterprises, in a steady and orderly manner. With adherence to the market-oriented and law-based principles, we actively provided financial services for "ensuring housing delivery", thus protecting the legitimate rights and interests of housing finance consumers according to law. Besides, we further strengthened the investment and financing control over the high polluting and high energy-consuming industries, rigidly controlled customer access with the implementation of differentiated credit investment and financing strategy, and tightened up customer classification, to optimise customer structure and reinforce the use and management of credit funds.

Credit Risk Management for Corporate Loans

A customer must have a credit line with us to be eligible for an individual loan application. Each new corporate loan customer must first be assigned with a credit rating before being considered for a total credit line. Our corporate relationship managers conduct an initial investigation and evaluation of each new customer, which is primarily focused on the customer's operating conditions, financial condition and credit situation (as well as the guarantor and collaterals if there is a security package). As part of their investigation, our corporate relationship managers rely on our client information integration solution ("**CIIS**") system to screen out applicants with bad credit history. For new customers, the credit rating and credit line applications are processed at the same time as the individual loan applications and the initial investigations.

Customer Credit Line Approval

The total credit line that we grant to a customer is determined by taking into account its credit rating and conducting a comprehensive analysis and evaluation of the customer's credit history and financing needs. Our head office and branches may approve credit line applications within their specific authorisation limits. When a credit line application report is received from our loan origination personnel, a primary reviewer is appointed to assess the application in accordance with our internal policies and procedures. If the credit line is within the authorisation limits of the originating branch, the primary reviewer then presents his findings and recommendations to the credit approval committee of that branch for further review. Credit line applications that exceed the authorisation limits of the originating branch must be submitted to a higher tier branch or head office, as applicable, for the requisite authorisations. In addition, the preliminary decision by the relevant committee at our head office or branches must be further approved by an authorised loan approval officer who is typically a senior manager at our head office or branches.

Individual Loan Approval and Management

Initial Loan Evaluation

When a customer applies for a new loan, our initial evaluation generally consists of (i) assessing recent developments relating to the customer's financial condition and credit history; (ii) reviewing the planned use of proceeds; (iii) assessing the reliability of the primary source of repayment for the loans; (iv) evaluating the collateral or reviewing the financial conditions of the guarantor, if any; and (v) assessing the overall credit risk and potential financial returns associated with the loan.

Loan Review and Approval

Individual Loan Approval. When a corporate relationship manager recommends a loan for approval, he or she will submit the loan application package, which includes an evaluation report, to a reviewer in the relevant credit approval department for review. If the loan will be collateralised, there will be a separate evaluation of the underlying collateral. Based on an examination of the loan application package, the reviewer will prepare a report that includes his or her findings and recommendation to that branch's credit approval committee.

Project Evaluation. In reviewing applications for medium or long-term loans to fund major projects, such as acquisitions of fixed assets, expansion of production capacity, infrastructure development and property development, a loan assessment team will be formed to evaluate the underlying project. We assess the borrowers, the co-investors in the underlying projects and the underlying projects themselves, taking into account factors such as the anticipated cash flows of the projects, the perceived repayment ability of the borrowers and other credit risks related to the relevant loans. We may seek professional advice from external parties in the course of conducting such project evaluations depending on the circumstances.

Collateral Appraisal. In principle, we conduct valuation assessments for secured loans that have specific collaterals. Afterwards, we enter into the loan approval process, conduct an independent appraisal of the collateral and approve the loan based on our appraisal. The credit approval department is responsible for arranging the collateral appraisal process.

We require all the collateral to be re-appraised on a regular basis. We utilise an appraisal management information system that allows us to maintain electronic records of titles, external appraisals, physical status and other factors that may affect the value of our collateral.

In respect of third-party guarantees, we evaluate the guarantor's financial condition, credit history and ability to meet its obligations.

Fund Disbursement

After a loan application is conditionally approved, the relevant corporate relationship manager must ensure that all the conditions are satisfied before the loan is extended. Such conditions can include, as applicable, obtaining a guarantee, securing funding for the project, obtaining government approval for the underlying project or inclusion of additional provisions in the loan document, such as financial ratio requirements and restrictions on the borrower's ability to make dividend distributions. Upon satisfaction of all conditions, an authorised loan officer will execute credit documents with the borrower, and funds are disbursed. Our loan documents are generally based on standard forms and are reviewed by our legal personnel.

Post-disbursement Management

Post-disbursement review

We conduct post-disbursement monitoring and review, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-repayment or other risks and to implement preventative measures in order to mitigate default risks or take remedial actions to minimise potential losses. The frequency of post-disbursement review depends on the credit rating of the customers and factors that would affect the customers' ability to repay the loans.

Loan Classification

All PRC commercial banks are required to classify their outstanding loans based on a five-category loan classification system. See "*Assets and Liabilities – Assets – Asset Quality of Our Loan Portfolio*". We have adopted an internal 12-grade loan classification system, which refines the five-category loan classification system, to classify our corporate loans. We continue to use the five-category loan classification system to classify our discounted bills and off-balance sheet commitments, such as guarantees, for internal purposes.

The following table illustrates our internal 12-grade loan classification system:

Pass				**Special Mention**			**Substandard**		**Doubtful**		**Loss**
Pass One	Pass Two	Pass Three	Pass Four	Special Mention One	Special Mention Two	Special Mention Three	Substandard One	Substandard Two	Doubtful One	Doubtful Two	Loss

This loan classification system takes into account both quantitative and qualitative factors, including the credit rating of the relevant borrower, the existence of a guarantee and the outstanding period of any overdue payments. The system utilises a quantified scoring model, and preliminary scores are automatically generated by our global credit management system (the "**GCMS**"). The relevant corporate relationship manager will provide a recommendation for classification based on the preliminary results generated by the system. Our credit management department will review the classification results and provide its views upon review, and the relevant person responsible for the credit management department will finalise, within his or her scope of authority, the classification of the relevant loan upon further examination. We review our loan classification on a monthly basis.

Our internal 12-grade loan classification system is designed to enable us to better monitor changes in our asset quality, to detect potential credit risks and to conduct more effectively post-disbursement management of our loan portfolio. We believe that this system has strengthened our loan monitoring function and improved our overall credit management.

Management of NPLs

The credit and investment management department at our head office as well as the credit and investment management and risk management department at our branches are primarily responsible for managing our NPLs. When a loan becomes non-performing, the management of the loan is transferred to the relevant credit and investment management department or risk management department. In order to strengthen the management of our NPLs, we optimised our procedures for NPL management. We continue to develop practical and effective measures and methods for recovering or disposing of NPLs.

We manage our NPLs primarily based on the classification of such loans. For sub-standard loans, we focus on monitoring the current assets and cash flows of the borrower, paying particular attention to any major changes in its business. For doubtful loans, we closely monitor the businesses of the borrower and the related guarantor, increase our efforts to examine and preserve the assets of the borrower and actively engage in collecting and recovering these loans. For loss loans, we write off these loans in accordance with the relevant regulatory requirements but continue to seek recovery of the relevant amounts.

To recover NPLs, we generally take, to the extent necessary, the following actions: (i) notification of collection; (ii) cash collection; (iii) restructuring of NPLs; (iv) disposal of collateral or recovery of collateral; (v) collection through legal or arbitration proceedings; (vi) bulk transfer to asset management companies; and (vii) write-offs, once all other collection actions have failed.

To manage better our restructured loans, we have formulated relevant policies that set forth the definitions pertinent to, provisions applicable to and allocation of responsibilities regarding the investigation, approval and post-restructuring management of the restructured loans. Under the relevant management rules, upon its restructuring, a restructured loan may not be initially classified to a category higher than substandard. A restructured loan may not be classified to a category higher than doubtful if, after its restructuring, the restructured loan remains overdue or the borrower remains incapable of repaying the loan. Within the six-month observation period immediately following its restructuring, a restructured loan may not be reclassified to a category higher than the one to which it was initially assigned.

Credit Risk Management for Personal Loans

In an effort to prevent potential credit risks and improve the efficiency of our personal loan approval, we have established personal loan approval centres at our first tier branches to be responsible for reviewing and approving personal loans within their respective jurisdictions and within the authorised limit. Each step of our personal credit business process is operated through our GCMS.

Credit Origination and Evaluation

Once a personal loan application is received by the originating branch, our investigator will examine the application materials and investigate the applicant through interviews and site visits. The investigator will also search the databases such as the personal credit information database of the PBOC and our specially designated customer information system for relevant information. The investigator also categorises and scans the application materials and utilises the GCMS to determine the borrower's credit rating, loan application rating, RAROC forecast and pricing valuation. Two officers will be responsible for the investigation. After the investigation, the branch manager will verify the loan application and investigation results in the GCMS and submit the loan application materials to the personal loan approval centre.

Credit Approval

Upon receiving loan application materials, the relevant personal loan approval centre assigns an officer to conduct further review of the loan application from the perspective of credit policy, regulation and risk management. Furthermore, the officer conducts a comprehensive review of the information contained in the loan application materials to verify whether it is objective and reasonable. If this officer recommends approval of the loan application, the application will be submitted to an authorised reviewer in the personal loan approval centre for final approval. If the amount of the loan exceeds the credit authorisation limit of the originating branch, the application will be forwarded to the higher tier branch with the requisite authority.

Loan Disbursement

After a loan application is approved and the authorised person has signed and approved the loan disbursement, the designated personnel of the originating branch are responsible for further ensuring that the required guarantee, if any, is provided, that other pre-conditions required for loan disbursement are fulfilled, that the loan agreement and any other documentation is executed and that the funds are disbursed to the borrower.

Post-disbursement Management

Post-disbursement Monitoring

We conduct post-disbursement monitoring and review of our personal loans, including the monitoring of post-disbursement payment and periodic review, in order to detect potential non-payment or other risks and to implement preventive measures to reduce default risk and take remedial action to minimise potential losses. The frequency of post-disbursement review depends on the use of proceeds and factors that would affect the customers' ability to repay the loans.

Loan Classification

We use the five-category loan classification system to classify our personal loans. The GCMS automatically and quantitatively classifies personal loans based on months overdue, cross default and other parameters. Such quantitative classification result will apply directly if it can accurately reflect the quality of assets. If the quantitative classification result appears to be inaccurate based on post-disbursement monitoring, supervision, collection and other review, our first tier and second tier branches are required to initiate qualitative classification analysis procedures.

Collection of NPLs

Our personal NPLs are managed primarily by the risk management departments at our head office and branches. As part of our efforts to enhance the post-disbursement management of our personal loans, we have implemented standardised rules and procedures for the maintenance and use of our personal credit files and related records.

We have implemented standardised collection, recovery and disposal procedures and measures for our personal NPLs throughout the Bank. When necessary, we initiate legal proceedings to recover NPLs and seek the enforcement of relevant guarantee or insurance obligations.

Credit Risk Management for Credit Cards

We have adopted an applicant scoring mechanism for evaluating and approving our credit card applications, applied the scoring model to credit card approval procedures and set out minimum criteria for application risk control scoring. We have implemented various control strategies, taking into account the risk management capabilities of the institution issuing the credit cards, product feature and actual risk control situation, and we have consistently enhanced the robustness of our internal rating approach in credit card businesses. In evaluating credit card applications, we give full consideration to our CIIS system as well as the credit data provided by the PBOC and those made available by China UnionPay.

Our head office oversees all credit card-related transactions on a Bank-wide basis. We routinely monitor and analyse unusual credit card transactions to reduce credit card fraud and intentional default.

Credit Risk Management for Treasury Operations

Our treasury operations are subject to credit risk as a result of our investment activities and inter-bank lending activities. Our RMB-denominated investment portfolio primarily consists of debt securities issued by the PRC Government and other domestic issuers. The amount of the debt securities of any domestic or foreign entity (except the PRC Government) that we purchase or our interbank lending to any domestic or foreign entity is limited to the total credit lines that we have approved for that entity. Our foreign currency-denominated investment portfolio primarily consists of investment-grade bonds.

Achievements in Credit Risk Management in Recent Years

In recent years, in response to the changes in the macroeconomic environment and financial regulatory requirements, we have endeavoured to drive the real economy by financial services and proactively adjusted and improved various credit policies according to the changes in the economic environment and industrial development trends. We have expedited product innovation, optimised credit business procedures, supported the development of the real economy, made greater efforts in credit restructuring and continued the building of the credit system in the PRC. We strictly controlled our credit risks in certain key areas, strengthened credit limit management by industries, standardised the credit operation process and strengthened the construction of credit risk monitoring, verification and supervision. Furthermore, we achieved centralised monitoring of credit risk for customers, institutions, products and processes of the Group and enhanced risk control and prevention. As a result, our credit risk management has been enhanced.

We have adopted an internal rating system for retail and non-retail businesses to conduct customer rating, pricing, monitoring and analysis and have strengthened our credit risk management on the basis of risk quantification. We implemented comprehensive verification and continuous monitoring mechanism for our internal rating system, established model approval and model risk management mechanism, optimising the customer and debt rating model based on the latest data. We utilised the rating results for pre-lending customer access screening, credit approval, risk limit management and early warning, strengthened our economic capital management via risk quantification and have achieved a balance between risks and returns by adopting the risk adjusted return on capital measurement. Furthermore, we have reinforced our credit card rating management and risk control policy, increased the management requirement of cross-default customers and further enhanced the effectiveness of rating results as a risk management tool.

With the concept of "concentration, integration, sharing and exploration", we have established a standard credit risk operation and management platform across our Group in accordance with "ONE ICBC" risk management requirements and in order to support our onshore and offshore institutions for asset business operations, risk management, operational decision and on a 24-hour basis and promote the advancement of our risk management system.

We continued to propel the optimisation and adjustment of the credit industry structure and stepped up efforts to shore up the development of the real economy. To elaborate, as compared with the end of 2021, we have increased our loans to transportation, storage and postal services in 2022 to actively support the construction of highway, railway, airport and berth projects and liquidity needs of large transportation group companies. We also continuously increased our support for the manufacturing industry by increasing manufacturing loans and loans to enterprises in advanced manufacturing fields such as new-generation information technology, automobile manufacturing, pharmaceutical manufacturing, large-scale refining and chemical projects, and electrical equipment. We provided financing support for infrastructure, public services and major people's livelihood projects, as well as to meet the financing needs of industrial R&D and high-tech park construction by increasing our loans to leasing and commercial services. We increased our loans to the production and supply of electricity, heating, gas and water mainly to support the financing needs of core electric power enterprises and the construction of key projects such as power grid transmission and distribution projects, clean energy and others. To steadily satisfy the investment and financing needs arising from significant projects and projects for people's livelihood in the areas of urban infrastructure construction, water conservancy facilities, ecological environment protection and public services, we also increased our loans to water, environment and public utility management.

In general, we continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas.

We strengthened the quality management of credit assets to guarantee the stable quality of such assets. We improved our NPL forecasting and alert mechanism to facilitate timely risk response measures. We strengthened the management of NPLs in key areas and large-amount NPLs and enhanced the management, collection and disposal of NPLs. We also strengthened write-off management and carried out bad debt write-offs in an orderly manner. In addition, we proactively disposed of NPLs through bulk transfer, interest-free repayment, payment-in-kind and other means and broadened the channels for NPL disposal.

Large Exposures Management

In accordance with the relevant regulatory requirements of the former CBIRC's Measures for the Management of Large Exposures of Commercial Banks and other relevant regulatory rules, we carried out various work on large exposures management in an orderly manner, further improved the large exposures management system, including the construction of related systems, and reported relevant information as required by regulators, to strengthen large exposures limit management, and to continuously improve large exposures management.

MARKET RISK

Market Risk Management

Market risk is defined as the risk of loss to our on- and off-balance sheet activities caused by adverse movements in market rates (including interest rates, exchange rates, stock prices and commodity prices). We are primarily exposed to interest rate risk and currency risk (including gold). Market risk management is the process of identifying, measuring, monitoring, controlling and reporting market risk. The objective of market risk management is to control market risk exposures within a tolerable level and maximise risk-adjusted return according to our risk appetite.

We strictly comply with regulatory requirements on market risk management, have implemented an independent, centralised and coordinated market risk management model, and formed a management organisational structure featuring the segregation of the front, the middle and the back offices in the financial market business. The Board assumes the ultimate responsibility for monitoring market risk management. The senior management is responsible for executing the strategies, overall policy and system concerning market risk management approved by the Board. The Market Risk Management Committee of the senior management is our reviewing and decision-making organ in respect of market risk management, is responsible for reviewing material affairs of market risk management and performs its duty in accordance with the Working Regulations for the Market Risk Management Committee. The risk management departments at different levels undertake the responsibility of coordinating market risk management at respective levels, and the business departments implement market risk management policies and standards for their respective business areas in accordance with their functions.

In 2022, we continued to deepen our market risk management, innovated the financial market business and product risk management system, and established the product life cycle risk assessment and review mechanism. With the verification and issuance of our market risk limit plan for 2022, we strictly controlled our market risk limit. The interest rate, exchange rate and commodity risks were analysed in a timely manner. Global financial market monitoring was conducted on an ongoing basis, and a fast risk reporting mechanism was established. We also kept enhancing the intelligent level of market risk management system, promoted the extended application of Global Market Risk Management system to overseas institutions, and pushed forward the implementation of the standardized market risk approach of Basel III Final Reform Package issued by the Basel Committee.

Market Risk Management of the Trading Book

We kept strengthening trading book market risk management and product control, and adopted the value-at-risk, stress testing, sensitivity analysis, exposure analysis, profit/loss analysis, price monitoring and other means to measure and manage trading book products.

Currency Risk Management

Currency risk is the risk of adverse movements of exchange rate resulting in losses on the foreign currency exposure, which is due to the currency structure's mismatch between foreign currency assets and liabilities. Our objective of currency risk management is to control the impact of exchange rate fluctuations on our financial position and shareholders' equity within a tolerable extent. We mitigate such risk principally by limit management and hedging of risks. We carry out sensitivity analysis and stress testing of currency risk on a quarterly basis, and the senior management and the Market Risk Management Committee review the currency risk reports on a quarterly basis.

In 2022, we positively responded to external environment changes and market fluctuations. By adhering to the currency risk neutrality principle, we comprehensively took measures such as limit management and hedging, actively adjusted the size of foreign exchange exposure and currency structure, improved the matching degree of our asset and liability currencies, and strengthened capital fund preservation management of overseas institutions. In general, the currency risk was controlled within a reasonable range.

INTEREST RATE RISK IN THE BANKING BOOK

Interest rate risk in the banking book is defined as the risk of loss in the economic value and overall profit of the banking book arising from adverse movements in interest rate and maturity structure.

Management of Interest Rate Risk in the Banking Book

Our management system for interest rate risk in the banking book conforms to the system importance, risk status and business complexity, and fits our overall development strategy and the enterprise-wide risk management system. The system mainly consists of the following elements: an effective risk governance structure; sound risk management strategies, policies and procedures; effective risk identification, measurement, monitoring, control and mitigation that cover all areas; a complete internal control and review mechanism; a fully-built risk management system; and adequate information disclosure and reporting.

We strictly complied with regulatory requirements for interest rate risk in the banking book, effectively managed our interest rate risk in the banking book and consolidated level and developed a sound governance structure for interest rate risk management in the banking book that is fully built and well-structured, with clearly defined rights and responsibilities. The Board and the senior management are vested with the ultimate and executive responsibilities, respectively, for managing interest rate risk in the banking book. The asset & liability management department of the head office takes the leading role in managing interest rate risk in the banking book, and other departments and institutions play their roles in implementing policies and standards concerning interest rate risk in the banking book. The internal audit bureau and internal control & compliance department of the head office are responsible for reviewing and evaluating duties in respective of interest rate risk in the banking book.

The objective of management of interest rate risk in the banking book: We aim to maximise the risk-adjusted net interest income within the tolerable level of interest rate risk under our risk management and risk appetite.

We formulated strategies and clarified objectives and modes for managing interest rate risk in the banking book based on risk appetite, risk status, macroeconomic and market changes. Based on the pre-judging of the interest rate trend and measurement results of the changes in overall profit and economic value, we formulated and put into practice relevant management policies, and adopted a coordinated approach to using interest rate risk control tools to mitigate and manage risks, so as to ensure our actual interest rate risks conform to our bearing capability and willingness.

On the basis of management strategies and objectives, we developed policies and clarified the modes and instruments for managing interest rate risk in the banking book. By developing and modifying such methods such as on-balance sheet adjustment and off-balance sheet hedging to manage interest rate risk, adeptly using quantity, pricing and derivative instruments regarding assets and liabilities, and applying limit management system, business plan, performance assessment and capital evaluation in all areas for interest rate risk management and assessment, we achieved effective control of interest rate risk at the business lines, the branches, the affiliates and the products and portfolios easily affected by interest rate risk.

In line with the principles of comprehensiveness, prudence and foresight, our stress testing on interest rate risk in the banking book adopted the interest rate risk exposure measurement approach and standardised duration approach to measure the effect of interest rate exposure changes under different stress scenarios on the overall profit and economic value. Based on domestic and overseas regulatory requirements, the bank-wide asset and liability business structure, operation and management as well as risk appetite, we set stress testing scenarios for interest rate risk in the banking book by taking into account the current interest rate level, historical changes and trends, total assets and liabilities and their term characteristics, business development strategies, customer behaviours and other factors, and conducted stress testing quarterly.

In 2022, we, in adherence to a prudent interest rate risk appetite, smoothly responded to the complicated and changing economic and financial environments and the risk challenges at home and abroad and improved the dynamic adjustment mechanism for our forward-looking, scientific and active interest rate risk management strategy, so as to accurately control asset-liability layout and interest rate exposures, continuously optimize our interest rate risk management model, and consolidate the quality and effectiveness of our robust cross-cyclical operations. With the coordinated balance between stable growth and risk prevention, we improved the combined regulation mechanism for whole process management, all-factor regulation and full-lifecycle coverage of interest rate risk, kept enhancing the digital management of interest rate risk, and maintained regulatory indicators compliant with standards and interest rate risk controllable, thus achieving balanced growth of our current income and long-term value.

LIQUIDITY RISK

Liquidity risk is the risk that we are unable to raise funds on a timely basis at a reasonable cost to settle liabilities as they fall due, or perform other payment obligations and satisfy other funding demands arising from the normal course of business. Liquidity risk may arise from the following events or factors: material adverse changes in market liquidity, withdrawal of customers' deposits, drawing of loans by customers, overdue payment of debtors, mismatch between assets and liabilities, difficulties in assets realisation, operating losses, and risk associated with our affiliates.

Liquidity Risk Management

Our liquidity risk management system conforms to our overall development strategy and overall risk management system, and is commensurate with our business scale, business nature, complexity and other aspects. The system includes the following fundamental elements: effective governance structure for liquidity risk management; sound strategy, policy and procedures for liquidity risk management; effective identification, measurement, monitoring and control for liquidity risk and a complete management information system.

In respect of liquidity risk management, our governance structure embodies the decision-making system comprising the Board and its special committees as well as the Asset and Liability Management Committee and the Risk Management Committee of the head office; the supervision system comprising the Board of Supervisors, the Internal Audit Bureau and the Internal Control and Compliance Department of the head office; and the execution system comprising the Asset and Liability Management Department, leading management departments of on- and off-balance sheet businesses, the information technology departments, operation management departments of the head office and relevant departments of branches. Each of these systems performs the corresponding functions of decision making, supervision and execution according to division of responsibilities.

Objectives of liquidity risk management

By establishing and improving the liquidity risk management system, we aim at realising complete identification, measurement, monitoring and control of the liquidity risk at the Group level, the Bank, the affiliates, the branches and the business lines, and ensuring the liquidity demand is satisfied at a reasonable cost in time under the normal business scenario and the stress scenario.

Our liquidity risk management strategy and policy are formulated in accordance with our liquidity risk appetite, and they cover all businesses on- and off-balance sheet, all domestic and overseas business departments, branches and affiliates that are likely to have a material impact on the liquidity risk, and contain the liquidity risk management under normal and stressed scenarios. Our liquidity risk management strategy specifies the overall objective and mode of liquidity risk management and lists major policies and procedures. The policies for liquidity risk management are formulated in accordance with external and macro operating environments and our business development, with a view to striking an effective balance among security, liquidity and profitability.

We conduct stress testing quarterly or by subject by fully considering various macro and micro factors that may affect our liquidity changes in the external operating environment, regulatory requirements, and our business characteristics and complexity.

In 2022, we adhered to a steady and prudent liquidity management strategy, and our liquidity was stable. We intensified the monitoring of funds and maintained a proper and sufficient liquidity reserve, with stable and orderly liquidity and customer payment. We facilitated the ongoing upgrading of liquidity risk management mechanism and system, and continuously enhanced the automation and intelligence level of liquidity risk monitoring, measurement and control. We strengthened on- and off-balance sheet liquidity risk management in local and foreign currencies in domestic and overseas institutions, optimized the multi-level and multi-dimensional liquidity monitoring and early warning system, and enhanced our liquidity risk prevention and emergency response capabilities.

INTERNAL CONTROL AND OPERATIONAL RISK

Internal Control

Our senior management is responsible for formulating systematic policies, procedures and methods, as well as taking risk control measures. Under the senior management, the Operational Risk and Internal Control Management Committee subordinated to the Risk Management Committee, performs the responsibilities related to internal control and evaluates the sufficiency and effectiveness of internal control. The head office and branches have internal control and compliance departments which are responsible for the organisation, promotion and coordination of internal control.

In 2022, we continued to optimise our internal control system for higher governance capability in internal control of the Group. We advanced the orderly implementation of the 2021-2023 Development Plan for Internal Control System, improved internal governance, organisation structure and assessment system, and clarified internal control responsibilities. We promoted the compliance culture building, carried out the campaign with the theme of "Year for Value Improvement", and continuously refined the internal control environment. We improved methods and instruments, and enhanced the "9+X" foresighted identification and assessment of various risks. We strengthened dynamic risk monitoring in an effort to improve the capability of proactive prevention. We optimised the authorization management and system governance, and actively leveraged digital technologies and methods to strengthen the management on key positions, key areas and key links, thus constantly developing better capacities in the whole-process control. We advanced the development of data assets and the application of information technology, and boosted the collection, processing and analysis of information, with the aim of improving the efficiency and effectiveness of communication, and supporting our decision-making, implementation and supervision of business management. We improved the quality and efficiency of supervision, inspection and internal control assessment, further refined accountability system, made great efforts to strengthen the performance of responsibilities for case prevention and case investigation, in an endeavor to ensure stable operations.

Operational Risk Management

Operational risk is defined as the possibility of loss resulting from insufficient or problematic internal processes, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risk. There are seven major types of operational risks that we faced, including internal fraud, external fraud, employment system and workplace safety, customers, products and business activities, damage to physical assets, IT system, execution and delivery and process management. Among these, external fraud, execution, delivery and process management constitute our major sources of operational risk losses.

We strictly comply with regulatory requirements on operational risk management. The Board, the Board of Supervisors, the senior management and its Operational Risk Management Committee are respectively responsible for decision-making, supervision and execution with respect to operational risk management, and relevant departments act as the "three lines of defence" for operational risk management pursuant to their management functions, thus forming an operational risk management system with close connection and mutual checks and balances. Institutions and departments function as the first line of defence, and they assume the direct responsibility for respective operational risk management. Classified management departments such as Internal Control & Compliance, Legal Affairs, Security, Financial Technology, Finance & Accounting, Operation Management and Human Resources as well as cross-risk management

departments including Credit and Investment Management and Risk Management jointly perform the functions as the second line of defence, which are respectively responsible for the lead management of operational risk, the classified management of certain type of operational risk and the management of operational risk across credit and market risks. The Internal Audit Department performs the functions as the third line of defence and assumes the responsibility for supervision, and is responsible for supervising the effectiveness of operational risk management.

In 2022, we deepened operational risk management and improved the business continuity management system in line with regulatory focuses and operational risk trends, to ensure continuous business operation. In alignment with the regulatory requirements of the Basel Committee and the former CBIRC for operational risk management, we strengthened loss data management, optimized the operational risk management system, steadily advanced the project on meeting new operational risk regulations, and coordinated the self-assessment of operational risk and control, to enhance operational risk control in a constant manner. To improve the long-term case prevention mechanism, we issued the Administrative Measures for the Responsibility System for the Prevention of Criminal-related Cases, to consolidate the main responsibilities for case prevention, deepen the joint prevention and control of criminal-related cases and risk events, and normalize and standardize case warning and education in the whole bank. Besides, we continued to strengthen the grid-based intelligent control mechanism for abnormal employee behaviour, carried out special governance in key business areas, and intensified the analysis of abnormal employee behaviour, so as to enhance the capability in preventing violations. In 2022, our operational risk control system operated smoothly, and the operational risk was controllable on the whole.

LEGAL RISK

Legal risk is the risk of incurring legal sanctions, regulatory penalties, financial losses, reputational losses or other negative consequences that arises out of or in connection with our failure to comply with relevant laws, regulations, administrative rules, regulatory provisions or requirements of other relevant rules during our operation; the unfavourable legal defects that exist in products, services or information provided to clients, transactions engaged in, and contracts, agreements or other documents executed by us; legal disputes (litigation or arbitration proceedings) between us and our clients, counterparties and stakeholders; important changes in relevant laws and regulations, administrative rules, regulatory provisions and other relevant rules; and other relevant legal events that occur internally and externally.

Based on the objective to ensure legal and compliant operation, we always attach great importance to establishing a sound legal risk management system, forming a full-process legal risk prevention and control mechanism to support and secure business innovation and market competition, and to prevent and eliminate various potential or practical legal risks. The Board of Directors is responsible for reviewing and determining the strategy and policy relating to legal risk management and assumes the ultimate responsibility of legal risk management. The senior management is responsible for executing the strategy and policy relating to legal risk management, examining and approving relevant important affairs. The Legal Affairs Department of the head office is in charge of legal risk management across the Group, with relevant business departments providing related support and assistance on legal risk prevention and control. Our affiliates, domestic and overseas branches undertake the responsibility of legal risk management of their respective institutions.

In 2022, we continued to strengthen legal risk management, by improving the risk prevention and control capacity in legal risk management, ensuring the legal and compliant operation, healthy business development and overall business stability of the Group. In accordance with new laws and regulations, our business rules, relevant agreements and system construction were improved, and legal risk prevention and control in key areas and links was further pushed forward in line with new requirements of financial regulators. We also conducted ongoing monitoring of legal risks and improved both the vertical interconnection and horizontal coordination mechanism between the head office and branches. By systematically embedding legal risk prevention and control into business negotiations, product design, contract signing and other links, we made risk prevention and control more prospective, proactive and targeted. We improved the cross-border coordination and management for legal work, strengthened the legal risk management of overseas institutions, and enhanced the training of legal talents for overseas business, thus properly responding to cross-border legal issues emerging in the development of international operations. Moreover, we ameliorated the function design and management mechanism for the electronic signing system, to further enhance our risk control capability and usability, and effectively prevent and control operational risk, legal risk and reputational risk caused by misuse of contract seal.

We continuously reinforced authorisation management, related party management, trademark management and intellectual property protection, and made efforts to constantly institutionalise risk management and control and refine the structure of the system. We devoted great energy to strongly deal with lawsuit cases to protect our rights and interests in accordance with law and avoid and reduce risk losses. In addition to the active assistance in online judicial inquiry and enforcement, we played a positive role in improving the efficiency of law enforcement and case handling by competent authorities and building a social credibility system.

MONEY LAUNDERING RISK

In strict compliance with anti-money laundering ("**AML**") laws and regulations of China and host countries (regions) of overseas institutions, we sincerely fulfilled the legal obligations and social responsibilities concerning AML. Focusing on foundation solidifying, technology-driven empowerment and team building, we reinforced our money laundering risk management in a planned manner. We enhanced domestic institutions' capabilities in solidifying foundation for AML and established an AML customer due diligence system. We promoted the construction of a long-term mechanism for overseas AML management, and set up a sanction-related risk management framework. To appropriately implement money laundering risk assessment, we also built a new AML ecosystem and a big data supervision and management system. Besides, the campaign of "AML Training and Publicity Season" was launched to effectively enhance the ability of employees to perform AML responsibilities, and strengthen the public's awareness of resisting money laundering crimes and intensifying self-protection. With these efforts, the quality and efficiency of AML has been further improved.

Save as disclosed under "*Risk Factors – Other Risks Relating to Our Business – We may not be able to prevent fully or to detect timely any money laundering and other illegal or improper activities*", we are not currently aware of any money laundering or terrorist financing activities engaged in by, or involving any employee of, our domestic or overseas branches or subsidiaries which may materially and adversely affect our business, financial condition and results of operations.

REPUTATIONAL RISK

Reputational risk is defined as the risk of negative comments on us from stakeholders, the public or the media as a result of our behaviours or practitioners or external events and so on, thereby damaging brand value, detrimental to normal operation, and even affecting market and social stability. Reputational risk may arise in any part of our operation and management, and usually co-exists and correlates with credit risk, market risk, operational risk and liquidity risk. Good reputation is central to the operation and management of a commercial bank. We highly value our reputation and have incorporated reputational risk management in our corporate governance and enterprise-wide risk management system to prevent reputational risk.

The Board of Directors is responsible for reviewing and finalising bank-wide policies concerning reputational risk management that are in line with our strategic objective, establishing a bank-wide system of reputational risk management, monitoring the overall status and effectiveness of reputational risk management across the Group and assuming the ultimate responsibility for reputational risk management. The senior management is responsible for leading our reputational risk management, implementing the strategies and policies established by the Board, reviewing and finalising the rules, measures and operating procedures for reputational risk management, preparing plans for responding to and coping with extraordinarily major reputational risk events and ensuring the proper and effective operation of the reputational risk management system. We have established a special reputational risk management team to take charge of the daily management of reputational risk.

In 2022, we deepened the implementation of our reputational risk management rules and requirements, continuously improved the group-wide and whole-process reputational risk management system and kept optimizing the reputational risk working mechanism, for the constant improvement of reputational risk management. We strengthened the normalisation of reputational risk management, consolidated the responsibilities of management entities, and intensified the prevention and control of risk sources, to elevate the quality and efficiency of management. In addition, regarding the issues of social focusing, we timely responded to social concerns, organized and promoted influential brand communication activities, to enhance our brand image. In 2022, our reputational risk stood in a controllable range.

COUNTRY RISK

Country risk is the risk incurred to a bank arising from the inability or refusal by the debtor to repay bank debt, losses suffered by the bank or its commercial presence in such country or region and other losses due to political, economic and social changes and events in a country or a region. Country risk may be triggered by deterioration of economic conditions, political and social turmoil, asset nationalisation or expropriation, government's refusal to pay external debt, foreign exchange control or currency depreciation in a country or a region.

We strictly observe regulatory requirements on country risk management. The Board of Directors assumes the ultimate responsibility for the effectiveness of country risk management. The senior management is responsible for executing the country risk management policies approved by the Board. The Risk Management Committee of the head office is responsible for reviewing matters regarding country risk management. We manage and control country risk with a series of tools, including country risk assessment and rating, country risk limit, country risk exposure monitoring and stress testing. We review the country risk rating and limits at least once every year.

In 2022, we strictly abode by regulatory requirements and, with consideration of our business development needs, continued to strengthen country risk management, facing the increasingly complicated and severe external environment. We closely observed changes in country risk exposures, constantly tracked, monitored and reported country risk, and timely updated and adjusted the country risk rating and limits. We continued to strengthen early warning mechanism for country risk, proactively conducted stress testing on country risk and reasonably and effectively controlled country risk while steadily promoting internationalisation.

ASSETS AND LIABILITIES

Prospective investors should read the discussion and analysis of our financial condition and results of operations together with the Group's 2020, 2021 and 2022 Financial Statements and the Group's 2023 Interim Financial Statements together with the related notes thereto incorporated by reference in this Offering Circular. The consolidated financial information set forth below is derived from the financial statements incorporated by reference in this Offering Circular. Unless otherwise stated, all financial data discussed in this section are consolidated financial data.

ASSETS

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our total assets amounted to RMB33,345,058 million, RMB35,171,383 million, RMB39,609,657 million and RMB43,669,606 million, respectively. Our assets primarily comprise (i) loans and advances to customers, (ii) investment, (iii) cash and balances with central banks, (iv) due from banks and other financial institutions and (v) reverse repurchase agreements.

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

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Loans and advances to customers, gross	18,624,308	–	20,667,245	–	23,212,312	–	25,291,921	–
Add: Accrued interest	42,320	–	45,719	–	53,560	–	60,528	–
Less: Allowance for impairment losses on loans and advances to customers measured at amortised cost	530,300	–	603,764	–	672,224	–	750,354	–
Net loans and advances to customers	18,136,328	54.4	20,109,200	57.2	22,593,648	57.0	24,602,095	56.3
Investment	8,591,139	25.8	9,257,760	26.3	10,527,292	26.6	11,255,131	25.8
Cash and balances with central banks	3,537,795	10.6	3,098,438	8.8	3,427,892	8.7	3,671,553	8.4
Due from banks and other financial institutions	1,081,897	3.2	827,150	2.4	1,042,504	2.6	1,232,233	2.8
Reverse repurchase agreements	739,288	2.2	663,496	1.9	864,067	2.2	1,693,205	3.9
Other	1,258,611	3.8	1,215,339	3.4	1,154,254	2.9	1,215,389	2.8
Total assets	33,345,058	100.0	35,171,383	100.0	39,609,657	100.0	43,669,606	100.0

As at 31 December 2021, we had total assets of RMB35,171,383 million, representing an increase of 5.5 per cent. from total assets of RMB33,345,058 million as at 31 December 2020, of which loans and advances to customers increased by RMB2,042,937 million, or 11.0 per cent., investment increased by RMB666,621 million, or 7.8 per cent., and cash and balances with central banks decreased by RMB439,357 million, or 12.4 per cent. In terms of structure, net loans and advances to customers accounted for 57.2 per cent. of total assets, representing an increase of 2.8 per cent. from 31 December 2020; investment accounted for 26.3 per cent. of total assets, representing an increase of 0.5 per cent. from 31 December 2020; cash and balances with central banks accounted for 8.8 per cent. of total assets, representing a decrease of 1.8 per cent. from 31 December 2020; due from banks and other financial institutions accounted for 2.4 per cent. of total assets, representing a decrease of 0.8 per cent. from 31 December 2020; reverse repurchase agreements accounted for 1.9 per cent. of total assets, representing a decrease of 0.3 per cent. from 31 December 2020; and other assets accounted for 3.4 per cent. of total assets, representing a decrease of 0.4 per cent. from 31 December 2020.

As at 31 December 2022, we had total assets of RMB39,609,657 million, representing an increase of 12.6 per cent. from total assets of RMB35,171,383 million as at 31 December 2021, of which total loans and advances to customers increased by RMB2,545,067 million, or 12.3 per cent., investment increased by RMB1,269,532 million, or 13.7 per cent., and cash and balances with central banks increased by RMB329,454 million or 10.6 per cent. In terms of structure, net loans and advances to customers accounted for 57.0 per cent. of total assets, representing a decrease of 0.2 per cent. from 31 December 2021; investment accounted for 26.6 per cent. of total assets, representing an increase of 0.3 per cent. from 31 December 2021; cash and balances with central banks accounted for 8.7 per cent. of total assets, representing a decrease of 0.1 per cent. from 31 December 2021; due from banks and other financial institutions accounted for 2.6 per cent. of total assets, representing an increase of 0.2 per cent. from 31 December 2021; reverse repurchase agreements accounted for 2.2 per cent. of total assets, representing an increase of 0.3 per cent. from 31 December 2021; and other assets accounted for 2.9 per cent. of total assets, representing a decrease of 0.5 per cent. from 31 December 2021.

As at 30 June 2023, we had total assets of RMB43,669,606 million, representing an increase of 10.2 per cent. from total assets of RMB39,609,657 million as at 31 December 2022, of which total loans and advances to customers increased by RMB2,079,609 million, or 9.0 per cent., investment increased by RMB727,839 million, or 6.9 per cent., and cash and balances with central banks increased by RMB243,661 million or 7.1 per cent. In terms of structure, net loans and advances to customers accounted for 56.3 per cent. of total assets, representing a decrease of 0.7 per cent. from 31 December 2022; investment accounted for 25.8 per cent. of total assets, representing a decrease of 0.8 per cent. from 31 December 2022; cash and balances with central banks accounted for 8.4 per cent. of total assets, representing a decrease of 0.3 per cent. from 31 December 2022; due from banks and other financial institutions accounted for 2.8 per cent. of total assets, representing an increase of 0.2 per cent. from 31 December 2022; reverse repurchase agreements accounted for 3.9 per cent. of total assets, representing an increase of 1.7 per cent. from 31 December 2022; and other assets accounted for 2.8 per cent. of total assets, representing a decrease of 0.1 per cent. from 31 December 2022.

Loans and Advances to Customers

We provide a broad range of loan products to our customers, the majority of which are denominated in Renminbi. Loans and advances to customers are the largest component of our assets. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our net loans and advances to customers accounted for 54.4 per cent., 57.2 per cent., 57.0 per cent. and 56.3 per cent., respectively, of our total assets. For a description of the loan products we offer, see "*Description of the Bank – Our Business Operations*" of this Offering Circular.

Unless otherwise indicated in this Offering Circular, the following discussion is based on our gross loans and advances to customers, before taking into account the related allowance for impairment losses, rather than our net loans and advances to customers. Our loans and advances to customers are reported net of the allowance for impairment losses on our consolidated statement of financial position.

Our gross loans and advances to customers increased by 11.0 per cent. from RMB18,624,308 million as at 31 December 2020 to RMB20,667,245 million as at 31 December 2021. As at 31 December 2022, our gross loans and advances to customers amounted to RMB23,212,312 million, representing an increase of 12.3 per cent. compared to 31 December 2021. As at 30 June 2023, our gross loans and advances to customers amounted to RMB25,291,921 million, representing an increase of 9.0 per cent. compared to 31 December 2022.

In 2022, we planned and managed the scale, pace and structure of credit grants, and continued to improve the quality and efficiency of serving the real economy. We actively supported the construction of ongoing infrastructure projects and major projects making up for deficiencies in new urbanization and transportation areas, and effectively implemented the rural revitalization strategy. We also grasped the development opportunities of green finance comprehensively and continued to increase its investment and financing support for key fields of the advanced manufacturing industry such as intelligent manufacturing, digital economy, strategic emerging industries and transformation and upgrading of traditional industries.

In the first six months ended 30 June 2023, we made every effort to enhance the endogenous driving force of credit structure adjustment and serve the real economy, whilst maintaining our stable and controllable asset quality. We continued to strengthen financial support for key areas and weak links such as manufacturing, strategic emerging industries, sci-tech innovation, green finance, inclusive finance and rural revitalization.

As at 31 December 2021, RMB denominated loans of domestic branches were RMB18,929,925 million, representing an increase of 12.6 per cent. as compared to 31 December 2020. As at 31 December 2022, RMB denominated loans of domestic branches were RMB21,482,964 million, representing an increase of 13.5 per cent. as compared to 31 December 2021. As at 30 June 2023, RMB denominated loans of domestic branches were RMB23,477,389 million, representing an increase of 9.3 per cent. as compared to 31 December 2022.

Distribution of Gross Loans and Advances to Customers by Business Line

The following table sets forth a breakdown of our gross loans and advances to customers by business line as at the dates indicated.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Corporate loans	11,102,733	59.6	12,194,706	59.0	13,826,966	59.6	15,760,433	62.3
Discounted bills	406,296	2.2	527,758	2.6	1,148,785	4.9	1,055,573	4.2
Personal loans	7,115,279	38.2	7,944,781	38.4	8,236,561	35.5	8,475,915	33.5
Total	18,624,308	100.0	20,667,245	100.0	23,212,312	100.0	25,291,921	100.0

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our corporate loans accounted for 59.6 per cent., 59.0 per cent., 59.6 per cent. and 62.3 per cent., respectively, of our gross loans and advances to customers; and our personal loans accounted for 38.2 per cent., 38.4 per cent., 35.5 per cent. and 33.5 per cent., respectively, of our gross loans and advances to customers.

The total size of our corporate loan portfolio has continued to grow during the periods under review. Our corporate loans increased by 9.8 per cent. from RMB11,102,733 million as at 31 December 2020 to RMB12,194,706 million as at 31 December 2021. As at 31 December 2022, our corporate loans increased by 13.4 per cent. from RMB12,194,706 million as at 31 December 2021 to RMB13,826,966 million. As at 30 June 2023, our corporate loans increased by 14.0 per cent. from RMB13,826,966 million as at 31 December 2022 to RMB15,760,433 million.

In 2022 and the first six months ended 30 June 2023, we continued to strengthen our support for manufacturing, strategic emerging industries, green finance, inclusive finance, rural revitalization and other key fields, and steadily carried forward the corporate credit distribution to "New manufacturing, New services, New basic industries and High-tech industries" customer groups. As a result, our corporate loans in key strategic areas such as the Beijing-Tianjin-Hebei region, Yangtze River Delta, Guangdong-Hong Kong-Macao Greater Bay Area, Central China and Chengdu-Chongqing economic circle continued to grow.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our total discounted bills accounted for 2.2 per cent., 2.6 per cent., 4.9 per cent. and 4.2 per cent., respectively, of our gross loans and advances to customers. Our discounted bills increased by RMB121,462 million to RMB527,758 million as at 31 December 2021 from RMB406,296 million as at 31 December 2020. As at 31 December 2022, our discounted bills increased by RMB621,027 million to RMB1,148,785 million from RMB527,758 million as at 31 December 2021. As at 30 June 2023, our discounted bills decreased by RMB93,212 million to RMB1,055,573 million from RMB1,148,785 million as at 31 December 2022.

Our personal loans were increased from 31 December 2020 to 30 June 2023. Our total personal loans increased by 11.7 per cent. from RMB7,115,279 million as at 31 December 2020 to RMB7,944,781 million as at 31 December 2021. As at 31 December 2022, our personal loans increased by 3.7 per cent. from RMB7,944,781 million as at 31 December 2021 to RMB8,236,561 million, of which, personal consumption loan grew by RMB47,062 million or 25.1 per cent. and personal business loans increased by RMB227,599 million or 32.4 per cent. In the first six months ended 30 June 2023, we increased our preferential support for housing loans to benefit the people and better meet the rigid and improving housing needs of the residents. We scaled up the financing support for small and micro enterprise owners and individual businesses. Besides, we vigorously developed the personal credit consumption loan business to promote the continuous recovery of consumption. As at 30 June 2023, our personal loans increased by 2.9 per cent. from RMB8,236,561 million as at 31 December 2022 to RMB8,475,915 million.

Corporate Loans

Distribution of corporate loans by maturity

The following table sets forth, as at the dates indicated, our corporate loans by maturity.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Short-term corporate loans[(1)]	2,643,212	23.8	2,737,742	22.5	3,150,517	22.8	3,755,221	23.8
Medium to long-term corporate loans[(2)]	8,459,521	76.2	9,456,964	77.5	10,676,449	77.2	12,005,212	76.2
Total corporate loans	11,102,733	100.00	12,194,706	100.00	13,826,966	100.00	15,760,433	100.0

Notes:

(1) Short-term corporate loans represent our corporate loans that have a maturity of 12 months or less according to the respective loan contracts.

(2) Medium to long-term corporate loans represent our corporate loans that have a maturity of more than 12 months according to the respective loan contracts.

Medium to long-term corporate loans constituted a relatively large proportion of our corporate loans during the periods under review. As at 31 December 2020, 2021 and 2022 and 30 June 2023, our medium to long-term corporate loans accounted for 76.2 per cent., 77.5 per cent., 77.2 per cent. and 76.2 per cent. respectively, of our total corporate loans. Our medium to long-term corporate loans were RMB8,459,521 million as at 31 December 2020 and increased by 11.8 per cent. to RMB9,456,964 million as at 31 December 2021, increased by 12.9 per cent. to RMB10,676,449 million as at 31 December 2022, and further increased by 12.4 per cent. to RMB12,005,212 million as at 30 June 2023.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our short-term corporate loans accounted for 23.8 per cent., 22.5 per cent., 22.8 per cent. and 23.8 per cent. respectively, of our total corporate loans. As at 31 December 2021, our short-term corporate loans amounted to RMB2,737,742 million, representing an increase by 3.6 per cent. from 31 December 2020. As at 31 December 2022, our short-term corporate loans amounted to RMB3,150,517 million, representing an increase by 15.1 per cent. from 31 December 2021. As at 30 June 2023, our short-term corporate loans amounted to RMB3,755,221 million, representing an increase by 19.2 per cent. from 31 December 2022.

Distribution of corporate loans by industry

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

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Transportation, storage and postal services	2,467,959	25.2	2,816,789	25.8	3,149,183	25.1	3,425,926	23.7
Manufacturing	1,555,382	15.9	1,654,610	15.1	1,949,461	15.5	2,376,627	16.5
Leasing and commercial services	1,441,688	14.8	1,667,376	15.2	1,892,850	15.1	2,207,799	15.3
Production and supply of electricity, heat, gas and water	995,232	10.2	1,065,459	9.7	1,211,580	9.6	1,372,980	9.5

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Water, environment and public utility management	1,154,201	11.8	1,370,252	12.5	1,511,785	12.0	1,688,442	11.7
Wholesale and retail	437,283	4.5	464,169	4.2	531,845	4.2	680,038	4.7
Real estate	701,094	7.2	705,714	6.5	724,802	5.8	767,190	5.3
Construction	260,667	2.7	312,849	2.9	359,345	2.9	458,160	3.2
Mining	177,408	1.8	203,130	1.9	226,500	1.8	287,131	2.0
Science, education, culture and sanitation	245,378	2.5	287,601	2.6	340,146	2.7	378,386	2.6
Lodging and catering	83,886	0.9	73,063	0.7	–	–	–	–
Other	247,866	2.5	317,641	2.9	657,994	5.3	787,367	5.5
Total	9,768,044	100.0	10,938,653	100.0	12,555,491	100.0	14,430,046	100.0

As at 31 December 2022 and 30 June 2023, a majority of the corporate loan customers of our domestic branches operated in the (i) transportation, storage and postal services, (ii) leasing and commercial services, (iii) manufacturing, (iv) water, environment and public utility management and (v) production and supply of electricity, heat, gas and water which accounted for approximately 25.1 per cent., 15.1 per cent., 15.5 per cent., 12.0 per cent. and 9.6 per cent., respectively, of the total corporate loans of our domestic branches as at 31 December 2022 and approximately 23.7 per cent., 15.3 per cent., 16.5 per cent., 11.7 per cent. and 9.5 per cent., respectively, of the total corporate loans of our domestic branches as at 30 June 2023. As at 31 December 2020, 2021 and 2022 and 30 June 2023, the balance of our domestic branches' corporate loans in the top five industries in aggregate accounted for 77.9 per cent., 78.3 per cent., 77.3 per cent. and 76.7 per cent., respectively, of the total corporate loans of our domestic branches.

In 2022 and the first six months ended 30 June 2023, we continued to propel the optimization and adjustment of the credit industry structure and stepped up efforts to shore up the development of the real economy. Of our domestic branches, loans to transportation, storage and postal services as at 31 December 2022 increased by RMB332,394 million as compared with 31 December 2021, representing a growth rate of 11.8 per cent., and as at 30 June 2023 increased by RMB276,743 million as compared with 31 December 2022, representing a growth rate of 8.8 per cent., mainly focusing on supporting the project construction of highways, railways, airports and berths, as well as the liquidity needs of high-quality customers such as China Railway, airlines and port groups. Loans to leasing and commercial services as at 31 December 2022 increased by RMB225,474 million as compared with 31 December 2021, representing a growth rate of 13.5 per cent., mainly to provide financing support for infrastructure, public services and major people's livelihood projects, as well as to meet the financing needs of industrial R&D and high-tech park construction, and loans to leasing and commercial services as at 30 June 2022 increased by RMB314,949 million as compared with 31 December 2022, representing a growth rate of 16.6 per cent., mainly to provide financing support for infrastructure, public services and major people's livelihood projects, as well as to meet the financing needs of industrial R&D and high-tech park construction. Loans to water, environment and public utility management as at 31 December 2022 grew by RMB141,533 million as compared with 31 December 2021, representing a growth rate of 10.3 per cent., and as at 30 June 2023 grew by RMB176,657 million as compared with 31 December 2022, representing a growth rate of 11.7 per cent., mainly for major projects in the areas of new urbanization and water conservancy facilities as well as the areas of people's livelihood such as urban public utilities and environmental remediation. Loans to the manufacturing industry as at 31 December 2022 rose by RMB294,851 million as compared with 31 December 2021, representing an increase of 17.8 per cent. The Bank continuously increased its support for the manufacturing industry. Loans to enterprises in advanced manufacturing fields such as new-generation information technology, automobile manufacturing, pharmaceutical manufacturing, large-scale refining and chemical projects, and electrical equipment increased rapidly. Loans to the manufacturing industry as at 30 June 2023 further rose by RMB427,166 million as compared with 31 December 2022, representing an increase of 21.9 per cent., mainly invested in leading backbone enterprises and key projects in high-end manufacturing such as new-generation information technology, electric power equipment, automobile manufacturing, and large-scale refining and chemical projects.

We continued to strengthen risk management of financing in various industries, improved the quality and efficiency in the disposal of non-performing assets, and properly carried out risk prevention and mitigation in key areas. With these efforts, the loan quality was generally stable.

Personal Loans

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

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Residential mortgages	5,728,315	80.5	6,362,685	80.1	6,431,991	78.1	6,374,390	75.2
Personal consumption loans	183,716	2.6	187,316	2.4	234,378	2.8	262,397	3.1
Personal business loans	521,638	7.3	702,441	8.8	930,040	11.3	1,189,042	14.0
Credit card overdrafts	681,610	9.6	692,339	8.7	640,152	7.8	650,086	7.7
Total personal loans	7,115,279	100.0	7,944,781	100.0	8,236,561	100.0	8,475,915	100.0

Residential mortgages are the largest component of our personal loans. Our residential mortgages were RMB5,728,315 million as at 31 December 2020, and increased by RMB634,370 million or 11.1 per cent. to RMB6,362,685 million as at 31 December 2021. As at 31 December 2022, our residential mortgages further increased by RMB69,306 million or 1.1 per cent. to RMB6,431,991 million as compared to 31 December 2021. As at 30 June 2023, our residential mortgages decreased by RMB57,601 million or 0.9 per cent. to RMB6,374,390 million as compared to 31 December 2022.

Our personal consumption loans were RMB183,716 million as at 31 December 2020, and increased by RMB3,600 million or 2.0 per cent. to RMB187,316 million as at 31 December 2021. As at 31 December 2022, our personal consumption loans increased by RMB47,062 million or 25.1 per cent. to RMB234,378 million as compared to 31 December 2021. As at 30 June 2023, our personal consumption loans increased by RMB28,019 million or 12.0 per cent. to RMB262,397 million as compared to 31 December 2022.

Our personal business loans were RMB521,638 million as at 31 December 2020, and increased by RMB180,803 million or 34.7 per cent. to RMB702,441 million as at 31 December 2021, which was mainly due to the good reputation and increasing market shares of online inclusive finance product "e-Mortgage Quick Loan", as compared to 31 December 2020. As at 31 December 2022, our personal business loans increased by RMB227,599 million or 32.4 per cent. over 31 December 2021. As at 30 June 2023, our personal business loans further increased by RMB259,002 million or 27.8 per cent. to RMB1,189,042 million.

Our credit card overdrafts were RMB681,610 million as at 31 December 2020, and increased by RMB10,729 million or 1.6 per cent. to RMB692,339 million as at 31 December 2021.

As at 31 December 2022, our credit card overdrafts further decreased by RMB52,187 million or 7.5 per cent. to RMB640,152 million as compared to 31 December 2021. As at 30 June 2023, our credit card overdrafts increased by RMB9,934 million or 1.6 per cent. to RMB650,086 million as compared to 31 December 2022.

Distribution of Gross Loans and Advances to Customers by Geographic Area

We classify loans and advances to customers geographically based on the location of the branch that originates the loan. There is generally a high correlation between the location of the borrower and the location of the branch that originates the loan, except in the case of our head office. The following table sets forth, as at the dates indicated, the distribution of our total loans to customers by geographic area.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Head Office	772,372	4.1	791,994	3.8	747,980	3.2	729,104	2.9
Yangtze River Delta	3,582,682	19.2	4,163,732	20.2	4,798,204	20.7	5,371,335	21.2
Pearl River Delta	2,746,019	14.8	3,134,781	15.2	3,621,603	15.6	3,947,251	15.6
Bohai Rim	3,030,552	16.3	3,371,325	16.3	3,816,621	16.5	4,182,767	16.5
Central China	2,789,085	15.0	3,133,539	15.2	3,561,290	15.3	3,887,951	15.4
Western China	3,369,916	18.1	3,746,867	18.1	4,225,369	18.2	4,593,159	18.2
Northeastern China	841,595	4.5	895,238	4.3	978,246	4.2	1,053,039	4.2
Overseas and other	1,492,087	8.0	1,429,769	6.9	1,462,999	6.3	1,527,315	6.0
Gross loans and advances to customers	18,624,308	100.0	20,667,245	100.0	23,212,312	100.0	25,291,921	100.0

Our loan business spans the PRC, with each of the Yangtze River Delta, Pearl River Delta, Bohai Rim, Central China and Western China regions representing more than 10 per cent. of our gross loans and advances to customers during the periods under review. The Yangtze River Delta region was our largest loan concentration during the periods under review, representing 19.2 per cent., 20.2 per cent., 20.7 per cent. and 21.2 per cent., respectively, of our gross loans and advances to customers as at 31 December 2020, 2021 and 2022 and 30 June 2023. Our loans in the Yangtze River Delta region were RMB3,582,682 million as at 31 December 2020, and increased by 16.2 per cent. to RMB4,163,732 million as at 31 December 2021. As at 31 December 2022, our loans in the Yangtze River Delta region further increased by 15.2 per cent. to RMB4,798,204 million as compared to 31 December 2021. As at 30 June 2023, our loans in the Yangtze River Delta region further increased by 11.9 per cent. to RMB5,371,335 million as compared to 31 December 2022.

As at 31 December 2021, our overseas and other loans were RMB1,429,769 million, decreased by RMB62,318 million or 4.2 per cent. from RMB1,492,087 million as at 31 December 2020. As at 31 December 2022, our overseas and other loans increased by RMB33,230 million or 2.3 per cent. to RMB1,462,999 million as compared to 31 December 2021. As at 30 June 2023, our overseas and other loans increased by RMB64,316 million or 4.4 per cent. to RMB1,527,315 million as compared to 31 December 2022.

Borrower Concentration

As at 31 December 2020, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.5 per cent. and 14.8 per cent. of our net capital, respectively. As at 31 December 2021, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.6 per cent. and 14.2 per cent. of our net capital, respectively. As at 31 December 2022, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.8 per cent. and 16.0 per cent. of our net capital, respectively. As at 30 June 2023, the total amount of loans granted by us to the single largest customer and top ten single customers accounted for 3.8 per cent. and 18.6 per cent. of our net capital, respectively. As at 31 December 2020, 2021 and 2022 and 30 June 2023, the total amount of loans granted to the top ten single customers was RMB501,463 million, RMB554,249 million, RMB684,780 million and RMB834,139 million, respectively, accounting for 2.7 per cent., 2.7 per cent., 3.0 per cent. and 3.3 per cent. of the total loans as at that date.

Loan Interest Rate Profile

In recent years, as part of the overall reform of the PRC banking system, the PBOC has implemented a series of initiatives to gradually liberalise interest rates and move towards a more market-based interest rate regime. In July 2013, the PBOC removed the lower limit of the floating range of lending interest rates, providing more flexibility to commercial banks in the PRC to determine their own lending interest rates. To manage interest rate risk, we usually set a floating interest rate for loans with a maturity period of more than one year. We generally set a fixed interest rate for loans with a maturity period equal to or less than one year. For personal loans with floating interest rates, we generally adjust our interest rates on the first day of the year that is subsequent to the year in which the benchmark interest rates are adjusted. For corporate loans with floating interest rates, we generally adjust our interest rates on the anniversary of the date upon which the loan agreement was executed.

On 25 October 2013, PBOC introduced a new prime lending rate, officially known as LPR, which is based on a weighted average of lending rates from nine commercial banks. For the purposes of deepening the market-oriented reform of interest rate, on 17 August 2019, the PBOC issued the Announcement on the Decision to Reform and Improve the Formation Mechanism of Loan Prime Rate (LPR) (Announcement No. 15 [2019] of the PBOC) (中國人民銀行公告[2019]第15號–關於中國人民銀行決定改革完善貸款市場報價利率(LPR)形成機制的公告) (the "**Announcement**"). According to the Announcement, all banks shall take the LPR as the major pricing reference for the newly granted loans and adopt the LPR as the pricing benchmark in the floating-rate loan contracts. Furthermore, the types of LPR quoting banks are expanded to include urban commercial banks, rural commercial banks, foreign-funded banks, and private banks, in addition to the original national banks, and the number of quoting banks is 18. The list of such banks will be assessed and adjusted on a regular basis.

Asset Quality of Our Loan Portfolio

In determining the classification of our loan portfolio, we assess, on a case-by-case basis, the likelihood of repayment by the borrower and the collectability of principal and interest on the loan. Our assessment is generally based on a series of general principles that are derived from guidelines of the former CBIRC (now NAFR) and PBOC. These general principles focus on a number of factors, including (i) the borrower's ability to repay the loan, based on such factors as the borrower's financial condition, its profitability and cash flow; (ii) the borrower's repayment history; (iii) the borrower's willingness to repay; (iv) the level of security provided depending on the type and value of collateral; (v) the prospect for support from any financially responsible guarantor; (vi) the remaining maturity of the loan; (vii) the structure and the seniority of the loan; and (viii) the length of time by which payment of principal or interest on a loan is overdue.

The following is a summary of these general principles:

Pass. Loans may be classified as "pass" only if the borrowers are able to honour the terms of their loans and there is no reason to doubt that the principal and interest payments will not be made in full and on a timely basis. Loans in the pass category generally demonstrate one or more of the following characteristics:

- the borrower maintains sound operations and generates adequate cash flows.
- principal and interest payments on the loan are made on a timely basis.
- the guarantee or collateral securing the loan, if any, is valid, effective and sufficient.

Special mention. Loans may be classified as "special mention" if the borrowers have the current ability to repay principal and interest on the loans but the following adverse circumstances exist:

- the operational and financial status of the borrower has changed.
- the value of collateral has decreased or the operational and financial status of the guarantor has changed.
- macroeconomic, industry or market conditions have changed.

Substandard. Loans may be classified as "substandard" if the borrowers' inability to repay loans becomes evident to the extent that they are unable to rely solely on their ordinary course of operations to repay principal or interest on the loans and it becomes evident that we will incur certain loan losses even if any collateral or guarantees securing the loans are enforced. Loans in the substandard category generally demonstrate the following characteristics:

- the borrower has difficulty in repaying the loan.
- the loan needs to be restructured due to adverse changes in the borrower's financial condition or its inability to make payments.

Doubtful. Loans may be classified as "doubtful" if the borrowers become unable to repay principal and interest on the loans in full and it becomes evident that we will incur significant loan losses even if any collateral or guarantees securing the loans are enforced. Loans in the doubtful category generally demonstrate the following characteristics:

- the borrower has completely or partially suspended its operations.
- the project for which the loan was extended has been terminated or suspended due to funding shortages, worsening operating conditions, litigation or other reasons.
- the loan is still overdue or the borrower is still unable to repay the loan in full notwithstanding its restructuring.

Loss. Loans may be classified as a "loss" if none or only a small portion of the principal and interest on the loans can be recovered after exhausting all possible measures and legal remedies.

Distribution of Loans by Five-Category Loan Classification System

The following table sets forth, as at the dates indicated, our loans to customers in each category of our five-category loan classification system. Loans classified as Substandard, Doubtful or Loss are considered NPLs.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Pass	17,918,430	96.21	19,961,778	96.59	22,439,514	96.67	24,494,943	96.85
Special mention	411,900	2.21	412,038	1.99	451,628	1.95	453,373	1.79
Subtotal	18,330,330	98.42	20,373,816	98.58	22,891,142	98.62	24,948,316	98.64
Substandard	114,438	0.61	134,895	0.66	158,372	0.68	154,610	0.61
Doubtful	149,926	0.81	128,983	0.62	118,574	0.51	123,780	0.49
Loss	29,614	0.16	29,551	0.14	44,224	0.19	62,215	0.26
Subtotal	293,978	1.58	293,429	1.42	321,170	1.38	343,605	1.36
Gross loans and advances to customers	18,624,308	100.00	20,667,245	100.00	23,212,312	100.00	25,291,921	100.0
NPL ratio[(1)]		1.58		1.42		1.38		1.36

Note:

(1) Calculated by dividing the balance of NPLs by total balance of gross loans and advances to customers.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, the NPL ratios of our total loan portfolio were 1.58 per cent., 1.42 per cent., 1.38 per cent. and 1.36 per cent., respectively. As at 31 December 2021, the NPL ratio decreased 16 basis points from the end of 2020 and basically returned to the pre-pandemic level. As at 31 December 2022, the NPL ratio further decreased 4 basis points from the end of 2021 and the overdue loan rate decreased by 1 basis point from the end of 2021. As at 30 June 2023, the NPL ratio decreased 2 basis points from the end of 2022, and the overdue loan rate decreased by 4 basis points from the end of 2022.

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our allowance to NPLs was 180.68 per cent., 205.84 per cent., 209.47 per cent. and 218.62 per cent. respectively and our allowance to total loan ratios was 2.85 per cent., 2.92 per cent., 2.90 per cent. and 2.97 per cent. respectively.

Distribution of NPLs by Business Line

The following table sets forth, as at the dates indicated, our NPLs by business line.

	As at 31 December									As at 30 June		
	2020			2021			2022			2023		
	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]
	(in RMB millions, except for percentages)											
Corporate loans	253,815	86.34	2.29	254,887	86.86	2.09	271,615	84.57	1.96	287,919	83.79	1.83
Discounted bills	622	0.21	0.15	–	–	–	–	–	–	–	–	–
Personal loans	39,541	13.45	0.56	38,542	13.14	0.49	49,555	15.43	0.60	55,686	16.21	0.66
Total NPLs	293,978	100.00	1.58	293,429	100.00	1.42	321,170	100.00	1.38	343,605	100.00	1.36

Note:

(1) Calculated by dividing the balance of NPL in each category by total balance of gross loans and advances to customers in that category.

As at 31 December 2021, the balance of non-performing corporate loans stood at RMB254,887 million, representing an NPL ratio of 2.09 per cent. and an increase of RMB1,072 million or 0.42 per cent. from RMB253,815 million as at 31 December 2020. As at 31 December 2022, the balance of non-performing corporate loans stood at RMB271,615 million, representing an NPL ratio of 1.96 per cent. and an increase of RMB16,728 million or 6.5 per cent. from RMB254,887 million as at 31 December 2021. As at 30 June 2023, the balance of non-performing corporate loans stood at RMB287,919 million, representing an NPL ratio of 1.83 per cent. and an increase of RMB16,304 million or 6.0 per cent. from RMB271,615 million as at 31 December 2022.

As at 31 December 2021, the balance of non-performing personal loans stood at RMB38,542 million, representing an NPL ratio of 0.49 per cent. and a decrease of RMB999 million or 2.5 per cent. from RMB39,541 million as at 31 December 2020. As at 31 December 2022, the balance of non-performing personal loans stood at RMB49,555 million, representing an NPL ratio of 0.6 per cent. and an increase of RMB11,013 million or 28.6 per cent. from RMB38,542 million as at 31 December 2021. As at 30 June 2023, the balance of non-performing personal loans stood at RMB55,686 million, representing an NPL ratio of 0.66 per cent. and an increase of RMB6,131 million or 12.4 per cent. from RMB49,555 million as at 31 December 2022.

As at 31 December 2021 and 2022 and 30 June 2023, the balance of non-performing discounted bills stood at nil.

Distribution of NPLs by Geographic Areas

The following table sets forth, as at the dates indicated, the distribution of our NPLs by geographic areas.

	As at 31 December									As at 30 June		
	2020			2021			2022			2023		
	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]
	(in RMB millions, except for percentages)											
Head Office	21,603	7.35	2.80	21,668	7.38	2.74	18,443	5.74	2.47	22,950	6.68	3.15
Yangtze River Delta	45,304	15.41	1.26	35,149	11.98	0.84	32,910	10.25	0.69	35,081	10.21	0.65
Pearl River Delta	31,540	10.73	1.15	33,860	11.54	1.08	47,328	14.74	1.31	51,955	15.12	1.32
Bohai Rim	71,763	24.41	2.37	72,241	24.62	2.14	69,989	21.79	1.83	74,695	21.74	1.79
Central China	38,584	13.12	1.38	40,046	13.65	1.28	40,888	12.73	1.15	39,532	11.51	1.02
Western China	47,788	16.26	1.42	47,031	16.03	1.26	71,038	22.12	1.68	73,977	21.53	1.61
Northeastern China	28,411	9.66	3.38	30,600	10.43	3.42	29,203	9.09	2.99	27,328	7.95	2.60
Overseas and other	8,985	3.06	0.60	12,834	4.37	0.90	11,371	3,54	0.78	18,087	5.26	1.18
Total NPLs	293,978	100.00	1.58	293,429	100.00	1.42	321,170	100.00	1.38	343,605	100.00	1.36

Note:

(1) Calculated by dividing the balance of NPL from each geographic area by total balance of gross loans and advances to customers in that region.

Comparing to 31 December 2021, as at 31 December 2022, the Pearl River Delta and Western China regions witnessed increases in NPL ratios, while the head office, Yangtze River Delta, Bohai Rim, Central China, Northeastern China, and Overseas and others regions witnessed decreases in NPL ratios. Comparing to 31 December 2022, as at 30 June 2023, the head office, Pearl River Delta and Overseas and others regions witnessed increases in NPL ratios, while the Northeastern China, Yangtze River Delta, Bohai Rim, Central China, and Western China regions witnessed decreases in NPL ratios.

Distribution of Non-performing Corporate Loans of Domestic Branches by Industry

The following table sets forth, as at the dates indicated, the distribution of our non-performing corporate loans of domestic branches (excluding discounted bills) by industry.

	As at 31 December									As at 30 June		
	2020			2021			2022			2023		
	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]	Amount	% of total	NPL ratio[1]
	(in RMB millions, except for percentages)											
Transportation, storage and postal services	20,683	8.4	0.84	24,762	10.2	0.88	19,324	7.4	0.61	20,225	7.5	0.59
Manufacturing	65,361	26.7	4.20	61,602	25.4	3.72	58,944	22.6	3.02	55,007	20.3	2.31
Production and supply of electricity, heat, gas and water	3,977	1.6	0.40	8,653	3.6	0.81	8,406	3.2	0.69	8,702	3.2	0.63
Leasing and commercial services	31,242	12.7	2.17	33,824	14.0	2.03	38,188	14.6	2.02	46,779	17.3	2.12
Water, environment and public utility management	8,425	3.4	0.73	11,379	4.7	0.83	23,864	9.1	1.58	22,542	8.3	1.34
Wholesale and retail	60,272	24.6	13.78	38,558	15.9	8.31	31,696	12.2	5.96	30,427	11.2	4.47
Real estate	16,238	6.6	2.32	33,820	14.0	4.79	44,531	17.1	6.14	51,226	18.9	6.68
Mining	7,593	3.1	4.28	3,470	1.4	1.71	2,706	1.0	1.19	2,638	1.0	0.92
Construction	8,636	3.5	3.31	5,538	2.3	1.77	7,513	2.9	2.09	9,308	3.4	2.03
Science, education, culture and sanitation	5,462	2.2	2.23	6,947	2.9	2.42	8,337	3.2	2.45	7,796	2.9	2.06
Lodging and catering	11,743	4.8	14.00	8,095	3.3	11.08	–	–	–	–	–	–
Other	5,495	2.2	2.22	5,732	2.3	1.80	17,422	6.7	2.65	16,176	6.0	2.05
Total	245,127	100.0	2.51	242,380	100.0	2.22	260,931	100.0	2.08	270,826	100.0	1.88

Note:

(1) Calculated by dividing the balance of NPL from each category by the total balance of gross loans and advances to customers in that category.

The NPL ratio of our loans in the manufacturing sector amounted to 4.20 per cent. as at 31 December 2020 and decreased to 3.72 per cent. as at 31 December 2021, then decreased to 3.02 per cent. as at 31 December 2022, and further decreased to 2.31 per cent. as at 30 June 2023.

The NPL ratio of our loans in the wholesale and retail sector amounted to 13.78 per cent. as at 31 December 2020 and decreased to 8.31 per cent. as at 31 December 2021. As at 31 December 2022, the NPL ratio of our loans in the wholesale and retail sector decreased to 5.96 per cent., and further decreased to 4.47 per cent. as at 30 June 2023.

The NPL ratio of our loans in the transportation, storage and postal services sector amounted to 0.84 per cent. as at 31 December 2020 and increased to 0.88 per cent. as at 31 December 2021, then decreased to 0.61 per cent. as at 31 December 2022, and decreased to 0.59 per cent. as at 30 June 2023.

The NPL ratio of our loans in the real estate sector amounted to 2.32 per cent. as at 31 December 2020 and increased to 4.79 per cent. as at 31 December 2021, and further increased to 6.14 per cent. as at 31 December 2022, and further increased to 6.68 per cent. as at 30 June 2023.

Loan Aging Schedule

The following table sets forth, as at the dates indicated, our loan aging schedule for our gross loans and advances to customers.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Current loans	18,356,801	98.56	20,412,344	98.77	22,928,281	98.78	24,994,372	98.82
Loans past due[(1)] for:								
Less than 3 months	98,963	0.54	72,444	0.35	93,802	0.40	107,738	0.43
3 months to 1 year	74,820	0.40	70,057	0.34	79,509	0.34	77,142	0.31
1 to 3 years	72,467	0.39	93,247	0.45	91,177	0.40	91,300	0.36
Over 3 years	21,257	0.11	19,153	0.09	19,543	0.08	21,369	0.08
Subtotal	267,507	1.44	254,901	1.23	284,031	1.22	297,549	1.18
Gross loans and advances to customers	18,624,308	100.00	20,667,245	100.00	23,212,312	100.00	25,291,921	100.00

Note:

(1) Loans and advances to customers are deemed overdue when either the principal or interest is overdue. For loans and advances to customers repayable by instalments, the total amount of loans is deemed overdue if part of the instalments is overdue.

The proportion of our loans and advances to customers that were deemed overdue was 1.44 per cent. as at 31 December 2020. As at 31 December 2021, the proportion of our loans and advances to customers that were deemed overdue decreased to 1.23 per cent., then decreased to 1.22 per cent. as at 31 December 2022, and further decreased to 1.18 per cent. as at 30 June 2023.

Allowance for Impairment Losses on Loans and Advances to Customers

From 1 January 2018, we adopted IFRS 9 which introduced new requirements for measurement of impairment for financial assets. The new impairment model in IFRS 9 replaces the "incurred loss" model in IAS 39 with an "expected credit loss ("**ECL**")" model. Under the ECL model, it is no longer necessary for a loss event to occur before an impairment loss is recognised. Instead, we are required to recognise and measure either a 12-month expected credit loss or lifetime expected credit loss, depending on the asset and the facts and circumstances which results in an early recognition of credit losses. Except for credit-impaired corporate loans and advances to customers, we continued to measure our ECL based on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. For the impairment loss on credit-impaired corporate loans and advances to customers, we applied the cash flow discount method. The amount of the impairment loss on credit-impaired corporate loans and advances is measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate, and the allowance for impairment loss is deducted in the carrying amount.

For a description of our methods in calculating the estimated recoverable amount of loans, see Notes 4(10) and 50(a) to the Group's 2022 Financial Statements incorporated by reference in this Offering Circular.

Changes to Allowance for Impairment Losses

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the six months ended 30 June 2023:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
Balance at 1 January 2023	278,715	141,586	251,923	672,224
Transfer:				
To stage 1	29,161	(26,613)	(2,548)	–
To stage 2	(3,966)	6,472	(2,506)	–
To stage 3	(3,638)	(30,891)	34,529	–
Charge for the period	48,570	44,768	14,910	108,248
Write-offs and transfer out	–	–	(38,137)	(38,137)
Recoveries of loans and advances previously written off	–	–	6,877	6,877
Other movements	712	782	(352)	1,142
Balance at 30 June 2023	349,554	136,104	264,696	750,354

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2022:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
Balance at 1 January 2022	269,376	110,649	223,739	603,764
Transfer:				
To stage 1	31,002	(28,109)	(2,893)	–
To stage 2	(11,705)	15,684	(3,979)	–
To stage 3	(4,594)	(49,676)	54,270	–
Charge for the year	(6,642)	92,227	57271	142,856
Write-offs and transfer out	–	–	(85,157)	(85,157)
Recoveries of loans and advances previously written off	–	–	9,529	9,529
Other movements	1,278	811	(857)	1,232
Balance at 31 December 2022	278,715	141,586	251,923	672,224

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2021:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
Balance at 1 January 2021	223,703	89,151	217,446	530,300
Transfer:				
To stage 1	17,860	(15,581)	(2,279)	–
To stage 2	(9,856)	14,056	(4,200)	–
To stage 3	(3,534)	(35,319)	38,853	–
Charge for the year	41,831	58,906	67,614	168,351
Write-offs and transfer out	–	–	(100,447)	(100,447)
Recoveries of loans and advances previously written off	–	–	9,020	9,020
Other movements	(628)	(564)	(2,268)	(3,460)
Balance at 31 December 2021	269,376	110,649	223,739	603,764

The following table sets forth the changes to our allowance for impairment losses on loans and advances to customers measured at amortised cost for the year ended 31 December 2020:

	Stage 1	Stage 2	Stage 3	Total
	(in RMB millions)			
Balance at 1 January 2020	215,316	78,494	184,688	478,498
Transfer:				
To stage 1	24,002	(22,507)	(1,495)	–
To stage 2	(6,913)	9,311	(2,398)	–
To stage 3	(4,838)	(53,754)	58,592	–
Charge for the year	(2,984)	78,244	95,941	171,201
Write-offs and transfer out	–	(7)	(120,317)	(120,324)
Recoveries of loans and advances previously written off	–	–	4,977	4,977
Other movements	(880)	(630)	(2,542)	(4,052)
Balance at 31 December 2020	223,703	89,151	217,446	530,300

Our allowance for impairment losses on loans as at 31 December 2021 amounted to RMB603,983 million, representing an increase of RMB72,822 million or 13.7 per cent. from RMB531,161 million as at 31 December 2020. As at 31 December 2022, our allowance for impairment losses on loans amounted to RMB672,762 million, representing an increase of RMB68,779 million or 11.4 per cent. as compared to 31 December 2021. As at 30 June 2023, our allowance for impairment losses on loans amounted to RMB751,196 million, representing an increase of RMB78,434 million or 11.7 per cent. as compared to 31 December 2022.

Investment

Our investment portfolio consists of listed and unlisted Renminbi-denominated and foreign currency-denominated securities and other financial assets. Investment represented 25.8 per cent., 26.3 per cent., 26.6 per cent., and 25.8 per cent., respectively, of our total assets as at 31 December 2020, 2021 and 2022 and 30 June 2023.

In 2022, we dynamically adjusted the structure of investment portfolios, actively promoted investment in non-USD currencies, such as AUD and EUR, and improved the use efficiency of foreign currency funds. We also increased support for green finance and steadily advanced "Southbound Connect" transactions. Our investment portfolio increased by 7.8 per cent. from RMB8,591,139 million as at 31 December 2020 to RMB9,257,760 million as at 31 December 2021, and further increased by 13.7 per cent. to RMB10,527,292 million as at 31 December 2022. For the six months ended 30 June 2023, we continued to reinforce our financial service capability for the real economy, and scaled up our investment in local government bonds and bonds conducive to the development of strategic industries and the cultivation of new economic drive. Our investment portfolio further increased by 6.9 per cent. to RMB11,255,131 million as at 30 June 2023.

As at 31 December 2022, our financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost amounted to RMB1,803,604 million, RMB6,830,933 million and RMB7,634,395 million, respectively. As at 30 June 2023, our financial investments measured at fair value through profit or loss, financial investments measured at fair value through other comprehensive income and financial investments measured at amortised cost amounted to RMB813,301 million, RMB2,396,732 million and RMB8,045,098 million, respectively.

Distribution of Our Investment by Investment Category

The following tables set forth, as at the dates indicated, the distribution of our investments by category.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Bonds	8,054,193	93.8	8,817,345	95.2	10,059,499	95.6	10,766,844	95.6
Equity instruments	175,698	2.0	190,186	2.1	190,869	1.8	192,193	1.7
Funds and other[(1)]	262,800	3.1	148,166	1.6	166,434	1.6	176,245	1.6
Accrued interest	98,448	1.1	102,063	1.1	110,490	1.0	119,849	1.1
Total investment	8,591,139	100.0	9,257,760	100.0	10,527,292	100.0	11,255,131	100.0

Note:

(1) Includes assets invested by funds raised by the issuance of principal-guaranteed wealth management products by the Bank.

Debt Instruments

Our debt instruments consist of debt securities issued primarily by governments, central banks, policy banks and other institutions.

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by issuer type.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Government bonds	5,737,368	71.2	6,371,607	72.3	7,419,005	73.8	7,982,371	74.2
Central bank bonds	32,072	0.4	38,207	0.4	56,817	0.5	36,400	0.3
Policy bank bonds	725,625	9.0	754,719	8.6	761,736	7.6	850,912	7.9
Other bonds	1,559,128	19.4	1,652,812	18.7	1,821,941	18.1	1,897,161	17.6
Total investment in bonds	8,054,193	100.0	8,817,345	100.0	10,059,499	100.0	10,766,844	100.0

Our investment in bonds increased by 9.5 per cent. from RMB8,054,193 million as at 31 December 2020 to RMB8,817,345 million as at 31 December 2021. As at 31 December 2022, our investment in bonds further increased by 14.1 per cent. to RMB10,059,499 million as compared to 31 December 2021. As at 30 June 2023, our investment in bonds further increased by 7.0 per cent. to RMB10,766,844 million as compared to 31 December 2022.

Distribution of investment in bonds by remaining maturity

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by remaining maturity.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Undated[1]	35	0.0	167	0.0	284	0.0	76	0.0
Less than 3 months	495,137	6.1	514,685	5.8	694,455	6.9	877,814	8.2
3 to 12 months	978,923	12.2	1,228,144	13.9	1,371,872	13.6	1,196,300	11.1
1 to 5 years	3,493,342	43.4	3,517,415	39.9	3,649,193	36.3	3,854,985	35.8
Over 5 years	3,086,756	38.3	3,556,934	40.4	4,343,695	43.2	4,837,669	44.9
Total investment in bonds	8,054,193	100.0	8,817,345	100.0	10,059,499	100.0	10,766,844	100.0

Note:

(1) Refers to overdue bonds.

As at 31 December 2021, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB268,769 million from 31 December 2020, representing an increase of 18.2 per cent. as compared to 31 December 2020, and bonds beyond 5-year maturity grew by RMB470,178 million or 15.2 per cent. as compared to 31 December 2020.

As at 31 December 2022, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB323,498 million from 31 December 2021, representing an increase of 18.6 per cent. as compared to 31 December 2021, and bonds beyond 5-year maturity grew by RMB786,761 million or 22.1 per cent. as compared to 31 December 2021.

As at 30 June 2023, bonds that have less than 3 months in remaining maturity and have 3 to 12 months in maturity increased by RMB7,787 million from 31 December 2022, representing an increase of 0.4 per cent. as compared to 31 December 2022, and bonds beyond 5-year maturity grew by RMB493,974 million or 11.4 per cent. as compared to 31 December 2022.

Distribution of investment in bonds by currency

The following table sets forth, as at the dates indicated, the distribution of our investment in bonds by currency.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
RMB-denominated bonds	7,388,349	91.8	8,110,061	92.0	9,213,230	91.6	9,813,781	91.2
USD-denominated bonds	436,381	5.4	450,447	5.1	559,753	5.6	639,408	5.9
Other foreign currency bonds	229,463	2.8	256,837	2.9	286,516	2.8	313,655	2.9
Total investment in bonds	8,054,193	100.0	8,817,345	100.0	10,059,499	100.0	10,766,844	100.0

As at 31 December 2021, our RMB-denominated bonds increased by RMB721,712 million or 9.8 per cent., U.S. dollar-denominated bonds and other foreign currency bonds increased by an equivalent of RMB14,066 million or 3.2 per cent. and RMB27,374 million or 11.9 per cent., respectively, as compared to 31 December 2020. In 2021, we improved the investment portfolio structure of foreign currency bonds and moderately increased the investment in bonds denominated in other currencies.

As at 31 December 2022, our RMB-denominated bonds increased by RMB1,103,169 million, or 13.6 per cent., USD-denominated bonds increased by an equivalent of RMB109,306 million or 24.3 per cent. and other foreign currency bonds increased by an equivalent of RMB29,679 million or 11.6 per cent., respectively, as compared to 31 December 2021. In 2022, we improved the investment portfolio structure of foreign currency bonds, reasonably arranged the currency structure in consideration of bond liquidity, security and profitability, and improved the efficiency of foreign-currency fund use.

As at 30 June 2023, our RMB-denominated bonds increased by RMB600,551 million or 6.5 per cent., U.S. dollar-denominated bonds increased by an equivalent of RMB79,655 million or 14.2 per cent., and other foreign currency bonds decreased by an equivalent of RMB27,139 million or 9.5 per cent., respectively, as compared to 31 December 2022. For the six months ended 30 June 2023, we reasonably arranged the currency structure in consideration of bond liquidity, security and profitability, and improved the efficiency of foreign-currency fund use.

Investment in bonds related to restructuring

During the period from 1999 to 2001, we disposed of non-performing assets with a book value of RMB407.7 billion to Huarong and received 10-year non-transferrable bonds issued by Huarong with a nominal value of RMB3 13.0 billion as well as RMB94.7 billion in cash as consideration. Huarong is a wholly state-owned non-bank financial institution that has been approved by the State Council and was established in October 1999 primarily to acquire and manage non-performing assets from large commercial banks, including us. The Huarong Bonds have a fixed interest rate of 2.25 per cent. per annum.

During the period from 2010 to 2011, the Huarong Bonds held by us matured. In accordance with the "Letter from MOF in Respect of the Bonds Issued by Huarong held by Industrial and Commercial Bank of China" (Cai Jin Han [2010] No. 105), the MOF agreed that the term of the Huarong Bonds held by us would be extended for 10 years after their expiration, the terms of the bonds such as the interest rate would remain unchanged and MOF would continue its support for the principal and interest payments in relation to the Huarong Bonds held by us. After the first extension expired, we received a further notice from MOF that the term of the Huarong Bonds would be extended for another 10 years to 12 December 2031. In 2020, we received a further notice from the MOF to adjust the interest rate of the Huarong Bonds, which will be determined on a yearly basis with reference to the average level of five-year government bond yields in the previous year. As at 30 June 2023, we received accumulated early repayments of RMB222,687 million under the Huarong Bonds.

Equity Investments

As at 31 December 2020, 2021 and 2022 and 30 June 2023, our equity investments amounted to RMB175,698 million, RMB190,186 million, RMB190,869 million and RMB192,193 million, respectively.

Other Components of Our Assets

Other components of our assets primarily consist of (i) cash and balances with central banks, (ii) due from banks and other financial institutions, net and (iii) reverse repurchase agreements.

Cash and balances with central banks primarily consist of cash on hand, mandatory reserve deposits, which consist of statutory reserve deposits with the PBOC, surplus reserve deposits and other restricted deposits. As at 31 December 2021, our cash and balances with central banks decreased to RMB3,098,438 million from RMB3,537,795 million as at 31 December 2020. As at 31 December 2022, our cash and balances with central banks increased to RMB3,427,892 million. As at 30 June 2023, our cash and balances with central banks increased to RMB3,671,553 million.

Due from banks and other financial institutions consists primarily of Renminbi-denominated and foreign currency-denominated inter-bank deposits and money-market placements with banks and other financial institutions. As at 31 December 2021, our due from banks and other financial institutions decreased by 23.5 per cent. to RMB827,150 million. As at 31 December 2022, our due from banks and other financial institutions increased by 26.0 per cent. to RMB1,042,504 million as compared to 31 December 2021. As at 30 June 2023, our due from banks and other financial institutions increased by 18.2 per cent. to RMB1,232,233 million.

Amounts due under reverse repurchase agreements are purchases of assets under agreements to resell equivalent assets. Our financial assets held under reverse repurchase agreements decreased from RMB739,288 million as at 31 December 2020 by 10.3 per cent. to RMB663,496 million as at 31 December 2021. As at 31 December 2022, our amounts due under reverse repurchase agreements increased by 30.2 per cent. to RMB864,067 million as compared to 31 December 2021. As at 30 June 2023, our amounts due under reverse repurchase agreements increased by 96.0 per cent. to RMB1,693,205 million as compared to 31 December 2022.

LIABILITIES AND SOURCES OF FUNDS

Our total liabilities as at 31 December 2020, 2021 and 2022 and 30 June 2023 amounted to RMB30,435,543 million, RMB31,896,125 million, RMB36,095,831 million and RMB40,073,186 million, respectively. Our liabilities comprise primarily (i) due to customers, (ii) due to banks and other financial institutions, (iii) repurchase agreements, (iv) debt securities issued and (v) other liabilities.

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

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Due to customers	25,134,726	82.6	26,441,774	82.9	29,870,491	82.8	33,373,772	83.3
Due to banks and other financial institution	2,784,259	9.1	2,921,029	9.2	3,185,564	8.8	3,050,944	7.6
Repurchase agreements	293,434	1.0	365,943	1.1	574,778	1.6	692,327	1.7
Debt securities issued	798,127	2.6	791,375	2.5	905,953	2.5	1,174,487	2.9
Other[(1)]	1,424,997	4.7	1,376,004	4.3	1,559,045	4.3	1,781,656	4.5
Total liabilities	30,435,543	100.0	31,896,125	100.0	36,095,831	100.0	40,073,186	100.0

Note:

(1) Others primarily consist of financial liabilities measured at fair value through profit or loss, other liabilities, income tax payable, certificates of deposit, derivative financial liabilities, due to central banks and deferred tax liabilities.

Our total liabilities increased by 4.8 per cent. from RMB30,435,543 million as at 31 December 2020 to RMB31,896,125 million as at 31 December 2021, increased by 13.2 per cent. to RMB36,095,831 million as at 31 December 2022, and further increased by 11.0 per cent. to RMB40,073,186 million as at 30 June 2023.

Due to customers is our primary source of funding and represented 82.6 per cent., 82.9 per cent., 82.8 per cent. and 83.3 per cent. of our total liabilities as at 31 December 2020, 2021 and 2022 and 30 June 2023, respectively.

Due to Customers

We provide demand and time deposit products to corporate and personal customers. The following table sets forth, as at the dates indicated, our deposits from customers by business line and maturity term.

	As at 31 December						As at 30 June	
	2020		2021		2022		2023	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)							
Demand deposits								
Corporate customers	7,455,160	29.7	7,533,110	28.5	8,076,256	27.0	7,888,740	23.6
Personal customers	5,196,607	20.7	5,390,582	20.4	5,991,387	20.1	6,002,853	18.0
Subtotal	12,651,767	50.3	12,923,692	48.9	14,067,643	47.1	13,891,593	41.6
Time deposits								
Corporate customers	5,489,700	21.8	5,798,353	21.9	6,594,898	22.1	8,656,462	26.0
Personal customers	6,463,929	25.7	7,107,386	26.9	8,553,919	28.6	10,119,661	30.3
Subtotal	11,953,629	47.6	12,905,739	48.8	15,148,817	50.7	18,776,123	56.3
Other deposits[(1)]	261,389	1.0	250,349	0.9	199,465	0.7	230,591	0.7
Accrued interest	267,941	1.1	361,994	1.4	454,566	1.5	475,465	1.4
Total due to customers	25,134,726	100.0	26,441,774	100.0	29,870,491	100.0	33,373,772	100.0

Note:

(1) Includes outward remittance and remittance payables.

As at 31 December 2021, the balance due to customers was RMB26,441,774 million, representing an increase of RMB1,307,048 million or 5.2 per cent. from the end of 2020. As at 31 December 2022, the balance due to customers further increased by 13.0 per cent. to RMB29,870,491 million from the end of 2021. As at 30 June 2023, the balance due to customers further increased by 11.7 per cent. to RMB33,373,772 million from the end of 2022.

In terms of customer structure, as at 31 December 2021, the balance of corporate deposits increased by RMB386,603 million or 3.0 per cent. from the end of 2020, then increased by RMB1,339,691 million or 10.0 per cent. as at 31 December 2022, and further increased by RMB1,874,048 million or 12.8 per cent. as at 30 June 2023. As at 31 December 2021, the balance of personal deposits increased by RMB837,432 million or 7.2 per cent. from the end of 2020, then increased by RMB2,047,338 million or 16.4 per cent. as at 31 December 2022, and further increased by RMB1,577,208 million or 10.8 per cent. as at 30 June 2023. The proportion of corporate deposits over total due to customers decreased from 51.5 per cent. as at 31 December 2020 to 50.4 per cent. as at 31 December 2021, then further decreased to 49.1 per cent. as at 31 December 2022, and increased to 49.6 per cent. as at 30 June 2023.

In terms of maturity structure, as at 31 December 2021, the balance of time deposits further increased by RMB952,110 million or 8.0 per cent., then increased by RMB2,243,078 million or 17.4 per cent. as at 31 December 2022, and further increased by RMB3,627,306 million or 23.9 per cent. as at 30 June 2023. As at 31 December 2021, the balance of demand deposits increased by RMB271,925 million or 2.1 per cent., then increased by RMB1,143,951 million or 8.9 per cent. as at 31 December 2022, and decreased by RMB176,050 million or 1.3 per cent. as at 30 June 2023. The proportion of demand deposits over total due to customers decreased from 50.3 per cent. as at 31 December 2020 to 48.9 per cent. as at 31 December 2021, then further decreased to 47.1 per cent. as at 31 December 2022, and further decreased to 41.6 per cent. as at 30 June 2023.

Distribution of Due to Customers by Geographic Area

We classify deposits geographically based on the location of the branch taking the deposit. There is generally a high correlation between the location of the depositor and the location of the branch taking the deposit. The following table sets forth our due to customers by geographic area as at the dates indicated.

	As at 31 December					
	2020		2021		2022	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)					
Head Office	42,611	0.2	38,290	0.1	35,579	0.1
Yangtze River Delta	5,057,963	20.0	5,436,282	20.6	6,249,754	20.9
Pearl River Delta	3,335,179	13.3	3,495,325	13.2	4,048,164	13.6
Bohai Rim	6,733,969	26.8	6,885,411	26.0	7,629,312	25.5
Central China	3,608,490	14.4	3,900,441	14.8	4,455,782	14.9
Western China	4,072,459	16.2	4,320,355	16.3	4,776,285	16.0
Northeastern China	1,308,155	5.2	1,410,376	5.3	1,608,543	5.4
Overseas and other	975,900	3.9	955,294	3.7	1,067,072	3.6
Total due to customers	25,134,726	100.0	26,441,774	100.0	29,870,491	100.0

The following table sets forth, as at the dates indicated, the distribution of our due to customers by remaining maturity.

	As at 31 December					
	2020		2021		2022	
	Amount	% of total	Amount	% of total	Amount	% of total
	(in RMB millions, except for percentages)					
Overdue/repayable on demand	13,499,762	53.7	13,002,739	49.2	14,271,619	47.8
Less than 3 months	2,569,941	10.2	3,037,609	11.4	3,597,174	12.0
3 to 12 months	3,849,682	15.3	4,409,851	16.7	5,432,348	18.2
1 to 5 years	5,194,433	20.7	5,972,715	22.6	6,551,322	21.9
Over 5 years	20,908	0.1	18,860	0.1	18,028	0.1
Total due to customers	25,134,726	100.0	26,441,774	100.0	29,870,491	100.0

Other Components of Our Liabilities

Other components of our liabilities primarily include (i) due to banks and other financial institutions, (ii) repurchase agreements and (iii) debt securities issued.

Amounts due to banks and other financial institutions refer to deposits by banks and other financial institutions. As at 31 December 2021, our amounts due to banks and other financial institutions increased by 4.9 per cent. to RMB2,921,029 million from RMB2,784,259 million as at 31 December 2020.

As at 31 December 2022, our amounts due to banks and other financial institutions then increased by 9.0 per cent. to RMB3,185,564 million. As at 30 June 2023, our amounts due to banks and other financial institutions decreased by 4.2 per cent. to RMB3,050,944 million.

Amounts due on repurchase agreements consist primarily of sales of assets under agreements to repurchase equivalent assets. As at 31 December 2021, amounts due on repurchase agreements increased by 24.7 per cent. to RMB365,943 million from the end of 2020. As at 31 December 2022, amounts due on repurchase agreements then increased by 57.1 per cent. to RMB574,778 million. As at 30 June 2023, amounts due on repurchase agreements further increased by 20.5 per cent. to RMB692,327 million.

Debt securities issued consists of subordinated bonds and other debt securities. As at 31 December 2021, debt securities issued decreased by 0.8 per cent. to RMB791,375 million from RMB798,127 million as at 31 December 2020. As at 31 December 2022, debt securities issued increased by 14.5 per cent. to RMB905,953 million. As at 30 June 2023, debt securities issued increased by 29.6 per cent. to RMB1,174,487 million.

The table below sets forth the particulars of the Bank's directors, supervisors and senior management as at the date of this Offering Circular:

Name	Position	Gender	Birth year
Chen Siqing	Chairman, Executive Director	Male	1960
Liao Lin	Vice Chairman, Executive Director, President	Male	1966
Wang Jingwu	Executive Director, Senior Executive Vice President	Male	1966
Lu Yongzhen	Non-executive Director	Male	1967
Feng Weidong	Non-executive Director	Male	1964
Cao Liqun	Non-executive Director	Female	1971
Chen Yifang	Non-executive Director	Female	1964
Dong Yang	Non-Executive Director	Male	1966
Anthony Francis Neoh	Independent Non-executive Director	Male	1946
Yang Siu Shun	Independent Non-executive Director	Male	1955
Shen Si	Independent Non-executive Director	Male	1953
Fred Zuliu Hu	Independent Non-executive Director	Male	1963
Norman Chan Tak Lam	Independent Non-executive Director	Male	1954
Huang Li	Employee Supervisor	Male	1964
Zhang Jie	External Supervisor	Male	1965
Liu Lanbiao	External Supervisor	Male	1966
Duan Hongtao	Senior Executive Vice President	Male	1969
Zhang Wenwu	Senior Executive Vice President	Male	1973
Zhang Weiwu	Senior Executive Vice President	Male	1975
Guan Xueqing	Board Secretary	Male	1963
Xiong Yan	Chief Business Officer	Female	1964
Song Jianhua	Chief Business Officer	Male	1965
Tian Fenglin[(1)]	Chief Business Officer	Male	1967

Note:

(1) The appointment of Mr. Tian Fenglin as Chief Business Officer of the Bank is subject to the approval of the NAFR.

The business address of each of the directors, supervisors and senior management is No. 55 Fuxingmennei Avenue, Xicheng District, Beijing, PRC 100140.

Chen Siqing, Chairman, Executive Director

Mr. Chen has served as Chairman and Executive Director of the Bank since May 2019. He joined Bank of China in 1990. Mr. Chen Siqing previously worked in the Hunan Branch of Bank of China before he was dispatched to the Hong Kong Branch of China and South Sea Bank Ltd. as Assistant General Manager. Mr. Chen held various positions in Bank of China, including Assistant General Manager and Vice General Manager of the Fujian Branch, General Manager of the Risk Management Department of the Head Office, General Manager of the Guangdong Branch, Executive Vice President, President, Vice Chairman and Chairman of Bank of China. Mr. Chen served concurrently as Chairman of the Board of Directors of BOC Aviation Limited, Non-executive Director, Vice Chairman and Chairman of the Board of Directors of BOC Hong Kong (Holdings) Limited. Mr. Chen graduated from Hubei Institute of Finance and Economics, and obtained a Master's degree in Business Administration (MBA) from Murdoch University, Australia. He is a Certified Public Accountant and a senior economist.

Liao Lin, Vice Chairman, Executive Director, President

Mr. Liao has served as Vice Chairman, Executive Director and President of the Bank since March 2021, Executive Director of the Bank since July 2020, and Senior Executive Vice President, Senior Executive Vice President and concurrently Chief Risk Officer since November 2019. Mr. Liao joined China Construction Bank in 1989, and was appointed as Deputy General Manager of Guangxi Branch of China Construction Bank, General Manager of Ningxia Branch, Hubei Branch and Beijing Branch of China Construction Bank, Chief Risk Officer, Executive Vice President and concurrently Chief Risk Officer of China Construction Bank. Mr. Liao graduated from Guangxi Agricultural University. He obtained a Doctorate degree in management science from Southwest Jiaotong University. Mr. Liao is a senior economist.

Wang Jingwu, Executive Director, Senior Executive Vice President, Chief Risk Officer

Mr. Wang has served as Executive Director, Senior Executive Vice President and concurrently Chief Risk Officer since September 2021, and as Senior Executive Vice President of the Bank since April 2020. He joined PBOC in August 1985, and has successively served as Supervision Commissioner (Deputy Director level) of PBOC Shijiazhuang Central Sub-branch, Head of PBOC Shijiazhuang Central Sub-branch and concurrently Director of State Administration of Foreign Exchange (SAFE) Hebei Branch, Head of PBOC Hohhot Central Sub-branch and concurrently Director of SAFE Inner Mongolia Branch, Head of PBOC Guangzhou Branch and concurrently Director of SAFE Guangdong Branch, and Director-General of PBOC Financial Stability Bureau since January 2002. Mr. Wang graduated from the Hebei Banking School, and he received a doctorate degree in economics from Xi an Jiaotong University. He is a research fellow.

Lu Yongzhen, Non-executive Director

Mr. Lu has served as Non-executive Director of the Bank since August 2019. He joined Huijin in 2019. Mr. Lu previously served as Deputy Director of the Administrative Office of the Economic Research Consultation Centre of the State Economic and Trade Commission, Director of the Specific Research Department of the Economic Research Centre of the State Economic and Trade Commission, Director of the Capital Markets Research Department of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council, and Director Assistant of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council with the concurrent post as the Director of the Capital Markets Research Department, and Deputy Director of the Research Centre of the State-owned Assets Supervision and Administration Commission of the State Council. Mr. Lu obtained a Bachelor's degree and a Master's degree in History from Peking University, and a Doctorate degree in Economics from Southwestern University of Finance and Economics. He is a researcher.

Feng Weidong, Non-executive Director

Mr. Feng has served as Non-executive Director of the Bank since January 2020. He joined MOF in 1986. He previously served as Deputy Director of Academic Affairs Division of Chinese Accounting Correspondence School of Accounting Department of MOF (deputy division chief level), Person in charge of Teaching Material Department of National Accountant Certification Examination Leading Group Office, Director of Accounting Personnel Management Division and Director of Institutional System Division I of Accounting Department of MOF, Deputy Director (deputy director-general level), Deputy Director (person in charge), Director (director-general level), Secretary of the Party Committee and Director of National Accountant Assessment & Certification Centre of MOF. He concurrently serves as a Managing Director of the 8th Council of the Accounting Society of China, a part-time professor and off-campus practice tutor for postgraduate students of the School of Economics and Management of Beijing Jiaotong University, and a visiting tutor for postgraduate students in the Accounting School of the Central University of Finance and Economics. Mr. Feng obtained a Bachelor's degree in Economics from Dongbei University of Finance & Economics and Doctorate degree from Beijing Jiaotong University. Mr. Feng Weidong is a senior accountant, researcher, non-practicing certified public accountant and is a recipient of the Special Government Allowance by the State Council of China.

Cao Liqun, Non-executive Director

Ms. Cao has served as Non-executive Director of the Bank since January 2020. She joined Huijin in 2020. Ms. Cao previously served as Deputy Director of Regulations Division, General Affairs Department, Director of Regulations Division, General Affairs Department, Director of Non-Financial Institutions Inspection Division, Supervision and Inspection Department, Director of General Affairs Division, Supervision and Inspection Department, Deputy Director-General of Supervision and Inspection Department, Inspector of General Affairs Department (Policy and Regulation Department), Level-Two Inspector of General Affairs Department (Policy and Regulation Department) of State Administration of Foreign Exchange, and acted as Deputy Director of Administrative Committee of Beijing's Zhongguancun Science Park. Ms. Cao obtained a Bachelor's degree in Law from China University of Political Science and Law, a Master's degree in Finance from Renmin University of China, and a Master's degree in Public Administration from Peking University. Ms. Cao is an economist.

Chen Yifang, Non-executive Director

Ms. Chen has served as Non-executive Director of the Bank since August 2021. She joined MOF in August 1985. She previously served as Deputy Division Chief of Payment Management Division and Deputy Director of Charge Bill Regulatory Centre of General Affairs and Reform Department of MOF, Deputy Division Chief of the Charging Fund Policy Management Division of the Comprehensive Department of MOF, Division Chief of Charging Fund Division of Policy Planning Department of MOF, Division Chief of Housing and Land Division of the Comprehensive Department of MOF, Deputy Director-General of the Comprehensive Department of MOF, Member of the Party Group, Inspector and Deputy Secretary of the Party Group of Shenzhen Finance Supervision Commissioner Office of MOF, Deputy Secretary of the Party Group, Inspector and Level-one Inspector of Shenzhen Regulatory Bureau of MOF, and Level-one Inspector of Fiscal Notes Supervision Centre of MOF. Ms. Chen obtained a Bachelor's degree in Economics from Jiangxi University of Finance and Economics.

Dong Yang, Non-executive Director

Mr. Dong has served as Non-executive Director of the Bank since January 2022. He joined MOF in August 1989. He previously served as assistant researcher, researcher and secretary (director level) of the Department of National Defense of MOF, a member of the CPC Committee, Deputy Inspector, and Discipline Inspection Team Leader of the Commissioner's Office of MOF in Heilongjiang, a member of the CPC Committee, Deputy Inspector and Discipline Inspection Leader of the Commissioner's Office of MOF in Beijing, a member of the CPC Committee, Deputy Director, and Discipline Inspection Team Leader of the Beijing Regulatory Bureau of MOF. Mr. Dong graduated from the Beijing Normal University and obtained a Master's degree in Management from Harbin Engineering University.

Anthony Francis Neoh, Independent Non-executive Director

Mr. Neoh has served as Independent Non-executive Director of the Bank since April 2015. He previously served as Chief Advisor to CSRC, a member of the International Consultation Committee of CSRC, a member of the Basic Law Committee of the Hong Kong Special Administrative Region under the Standing Committee of the National People's Congress of People's Republic of China, and Chairman of the Hong Kong Securities and Futures Commission. He was Chairman of the Technical Committee of the International Organization of Securities Commissions, Chairman of Hong Kong Independent Police Complaints Council, a Non-executive Director of Global Digital Creations Holdings Limited. He was an Independent Non-executive Director of Link Management Limited, which is the Manager of Link Real Estate Investment Trust. He was also an Independent Non-executive Director of China Shenhua Energy Company Limited, Bank of China Limited, China Life Insurance Company Limited and New China Life Insurance Company Ltd. Mr. Neoh currently serves as an Independent Non-executive Director of CITIC Limited, Treasurer and Member of Council of The Chinese University of Hong Kong and Chairman of the Asian Academy of International Law. He graduated from the University of London with a Bachelor's degree in Law. He is Honorary Doctorate of Law of Chinese University of Hong Kong and Open University of Hong Kong and Honorary Doctorate of Social Sciences of Lingnan University. He was elected Honorary Fellow of the Hong Kong Securities Institute, Fellow of the Hong Kong Academy of Finance and Academician of the International Euro-Asian Academy of Sciences. Mr. Neoh was appointed as Senior Counsel in Hong Kong. He is a barrister of England and Wales. He was admitted to the State Bar of California.

Yang Siu Shun, Independent Non-executive Director

Mr. Yang has served as Independent Non-executive Director of the Bank since April 2016. He previously served as Chairman and Principal Partner of PricewaterhouseCoopers Hong Kong, Executive Chairman and Principal Partner of PricewaterhouseCoopers Chinese Mainland and Hong Kong, member of five-people leading group of global leadership committee of PricewaterhouseCoopers, Chairman of PricewaterhouseCoopers Asia-Pacific region, Director and Chairman of Audit Committee of Hang Seng Management College, Vice Chairman of the Council of the Open University of Hong Kong and a member of the Exchange Fund Advisory Committee of the HKMA. Mr. Yang currently serves as a member of the 13th National Committee of the Chinese People's Political Consultative Conference, a member of the board of directors of the Hong Kong Jockey Club and an Independent Non-executive Director of Tencent Holdings Limited. Mr. Yang graduated from the London School of Economics and Political Science. He was awarded the degree of Honorary Doctor of Social Sciences by The Open University of Hong Kong. He is a Justice of the Peace in Hong Kong. Mr. Yang holds the qualification of Chartered Accountants, and is a senior member of the Institute of Chartered Accountants in England and Wales, the Hong Kong Institute of Certified Public Accountants and the Chartered Institute of Management Accountants.

Shen Si, Independent Non-executive Director

Mr. Shen has served as Independent Non-executive Director of the Bank since March 2017. Previously, he served as Deputy Division Chief and Division Chief of Zhejiang Branch of PBOC, Deputy General Director of the Investigation and Statistics Department of the Head Office of PBOC, and Deputy President of the Hangzhou Branch of Shanghai Pudong Development Bank, Board Secretary of Shanghai Pudong Development Bank and Executive Director and concurrently Board Secretary of Shanghai Pudong Development Bank. He obtained a Master's degree in Economics from Zhejiang University and an EMBA degree. He is a senior economist.

Fred Zuliu Hu, Independent Non-executive Director

Mr. Hu has served as Independent Non-executive Director of the Bank since April 2019. He previously served as a senior economist at the International Monetary Fund, Head of Research at the World Economic Forum, the chairman for Greater China and a partner at Goldman Sachs Group, Inc., an independent non-executive director of Great Wall Pan Asia Holdings Limited (formerly known as SCMP Group Limited), an independent non-executive director of Hang Seng Bank Limited, the non-executive director of China Asset Management Co., Ltd., an independent director of Dalian Wanda Commercial Management Group Co., Ltd., an independent director of Shanghai Pudong Development Bank and the independent non-executive director of Hong Kong Exchanges and Clearing Limited, etc. Mr. Hu currently serves in various positions such as the chairman of Primavera Capital Group, the non-executive chairman of Yum

China Holdings, Inc, the independent non-executive director of Ant Group Co., Ltd., the director of UBS Group AG, the co-chair of The Nature Conservancy's Asia Pacific Council and the director of the China Medical Board. Mr. Hu is also a member of the Global Board of Advisors for the Council on Foreign Relations, the 21st Century Council of the Berggruen Institute, the Harvard Global Advisory Council, the Harvard Kennedy School Mossavar-Rahmani Centre for Business and Government, the Stanford Centre for International Development, and the Jerome A. Chazen Institute of International Business at Columbia University etc. He concurrently serves as the co-director of the National Centre for Economic Research and a professor at Tsinghua University, and he is also an adjunct professor at the Chinese University of Hong Kong and Peking University. Mr. Hu obtained a master's degree in engineering science from Tsinghua University, and a master's degree and a PhD in economics from Harvard University.

Norman Chan Tak Lam, Independent Non-executive Director

Mr. Chan has served as Independent Non-executive Director of the Bank since September 2022. He currently serves as Chairman of the Board of Directors of RD Wallet Technologies Limited, Chairman of the Board of Directors of RD ezLink Limited, Chairman and Executive Director of HK Acquisition Corporation, Senior Adviser of the Hong Kong Academy of Finance and Chairman of the Board of Trustees of Chung Chi College of The Chinese University of Hong Kong. He previously served as Chief Executive of the HKMA, Deputy Director of the Office of the Exchange Fund of Hong Kong, Director of the Chief Executive's Office of the Hong Kong Special Administrative Region Government and Vice Chairman, Asia of Standard Chartered Bank. Mr. Chan obtained a Bachelor's degree in Social Sciences from The Chinese University of Hong Kong in 1976, an Honorary Fellowship from The Chinese University of Hong Kong in 2003, an Honorary Doctorate of Business Administration from City University of Hong Kong in 2020 and an Honorary Doctorate of Business Administration from Lingnan University in 2021. Mr. Chan was awarded the Silver Bauhinia Star by the Hong Kong Special Administrative Region in 1999 and the Gold Bauhinia Star by the Hong Kong Special Administrative Region in 2012. He was appointed as a Fellow of The Hong Kong Institute of Bankers in 2012. He was awarded the IFTA FinTech Achievement Award in 2020, the Leadership Lifetime Achievement Award by The Asian Banker in 2021 and was appointed as Honorary Advisory President by The Hong Kong Institute of Bankers in 2022.

Huang Li, Employee Supervisor

Mr. Huang has served as Employee Supervisor of the Bank since June 2016. He joined the Bank in 1994 and is currently the Head of Beijing Branch of the Bank. He served as Deputy General Manager and General Manager of the Banking Department as well as Deputy Head and Head of Guizhou Branch of the Bank. Mr. Huang graduated from The University of Hong Kong with an MBA degree. He is a senior economist.

Zhang Jie, External Supervisor

Mr. Zhang has served as External Supervisor of the Bank since November 2021. He is currently a professor and doctoral supervisor of the Renmin University of China, director of the International Monetary Institute, a distinguished professor of the Ministry of Education's "Changjiang Scholars Programme", a famous teacher of the national "Ten Thousand Talents Programme", and a national candidate of the "New Century Talents Project". Mr. Zhang is a recipient of the special government allowance provided by the State Council to experts, and is engaged in research on the topics of institutional finance, China's financial system and financial development. He was the Dean of the School of Finance of Shaanxi Institute of Finance and Economics, the Associate Dean of the School of Economics and Finance of Xi'an Jiaotong University, the Associate Dean of the School of Finance of Renmin University of China, and the first Secretary General of the College Finance Teaching Steering Committee of the Ministry of Education. At present, he is concurrently a researcher of the Finance Research Institute of the Counsellor's Office of the State Council, and an executive director of the China Society for Finance and Banking. Mr. Zhang graduated from Shaanxi University of Finance and Economics with a Doctorate degree in Economics.

Liu Lanbiao, External Supervisor

Mr. Liu has served as External Supervisor of the Bank since June 2022. He is currently a Vice Dean of the School of Finance of Nankai University, Member of the Branch Party Committee, professor, doctoral supervisor of the School of Finance of Nankai University, a co-advisor at postdoctoral research station of Nankai University, Director of the Northeast Asia Financial Cooperation Research Centre of Nankai University and Government Debt Management Research Centre of the School of Finance of Nankai University. Mr. Liu has long been engaged in research in areas such as commercial bank management, monetary economics, systemic financial risk management, local government debt management, financial technology and international financial cooperation. Mr. Liu was a Vice Dean of the Institute of State Economy of Nankai University and External Supervisor of Liaoshen Bank Co., Ltd. At present, Mr. Liu is concurrently an expert at the MOF Financial Risk Research Centre, Government Debt Expert Consultant at the MOF Debt Research and Assessment Centre, Member of the China Financial Standardization Technical Committee, Deputy Director of the Asia-Pacific Profession Committee at the Chinese Social and Economic Systems Analysis Research Association, Independent Director of NYOCOR Co., Ltd, Chief Expert for the key special program "Research on the Prevention and Management of China's Debt Crisis and Effective Mitigation Measures" under the National Social Science Fund of China. Mr. Liu graduated from Nankai University with a Doctorate degree in Economics.

Duan Hongtao, Senior Executive Vice President

Mr. Duan has served as Senior Executive Vice President of the Bank since March 2023. Mr. Duan joined the Bank from China Construction Bank, and he has successively served as the General Manager of Yangtze River Sub-branch of Hubei Branch, the General Manager of the Compliance Department, and the General Manager of the Human Resources Department of Hubei Branch. Since July 2009, he has successively served as the Assistant to General Manager and Deputy General Manager of Hubei Branch, General Manager of Qingdao Branch in December 2014, General Manager of Shandong Branch in August 2016, and Director of the Executive Office of the Head Office in October 2020. Mr. Duan Hongtao graduated from Wuhan University of Technology and obtained a Doctorate degree in Management. He is a senior economist.

Zhang Wenwu, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since July 2020. He joined the Bank in 1995. He was appointed as Deputy General Manager of the Finance & Accounting Department of the Head Office, Deputy Head of Liaoning Branch, Executive Director and Chief Financial Officer of ICBC-AXA Assurance Co., Ltd., Director of the Board of Supervisors' Office of the Head Office and General Manager of the Finance & Accounting Department of the Head Office. Mr. Zhang graduated from the University of International Business and Economics, and he obtained a Doctorate degree in Management from Renmin University of China. He is a senior accountant.

Zhang Weiwu, Senior Executive Vice President

Mr. Zhang has served as Senior Executive Vice President of the Bank since June 2021. He joined the Bank in July 1999, and was appointed as General Manager of ICBC (Europe) Amsterdam Branch in January 2011, General Manager of Singapore Branch in February 2013 and General Manager of the International Banking Department of the head office of the Bank in January 2017. Mr. Zhang graduated from the Northwest University in China and obtained a Master's degree in Political Economy and an MBA from Hitotsubashi University in Japan. He is a senior economist.

Guan Xueqing, Board Secretary

Mr. Guan has served as Board Secretary of the Bank since July 2016. He joined the Bank in 1984 and served as Head of Suining Branch in Sichuan, Representative of Frankfurt Representative Office and Deputy General Manager of Frankfurt Branch, Deputy Head of Sichuan Branch, Deputy Head of Sichuan Branch and General Manager of the Banking Department of Sichuan Branch, and Head of Hubei Branch and Sichuan Branch. Previously Mr. Guan was also General Manager of the Corporate Strategy and Investor Relations Department of the Bank. He graduated from the Southwestern University of Finance and Economics and obtained a Doctorate degree in Economics. He is a senior economist.

Xiong Yan, Chief Business Officer

Ms. Xiong has served as Chief Business Officer of the Bank since April 2020. She joined the Bank in 1984, and served as Deputy Director-General of Kunming Sub-bureau of the Internal Audit Bureau, Deputy General Manager of Yunnan Branch, Deputy Director-General of the Sub-bureau directly managed by the Internal Audit Bureau, Deputy General Manager of the Corporate Banking Department I (Corporate Banking Department) and General Manager of the Institutional Banking Department of the Head Office. Ms. Xiong graduated from Hunan University, and obtained a degree of International Master of Business Administration (IMBA) from Fudan University and The University of Hong Kong. She is a senior economist.

Song Jianhua, Chief Business Officer

Mr. Song has served as Chief Business Officer of the Bank since April 2020. He joined the Bank in 1987. He was appointed as Deputy General Manager of Jiangsu Branch and General Manager of the Personal Banking Department of the Head Office. Mr. Song graduated from Peking University and obtained a Doctorate degree in management science and engineering from Nanjing University. He is a senior economist.

Tian Fenglin, Chief Business Officer

Mr. Tian Fenglin joined the Bank in July 1992. He served as Deputy General Manager of Singapore Branch in May 2007, Executive Director, General Manager of ICBC (Malaysia) in April 2010, Vice Chairman of ICBC (Argentina) in October 2013, Deputy General Manager of Jiangsu Branch and General Manager of Suzhou Branch in June 2016, General Manager of Jiangsu Branch in June 2018 and General Manager of the Corporate Banking Department and General Manager of the Investment Banking Department of the Head Office in September 2020. Mr. Tian graduated from Huazhong Agricultural University with a Master's degree in Economics, and he has also obtained an MBA degree from the University of Chicago. He is a senior economist.

CORPORATE GOVERNANCE

We have made constant efforts to improve the corporate governance and checks and balances mechanism comprising the shareholders' general meeting, the Board, the board of supervisors and the senior management featuring clearly-defined responsibilities and accountability, coordination and effective checks and balances, and to optimize responsibilities of the authority organ, decision-making organ, supervisory organ and executive organ. As a result, the corporate governance operation mechanism with scientific decision-making process, effective supervision and steady operation has been in place.

Shareholders' General Meeting

As the organ of power of the Bank, the shareholders' general meeting involves all shareholders. The shareholders' general meeting is responsible for, among others, deciding on business policies and significant investment plans of the Bank; examining and approving the Bank's annual financial budget, final account proposals, plans for profit distribution and loss make-up; electing and replacing directors, supervisors appointed from the shareholder representatives and external supervisors; examining and approving work report of the board of directors and work report of the board of supervisors; adopting resolutions on merger, division, dissolution, liquidation, change of corporate form, increase or decrease of the Bank's registered capital, issuance of corporate bonds or other securities and public listing, repurchase of the shares and issuance of preference shares; and amending the Articles of Association of the Bank.

Board of Directors

As the decision-making organ of the Bank, the board of directors is accountable to, and shall report its work to, the shareholders' general meeting. The board of directors is responsible for, among others, convening the shareholders' general meeting; implementing the resolutions of the shareholders' general meeting; deciding on the business plans, investment proposals and development strategies of the Bank; formulating annual financial budget and final accounts of the Bank; formulating plans for profit distribution and loss recovery of the Bank; formulating plans for the increase or decrease of the Bank's registered capital, capital replenishment and financial restructuring of the Bank; formulating basic

management systems of the Bank such as risk management system and internal control system, and supervising the implementation of such systems; appointing or removing president and the board secretary, and appointing or removing senior executive vice presidents and other senior management members (except for the board secretary) who shall be appointed or removed by the board of directors under relevant laws according to the nomination of the president and deciding on their compensation, bonus and penalty matters; deciding on or authorising the president to decide on the establishment of relevant offices of the Bank; regularly evaluating and improving corporate governance of the Bank; managing information disclosure of the Bank; and supervising and ensuring the president and other senior management members to perform their management duties effectively.

Board Committees

The board of directors delegates certain responsibilities to various committees. In accordance with relevant PRC laws and regulations, we have formed strategy, corporate social responsibility and consumer protection, audit, risk management, nomination, compensation, related party transactions control and US risk committees.

Strategy Committee

The Strategy Committee is mainly responsible for considering our strategic development plan, risk events that bear material influence on the overall situation, business and institutional development plan, major investment and financing plan, annual social responsibility report and other major matters critical to our development, making recommendations to the board of directors, and examining and assessing the soundness of the corporate governance framework to ensure financial reporting, risk management and internal control are compliant with our corporate governance criteria. The Strategy Committee consists of eight directors, including Chairman and Executive Director, Mr. Chen Siqing; Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Directors, Mr. Lu Yongzhen, Ms. Chen Yifang and Mr. Dong Yang and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Fred Zuliu Hu and Mr. Norman Chan Tak Lam. Mr. Chen Siqing is the chairman of the committee.

Corporate Social Responsibility and Consumer Protection Committee

The Corporate Social Responsibility and Consumer Protection Committee is mainly responsible for considering the Bank's fulfilment of social responsibilities with respect to environment, society, corporate governance, precision poverty alleviation, and corporate culture, the strategy, policy and target of consumer protection, green finance strategy, the development plan, basic policy, annual operating plan and assessment method of inclusive finance, and making recommendations to the board of directors. The Corporate Social Responsibility and Consumer Protection Committee consists of three directors, including Vice Chairman, Executive Director and President, Mr. Liao Lin; and Non-executive Directors, Ms. Cao Liqun and Ms. Chen Yifang. Mr. Liao Lin is the chairman of the committee.

Audit Committee

The Audit Committee is mainly responsible for constantly overseeing the Bank's internal control system, and supervising, inspecting and evaluating financial information and internal audit of the Bank, proposing the engagement or replacement of external auditors, reviewing the reports of external auditors, and coordinating the communication between the internal audit departments and external auditors, and assessing mechanisms for the Bank's staff to report misconducts in financial statements, internal control, etc., and assessing the mechanism for the Bank to conduct independent and fair investigations and take appropriate actions in relation to the reported matters. The Audit Committee consists of seven directors, including Non-executive Directors, Mr. Feng Weidong and Ms. Cao Liqun and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun, Mr. Shen Si, Mr. Fred Zuliu Hu and Mr. Norman Chan Tak Lam. Mr. Shen Si is the chairman of the committee.

Risk Management Committee

The Risk Management Committee is primarily responsible for constantly overseeing the Bank's risk management system, reviewing and revising the strategy, policy and procedures of risk management and internal control process of the Bank, and supervising and evaluating the performance of senior management members and risk management departments in respect of risk management. The Risk

Management Committee consists of nine directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu, Non-executive Directors, Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun and Mr. Dong Yang and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Norman Chan Tak Lam. Mr. Anthony Francis Neoh is the chairman of the committee.

Nomination Committee

The Nomination Committee is mainly responsible for making recommendations to the board of directors on candidates for directors, supervisors and senior management members, nominating candidates for chairmen and members of special committees of the board of directors, and formulating the standards and procedures for selection and appointment of directors, supervisors and senior management members as well as the training and development plans for senior management members and key reserved talents. The Nomination Committee is also responsible for assessing the structure, size and composition of the board of directors on a yearly basis and making recommendations to the board of directors based on our development strategy. The Nomination Committee consists of five directors, including Vice Chairman, Executive Director and President, Mr. Liao Lin; Non-executive Director, Mr. Feng Weidong and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun and Mr. Fred Zuliu Hu. Mr. Fred Zuliu Hu is the chairman of the committee.

Compensation Committee

The Compensation Committee is mainly responsible for formulating assessment measures on the performance of duties and compensation plans for directors, organising the assessment on the performance of duties of directors, putting forth the proposals on remuneration distribution for directors, formulating and reviewing the assessment measures and compensation plans for senior management members and evaluating the performance and behaviours of senior management members. The Compensation Committee consists of five directors, including Non-executive Directors, Mr. Lu Yongzhen and Ms. Chen Yifang and Independent Non-executive Directors, Mr. Shen Si, Mr. Anthony Francis Neoh and Mr. Fred Zuliu Hu. Mr. Shen Si is the chairman of the committee.

Related Party Transactions Control Committee

The Related Party Transactions Control Committee is mainly responsible for developing the basic policies governing the management of related party transactions, identifying our related parties, approving related party transactions and other related matters within the authority granted by the board, receiving related party transaction statistics for filing purpose, reviewing the related party transactions that are subject to the approval of the board of directors or the shareholders general meeting, and reporting to the board of directors on the implementation of the related party transaction management policies as well as the conditions on these transactions. The Related Party Transactions Control Committee consists of three directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu and Independent Non-executive Directors, Mr. Yang Siu Shun and Mr. Shen Si. Mr. Yang Siu Shun is the chairman of the committee.

US Risk Committee

In accordance with the relevant requirements in the Enhanced Prudential Standards for Bank Holding Companies and Foreign Banking Organizations established by the Federal Reserve Board, the US Risk Committee supervised the implementation of the US business-related risk management framework and relevant policies. The US Risk Committee consists of nine directors, including Executive Director and Senior Executive Vice President, Mr. Wang Jingwu, Non-Executive Directors, Mr. Lu Yongzhen, Mr. Feng Weidong, Ms. Cao Liqun and Mr. Dong Yang and Independent Non-executive Directors, Mr. Anthony Francis Neoh, Mr. Yang Siu Shun, Mr. Shen Si and Mr. Norman Chan Tak Lam. Mr. Anthony Francis Neoh is the chairman of the committee.

Board of Supervisors

Responsibilities of the Board of Supervisors

As the supervisory body of the Bank, the board of supervisors is accountable to, and shall report to, the shareholders' general meeting. The board of supervisors is responsible for, among others, supervising the performance and due diligence of directors, supervisors and senior management members; supervising the performance of duties of the board of directors and the senior management; conducting exit audits on retiring or resigning directors, supervisors and senior management members where appropriate; examining and supervising the Bank's financial activities; examining financial information such as financial reports, business reports and profit distribution plans to be submitted to the shareholders' general meeting by the board of directors; inspecting and supervising the business decision-making, risk management and internal control of the Bank and guiding the internal audit department of the Bank; formulating performance evaluation measures of the board of directors and the senior management and their members as well as supervisors; evaluating the performance of the board of directors and the senior management and their members as well as supervisors, and reporting to the shareholders' general meeting for approval; presenting proposals to the shareholders' general meeting; proposing to convene an extraordinary general meeting, and convening and presiding over the extraordinary general meeting in case the board of directors fails to perform its duty of convening shareholders' general meeting; proposing to convene an extraordinary meeting of the board of directors.

Operation of the Board of Supervisors

The board of supervisors convenes regular and special meetings to discuss official matters. Regular meetings shall be held at least four times a year. There is a supervisory board office under the board of supervisors that functions in accordance with authorisation from the board of supervisors and reports to the board of supervisors. The supervisory board office under the board of supervisors is its day-to-day administrative organ. It is responsible for supervising and scrutinising matters such as corporate governance, financial activities, risk management and internal control of the Bank; for organising meetings of the board of supervisors and its special committee; and for preparing meeting documents and minutes for the meetings.

PRINCIPAL SHAREHOLDERS

As at 30 June 2023, the Bank had a total number of 665,786 ordinary shareholders and no holders of preference shares with voting rights restored or holders of shares with special voting rights, including 109,386 holders of H shares and 556,400 holders of A shares.

The table below sets out the particulars of the Bank's top 10 ordinary shareholders as at 30 June 2023.

Name of shareholder	Nature of shareholder	Class of shares	Share-holding percentage (%)	Total number of shares held	Number of pledged, locked-up or marked shares	Increase/decrease of shares during the six months ended 30 June 2023
Huijin	State-owned	A share	34.71	123,717,852,951	None	–
MOF	State-owned	A share	31.14	110,984,806,678	None	–
HKSCC Nominees Limited[5]	Foreign legal person	H share	24.17	86,144,461,876	Unknown	-874,485
National Council for Social Security Fund[6]	State-owned	A share	3.46	12,331,645,186	None	–
China Securities Finance Co., Ltd.	State-owned legal person	A share	0.68	2,416,131,540	None	–
Hong Kong Securities Clearing Company Limited[7]	Foreign legal person	A share	0.66	2,352,569,225	None	452,490,304
Central Huijin Asset Management Co., Ltd.	State-owned legal person	A share	0.28	1,013,921,700	None	–
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 Hu	Other entities	A share	0.13	480,363,392	None	-496,716,473
ICBC – SSE 50 Exchange Traded Securities Investment Funds[8]	Other entities	A share	0.08	302,031,053	None	1,805,800
Hexie Health Insurance Co., Ltd. – Universal insurance products	Other entities	A share	0.07	253,542,001	None	86,178,800

Notes:

(1) The above data are based on the Bank's register of shareholders as at 30 June 2023. See "*Recent Developments – Increase in Shareholding of the Bank by its Controlling Shareholder*" for further details relating to changes in Huijin's shareholding of the Bank since 30 June 2023.

(2) The Bank had no shares subject to restrictions on sales.

(3) HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Limited. Central Huijin Asset Management Co., Ltd. is a wholly-owned subsidiary of Huijin. Save as disclosed above, the Bank is not aware of any connected relations or concert party action among the aforementioned shareholders.

(4) Except to the extent unknown to HKSCC Nominees Limited, the top 10 shareholders of the Bank did not participate in any margin trading, short selling or refinancing business.

(5) The number of shares held by HKSCC Nominees Limited as at 30 June 2023 refers to the total H shares held by it as a nominee on behalf of all institutional and individual investors registered with accounts opened with HKSCC Nominees Limited as at 30 June 2023, which included H shares of the Bank held by Ping An Asset Management Co., Ltd., National Council for Social Security Fund and Temasek Holdings (Private) Limited.

(6) According to the Notice on Comprehensively Transferring Part of State-Owned Capital to Fortify Social Security Funds (Cai Zi [2019] No. 49), MOF transferred 12,331,645,186 A shares to the state-owned capital transfer account of National Council for Social Security Fund in a lump sum in December 2019. According to the relevant requirements under the Notice of the State Council on Issuing the Implementation Plan for Transferring Part of State-Owned Capital to Fortify Social Security Funds (Guo Fa [2017] No. 49), National Council for Social Security Fund shall perform the obligation of more than three-year lock-up period as of the date of the receipt of transferred shares. As at 30 June 2023, according to the information provided by National Council for Social Security Fund to the Bank, National Council for Social Security Fund also held 7,032,706,750 H shares of the Bank and 19,364,351,936 A and H shares in aggregate, accounting for 5.43 per cent. of the Bank's total ordinary shares.

(7) The number of shares held by Hong Kong Securities Clearing Company Limited as at 30 June 2023 refers to the total A shares (Northbound shares of the Shanghai-Hong Kong Stock Connect) held by it as a nominal holder designated by and on behalf of Hong Kong and foreign investors as at 30 June 2023.

(8) "ICBC – SSE 50 Exchange Traded Securities Investment Funds" are securities investment funds raised as approved by CSRC Zheng Jian Ji Jin Zi [2004] No. 196 Document dated 22 November 2004, with China Asset Management Co., Ltd. as the fund manager and the Bank as fund custodian.

PARTICULARS OF CONTROLLING SHAREHOLDERS

The Bank's largest single shareholder is Huijin. Huijin is a state-owned company founded by the State according to the Company Law of the People's Republic of China on 16 December 2003. As at 31 December 2022, its registered capital is equal to its paid-in capital at RMB828,209 million. Its registered address is New Poly Plaza, 1 Chaoyangmen North Street, Dongcheng District, Beijing. Its unified social credit code is 911000007109329615 and its legal representative is Peng Chun. Huijin is a wholly-owned subsidiary of China Investment Corporation. It, in accordance with authorisation by the State Council, makes equity investments in major state-owned financial enterprises, and shall, to the extent of its capital contribution, exercise the rights and perform the obligations as an investor on behalf of the State in accordance with applicable laws, to achieve the goal of preserving and enhancing the value of state-owned financial assets. Huijin does not engage in any other business activities and does not intervene in the day-to-day business operations of the key state-owned financial institutions it controls. As at 30 June 2023, Huijin held approximately 34.71 per cent. of the Bank's ordinary shares. On 11 October 2023, Huijin increased its shareholding to approximately 34.72 per cent. of the Bank's ordinary shares. See "*Recent Developments – Increase in Shareholding of the Bank by its Controlling Shareholder*" for further details relating to Huijin's increase in its shareholding position.

The Bank's second single largest shareholder is MOF, which held approximately 31.14 per cent. of the Bank's ordinary shares as at 30 June 2023. MOF is a department under the State Council and is responsible for overseeing the State's fiscal revenue and expenditure, formulating the financial and taxation policies and supervising State finance at a macro level.

TAXATION

The following is a general description of certain tax considerations relating to the Notes and is based on law and relevant interpretation thereof in effect as at the date of this Offering Circular, all of which are subject to changes and does not constitute legal or taxation advice. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere.

Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. It is emphasised that neither the relevant Issuer, the Bank, the Group nor any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for purchase, holding or disposal of the Notes.

PRC

The following summary describes the principal PRC tax consequences of ownership of the Notes by beneficial owners who, or which, are not residents of mainland China for PRC tax purposes. These beneficial owners are referred to as non-PR C resident Noteholders in this section. In considering whether to invest in the Notes, potential purchasers should consult their individual tax advisors with regard to the application of PRC tax laws to their particular situations as well as any tax consequences arising under the laws of any other tax jurisdiction.

Pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law as well as their respective implementation rules, non-PRC resident enterprises will not be subject to the PRC income tax in respect of the interest income borne and paid by any enterprise, organisation or establishment located outside the PRC and as a non-PRC tax resident. An income tax is levied on the payment of interest in respect of debt securities, including notes offered, transferred and/or sold by enterprises established within the territory of China to non-resident enterprises (including Hong Kong Special Administrative Region enterprises) and non-resident individuals (including Hong Kong Special Administrative Region resident individuals). The current rates of such income tax are 20 per cent. (for non-resident individuals) and 10 per cent. (for non-resident enterprises) of the gross amount of the interest, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

On 23 March 2016, the Ministry of Finance and the State Administration of Taxation ("**SAT**") issued the Circular of Full Implementation of Business Tax to VAT Reform (《關於全面推開營業税改徵增值税試點的通知》) (Caishui [2016] No. 36, "**Circular 36**") which confirms that business tax was replaced by VAT from 1 May 2016. Since then, the income derived from the provision of financial services which attracted business tax has been entirely replaced by, and is subject to, Value Added Tax ("**VAT**").

According to Circular 36, the entities and individuals providing the services within China shall be subject to VAT. The services are treated as being provided within China where either the service provider or the service recipient is located in China. The services subject to VAT include the provision of financial services such as the provision of loans. It is further clarified under Circular 36 that the "loans" refers to the activity of lending capital for another's use and receiving the interest income thereon. Based on the definition of "loans" under Circular 36, the issuance of Notes is likely to be treated as the holders of the Notes providing loans to the relevant Issuer.

(I) In the event that the relevant Issuer is the Bank's head office (the "ICBC Head Office")

In the event that the relevant Issuer is ICBC Head Office, ICBC Head Office will be subject to withhold PRC income tax on the payment of interest of the Notes to non-resident Noteholders. The current rates of such income tax are 20% (for non-resident individuals) and 10% (for non-resident enterprises) of the gross amount of the interest, in each case, unless a lower rate is available under an applicable tax treaty. For example, the tax so charged on interests paid on the Notes to non-resident Noteholders who, or which are residents of Hong Kong (including enterprise holders and individual holders) as defined under the arrangement between the mainland China and Hong Kong for purpose of the avoidance of double taxation will be 7% of the gross amount of the interest pursuant to such arrangement. Further, given that the ICBC Head Office is located in the PRC, in the event that the relevant Issuer is the ICBC Head Office, holders of the Notes would be regarded as providing the financial services within China and consequently, the

holders of the Notes shall be subject to VAT at the rate of 6% when receiving the interest payments under the Notes. Given that ICBC Head Office pays interest income to Noteholders who are located outside of the PRC, ICBC Head Office, acting as the obligatory withholder in accordance with applicable law, shall withhold VAT from the payment of interest income to Noteholders who are located outside of the PRC. ICBC Head Office has agreed to pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in "*Terms and Conditions of the Notes*".

(II) In the event that the relevant Issuer is a Branch Issuer

In the event that the relevant Issuer is a Branch Issuer, the relevant Issuer is not obliged to withhold PRC income tax at the rate up to 10% (for non-resident enterprises) or 20% (for non-resident individuals) on the payments of interest made by it to non-resident Noteholders provided that the payments are made outside of the territory of PRC. However, this is subject to the interpretation by the PRC tax authorities. If the PRC tax authorities take an interpretation that the interest on the Notes payable by the relevant Issuer is treated as income sourced from the PRC, a withholding tax may be imposed on such interest and the relevant Issuer will pay additional amounts to holders of the Notes so that holders of the Notes would receive the full amount of the scheduled payment, as further set out in "*Terms and Conditions of the Notes*". If ICBC Head Office shall perform the obligation of paying interest of the Notes in the event and only when the relevant Branch Issuer fails to perform its obligations of paying the interest of the Notes, ICBC Head Office will be obliged to withhold PRC income tax at a rate of 10% (for non-resident enterprises) or 20% (for non-resident individuals) (unless a lower rate is available under an applicable tax treaty) and PRC VAT tax at the rate of 6% of the interest component of the amount payable by ICBC Head Office to the Noteholders if the PRC tax authority views such component as an interest income arising within the territory of the PRC.

Pursuant to the PRC Enterprise Income Tax Law, the PRC Individual Income Tax Law and the VAT reform detailed above, in the case of (I) and (II), the relevant Issuer(s) or the Bank shall withhold PRC income tax, (should such tax apply) from the payments of interest in respect of the Notes for any non-PRC-resident Noteholder and the relevant Issuer(s) or the Bank shall withhold VAT (should such tax apply) from the payments of interest in respect of the Notes for any Noteholders located outside of the PRC. However, in the event that such relevant Issuer and the Bank are required to make such a deduction or withholding (whether by way of PRC income tax or VAT otherwise), each relevant Issuer and the Bank have agreed to pay such additional amounts as will result in receipt by the Noteholders of such amounts after such withholding or deduction as would have been received by them had no such withholding or deduction been required. For more information, see "*Terms and Conditions of the Notes – Condition 12 (Taxation)*".

According to the arrangement for avoidance of double taxation between the PRC and Hong Kong, both Hong Kong resident enterprises and Hong Kong resident individuals will not be subject to PRC income tax in respect of any capital gains from the sale or exchange of the Notes. However, pursuant to the PRC Enterprise Income Tax Law and the PRC Individual Income Tax Law and their respective relevant implementation rules, it remains uncertain as to whether other non-PRC Noteholders shall be subject to PRC income tax in respect of any capital gains from the sale or exchange of the Notes. Should the PRC tax authority deem the gains of such non-PRC residents generated from the sale or exchange of the Notes as income sourced within the PRC, the non-PRC Noteholders (other than Hong Kong residents) may be subject to enterprise income tax at the rate of 10 per cent. for non-PRC resident enterprises, or individual income tax at 20 per cent. for non-PRC resident individuals, respectively, unless otherwise provided in other preferential taxation policies under special taxation arrangements.

The above statements on VAT may be subject to further change upon the issuance of further clarification rules and/or different interpretation by the competent tax authority. There is uncertainty as to the application of Circular 36.

No PRC stamp duty will be chargeable upon the issue or transfer (for so long as the register of Noteholders is maintained outside the PRC) of a Note.

HONG KONG

Withholding tax

No withholding tax is payable in Hong Kong in respect of payments of principal, premium (if any) or interest on the Notes or in respect of any capital gains arising from the sale of the Notes.

Profits tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112) of Hong Kong (the "**IRO**") as it is currently applied by the Inland Revenue Department, interest on the Notes may be deemed to be profits arising in or derived from Hong Kong from a trade, profession or business carried on in Hong Kong in the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a corporation carrying on a trade, profession or business in Hong Kong;

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person, other than a corporation, carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business;

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the IRO) and arises through or from the carrying on by the financial institution of its business in Hong Kong; or

(d) interest on the Notes is received by or accrues to a corporation, other than a financial institution, and arises through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO).

Pursuant to the Exemption from Profits Tax (Interest Income) Order, interest income accruing to a person other than a financial institution, on deposits (denominated in any currency and whether or not the deposit is evidenced by a certificate of deposit) placed with, inter alia, an authorized institution in Hong Kong (within the meaning of section 2 of the Banking Ordinance (Cap. 155) of Hong Kong) is exempt from the payment of Hong Kong profits tax. This exemption does not apply, however, to deposits that are used to secure or guarantee money borrowed in certain circumstances. Provided no prospectus involving the issue of the Notes is registered under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, the issue of the Notes by the relevant Issuer is expected to constitute a deposit to which the above exemption from payment will apply.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax. Sums received by or accrued to a corporation, other than a financial institution, by way of gains or profits arising through or from the carrying on in Hong Kong by the corporation of its intra-group financing business (within the meaning of section 16(3) of the IRO) from the sale, disposal or other redemption of Notes will be subject to Hong Kong profits tax.

Sums derived from the sale, disposal or redemption of Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source unless otherwise exempted. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed of.

In addition, the Inland Revenue (Amendment) (Taxation on Specified Foreign-sourced Income) Ordinance 2022 of Hong Kong (the "**Amendment Ordinance**") came into effect on 1 January 2023. Under the Amendment Ordinance, certain foreign-sourced interest on the Notes accrued to an MNE entity (as defined in the Amendment Ordinance) carrying on a trade, profession or business in Hong Kong is regarded as arising in or derived from Hong Kong and subject to Hong Kong profits tax when it is received in Hong Kong. The Amendment Ordinance also provides for relief against double taxation in respect of certain foreign-sourced income and transitional matters.

In certain circumstances, Hong Kong profits tax exemptions (such as concessionary tax rates) may be available. Investors are advised to consult their own tax advisors to ascertain the applicability of any exemptions to their individual position.

Stamp duty

Stamp duty will not be payable on the issue of Bearer Notes, provided that either:

(a) such Bearer Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Bearer Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of Hong Kong (the "**SDO**")).

If stamp duty is payable, it is payable by the relevant Issuer on the issue of Bearer Notes at a rate of 3 per cent. of the market value of the Bearer Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes. No stamp duty is payable on the issue of Registered Notes.

Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes, provided that either:

(a) Such Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) Such Registered Notes constitute loan capital (as defined in the SDO).

With effect from 1 August 2021, if stamp duty is payable in respect of the transfer of Registered Notes, it will be payable at the rate of 0.26 per cent. (of which 0.13 per cent. is payable by the seller and 0.13 per cent. is payable by the purchaser) normally by reference to the consideration or its value, whichever is higher. In addition, stamp duty is payable at the fixed rate of HK$5.00 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, as amended, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the PRC and Hong Kong) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, proposed regulations have been issued that provide that such withholding would not apply prior to the date that is two years after the date on which final regulations defining foreign passthru payments are published in the U.S. Federal Register. In the preamble to the proposed regulations, the U.S. Treasury Department indicated that taxpayers may rely on these proposed regulations until the issuance of final regulations. Additionally, Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are published generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional Notes (as described under "*Terms and Conditions of the Notes – Further Issues*") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the previously issued Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Noteholders should consult their own tax advisers regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

SUBSCRIPTION AND SALE

OVERVIEW OF DEALER AGREEMENT

The Dealer has, in an amended and restated dealer agreement (the "**Dealer Agreement**") dated 16 October 2023, agreed with the Bank (on behalf of itself and each Branch Issuer as issuer) a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under "*Forms of the Notes*" and "*Terms and Conditions of the Notes*". The relevant Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. Where the relevant Issuer agrees to sell to the Dealer(s), who agree to subscribe and pay for, or to procure subscribers to subscribe and pay for, Notes at an issue price (the "**Issue Price**"), any subsequent offering of those Notes to investors may be at a price different from such Issue Price. The relevant Issuer has agreed to reimburse the Arranger for certain of their expenses incurred in connection with the establishment, and any future update, of the Programme and the Dealer for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes on a syndicated basis may be stated in the relevant Pricing Supplement.

The relevant Issuer has agreed to indemnify the Dealer against certain liabilities in connection with the offer and sale of the Notes. The Dealer Agreement entitles the Dealer to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the relevant Issuer.

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as Stabilisation Manager(s) (the "**Stabilisation Manager(s)**") (or persons acting on behalf of any Stabilisation Manager(s)) may, in accordance with all applicable laws and rules, over-allot the Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail, but in so doing, the Stabilisation Manager(s) or any person acting on behalf of the Stabilisation Manager(s) shall act as principal and not as agent of the relevant Issuer. However, there is no assurance that the Stabilisation Manager or persons acting on behalf of any Stabilisation Manager will undertake stabilisation action. Any loss or profit sustained as a consequence of any such over-allotment or stabilisation shall, as against the relevant Issuer, be for the account of the Stabilisation Manager(s).

In connection with each Tranche of Notes issued under the Programme, the Dealer or certain of their affiliates or affiliates of the relevant Issuer or the Bank, may act as investors and place orders, receive allocations and trade the Notes for their own account and such orders, allocations or trade of the Notes may be material. Such entities may hold or sell such Notes or purchase further Notes for their own account in the secondary market or deal in any other securities of the relevant Issuer, and therefore, they may offer or sell the Notes or other securities otherwise than in connection with the offering of the relevant Tranche of Notes. Accordingly, references herein to the Notes being 'offered' should be read as including any offering of the Notes to the Dealer and/or their respective affiliates or affiliates of the relevant Issuer or the Bank as investors for their own account. Such entities are not expected to disclose such transactions or the extent of any such investment, otherwise than in accordance with any applicable legal or regulatory requirements. If such transactions occur, the trading price and liquidity of the Notes may be impacted.

Furthermore, it is possible that a significant proportion of any Tranche or Series of the Notes may be initially allocated to, and subsequently held by, a limited number of investors. If this is the case, the trading price and liquidity of trading in such Notes may be constrained (see "*Risk Factors – Risks relating to the Market Generally – Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity*"). The relevant Issuer and the relevant Dealer are under no obligation to disclose the extent of the distribution of the Notes amongst individual investors, otherwise than in accordance with any applicable legal or regulatory requirements.

Further, the Dealer(s) or their respective affiliates may purchase Notes for its or their own account and enter into transactions, including credit derivatives, such as asset swaps, repackaging and credit default swaps relating to such Notes and/or other securities of the relevant Issuer, the Bank or its subsidiaries or affiliates at the same time as the offer and sale of each Tranche of Notes or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Tranche of Notes to which a particular Pricing Supplement relates (notwithstanding that such selected counterparties may also be purchasers of such Tranche of Notes).

In addition, the Dealer(s) and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities ("**Banking Services or Transactions**"). The Dealer(s) and certain of their subsidiaries or affiliates may have, from time to time, performed and may in the future perform, various Banking Services or Transactions with the relevant Issuer, the Bank and/or its subsidiaries or affiliates, from time to time, for which they have received customary fees and expenses. The Dealer(s) and their subsidiaries or affiliates may, from time to time, engage in transactions and perform services for the relevant Issuer, the Bank and/or its subsidiaries and affiliates in the ordinary course of their business.

In the ordinary course of their various business activities, the Dealer(s) and their respective affiliates may also make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the relevant Issuer or the Bank, including any Tranche or Series of the Notes and could adversely affect the trading price and liquidity of such Notes. The Dealer(s) and their affiliates may make investment recommendations and/or publish or express independent research views (positive or negative) in respect of the Notes or other financial instruments of the relevant Issuer or the Bank, and may recommend to their clients that they acquire long and/or short positions in the Notes or other financial instruments of the relevant Issuer or the Bank.

If a jurisdiction requires that the offering is made by a licensed broker or dealer and a relevant Dealer or any affiliate of the relevant Dealer is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the relevant Dealer or such affiliate on behalf of the relevant Issuer (as defined below) in such jurisdiction.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT – IMPORTANT NOTICE TO CMIS (INCLUDING PRIVATE BANKS)

This notice to CMIs (including private banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including private banks). Certain CMIs may also be acting as OCs for the relevant CMI Offering and are subject to additional requirements under the SFC Code. The application of these obligations will depend on the role(s) undertaken by the relevant Dealer(s) in respect of each CMI Offering.

Prospective investors who are the directors, employees or major shareholders of the relevant Issuer, a CMI or its group companies would be considered under the SFC Code as having an Association with the relevant Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the relevant Notes. In addition, private banks should take all reasonable steps to identify whether their investor clients may have any Associations with the relevant Issuer or any CMI (including its group companies) and inform the relevant Dealers accordingly.

CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the relevant CMI Offering may include institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language or any UK MiFIR product governance language set out elsewhere in this Offering Circular and/or the applicable Pricing Supplement.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e. two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the relevant Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including private banks as the case may be) in the order book and book messages.

CMIs (including private banks) should not offer any rebates to prospective investors or pass on any rebates provided by the relevant Issuer. In addition, CMIs (including private banks) should not enter into arrangements which may result in prospective investors paying different prices for the relevant Notes. CMIs are informed that a private bank rebate may be payable as stated above and in the applicable Pricing Supplement, or otherwise notified to prospective investors.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Dealers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the relevant Notes, private banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Otherwise, such order may be considered to be an omnibus order pursuant to the SFC Code. Private banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Dealer(s) (if any) to categorise it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order and will result in that private bank not being entitled to, and not being paid, any rebate.

In relation to omnibus orders, when submitting such orders, CMIs (including private banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

a. The name of each underlying investor;

b. A unique identification number for each investor;

c. Whether an underlying investor has any "Associations" (as used in the SFC Code);

d. Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code);

e. Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus order should be sent to the Dealers named in the relevant Pricing Supplement.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including private banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to any OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to any OCs. By submitting an order and providing such information to any OCs, each CMI (including private banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by any OCs and/or any other third parties as may be required by the SFC Code, including to the relevant Issuer, relevant regulators and/or any other third parties as may be required by the SFC Code, for the purpose of complying with the SFC Code, during the bookbuilding process for the relevant CMI Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the relevant CMI Offering. The relevant Dealers may be asked to demonstrate compliance with their obligations under the SFC Code, and may request other CMIs (including private banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including private banks) are required to provide the relevant Dealers with such evidence within the timeline requested.

SELLING RESTRICTIONS

United States

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or not subject to the registration requirements of the Securities Act.

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Dealer has represented, warranted, undertaken and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant, undertake and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the two preceding paragraphs have the meanings given to them by Regulation S.

The Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended.

In addition, until 40 days after the commencement of the offering of any identifiable Tranche of Notes, an offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) of such Tranche of Notes may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or other available exemption from registration under the Securities Act.

This Offering Circular has been prepared by the Bank for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The relevant Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Offering Circular does not constitute an offer to any person in the United States or to any U.S. person (within the meaning of Regulation S), other than any QIB to whom an offer has been made directly by one of the Dealers or its U.S. broker dealer affiliate. Distribution of this Offering Circular by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the relevant Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Dealers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Dealers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$200,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA D Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of the TEFRA D Rules. Where the relevant Pricing Supplement for Bearer Notes specifies that the TEFRA C Rules are applicable, the Bearer Notes will be issued in accordance with the provisions of TEFRA C Rules. Where the relevant Pricing Supplement specifies that TEFRA is not applicable, the Notes will not be issued in accordance with the provisions of either the TEFRA D Rules or the TEFRA C Rules.

The TEFRA D Rules

Where the TEFRA D Rules are specified in the relevant Pricing Supplement as being applicable in relation to any Tranche of Notes, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the relevant Issuer in relation to each Tranche of Notes in bearer form that:

(a) *Restrictions on offers, etc.*: except to the extent permitted under the U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the "**TEFRA D Rules**"):

(i) *No offers etc. to United States or United States persons*: it has not offered or sold, and during the 40-day restricted period will not offer or sell, any Notes in bearer form to a person who is within the United States or its possessions or to a United States person; and

(ii) *No delivery of definitive Notes in the United States*: it has not delivered and will not deliver in definitive form within the United States or its possessions any Notes in bearer form sold during the restricted period,

(b) *Internal procedures*: it has, and throughout the restricted period will have, in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the TEFRA D Rules; and

(c) *Additional provision if United States person*: if it is a United States person, it is acquiring the Notes in bearer form for the purposes of resale in connection with their original issuance and, if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of United States Treasury Regulation §1.163-5(c)(2)(i)(D)(6) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended); and

(d) with respect to each affiliate of such Dealer that acquires Notes in bearer form from such Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer has undertaken, and each further Dealer appointed under the Programme will be required to undertake, to the relevant Issuer that it will obtain from such affiliate for the benefit of the relevant Issuer the representations, warranties and undertakings contained in paragraph (a) (Restrictions on offers, etc.), paragraph (b) (Internal procedures) and paragraph (c) (Additional provision if United States person); and

(e) it will obtain from any distributor (within the meaning of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(4)(ii)) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) that purchases any Notes from it pursuant to a written contract with such Dealer (except a distributor that is one of its affiliates or is another Dealer), for the benefit of the relevant Issuer and each other Dealer, the representations contained in, and such distributor's agreement to comply with, the provisions of subparagraphs (a), (b), (c) and (d) of this paragraph insofar as they relate to the TEFRA D Rules, as if such distributor were a Dealer hereunder.

The TEFRA C Rules

Where the TEFRA C Rules are specified in the relevant Pricing Supplement as being applicable in relation to any Tranche of Notes, the Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance and, accordingly, each Dealer has represented, warranted and undertaken, and each further Dealer appointed under the Programme will be required to represent, warrant and undertake, to the relevant Issuer that, in connection with the original issuance of the Notes:

(a) *No offers etc. in United States*: it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Notes in bearer form within the United States or its possessions in connection with the original issue; and

(b) *No communications with United States*: it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such Dealer or such prospective purchaser is within the United States or its possessions and will not otherwise involve the United States office of such Dealer in the offer and sale of Notes in bearer form.

Interpretation

Terms used in the paragraph "Dealers' compliance with United States securities laws" have the meanings given to them by Regulation S under the Securities Act. Terms used in the paragraphs "The TEFRA D Rules" and "The TEFRA C Rules" have the meanings given to them by the United States Internal Revenue Code and regulations thereunder, including the TEFRA C Rules and the TEFRA D Rules.

Index-, commodity- or currency-linked Notes

Each issuance of index-, commodity- or currency-linked Notes shall be subject to additional U.S. selling restrictions as the relevant Dealer(s) shall agree with the relevant Issuer as a term of the issuance and purchase or, as the case may be, subscription of such Notes. Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

European Economic Area

Prohibition of Sales to EEA Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

  (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"); and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

United Kingdom

Prohibition of Sales to UK Retail Investors

Unless the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or

  (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or

  (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

If the Pricing Supplement in respect of any Notes specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the Pricing Supplement in relation thereto to the public in the United Kingdom except that it may make an offer of such Notes to the public in the United Kingdom:

(a) *Approved prospectus*: if the Pricing Supplement in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to section 86 of the FSMA (a "**Public Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the Financial Conduct Authority, provided that any such prospectus has subsequently been completed by Pricing Supplement contemplating such Public Offer, in the period beginning and ending on the dates specified in such prospectus or the Pricing Supplement, as applicable, and the relevant Issuer has consented in writing to its use for the purpose of that Public Offer;

(b) *Qualified Investors*: at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;

(c) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(d) *Other exempt offers*: at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Notes referred to in (b) to (d) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision the expression an "**offer of Notes to the public**" in relation to any Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes; and the expression "**UK Prospectus Regulation**" means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:

(i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and

(ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

(A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses; or

(B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;

(b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the relevant Issuer was not an authorised person, apply to such relevant Issuer; and

(c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

Each Dealer has understood, and each further Dealer appointed under the Programme will be required to understand, that the Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws, regulations and ministerial guidelines of Japan.

Hong Kong

In relation to each Tranche of Notes to be issued by the relevant Issuer under the Programme, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes, except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**"), other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

The People's Republic of China

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) or to residents of the PRC as part of the initial distribution of the Notes unless such offer or sale is made in compliance with all applicable laws and regulations of the PRC.

Singapore

If the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

If the Pricing Supplement in respect of any Notes specifies "Singapore Sales to Institutional Investors and Accredited Investors only" as "Not Applicable", each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Offering Circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed that, and each further Dealer appointed under the Programme will be required to represent, warrant and agree that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

*Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act 2001 of Singapore (the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Notes, the relevant Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Notes are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).*

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Offering Circular or any other offering material, in any country or jurisdiction where action for that purpose is required.

These selling restrictions may be modified by the agreement of each of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Pricing Supplement issued in respect of the issue of Notes to which it relates or in a supplement to this Offering Circular.

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Global Note Certificate with a view to holding it in the form of an interest in the same Global Note Certificate) or person wishing to transfer an interest from one Global Note Certificate to another or from global to definitive form or vice versa, will be required to acknowledge, represent and agree, and each person purchasing an interest in a Global Note Certificate with a view to holding it in the form of an interest in the same Global Note Certificate will be deemed to have acknowledged, represented and agreed, as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined therein):

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it is aware, and each beneficial owner of the Notes has been advised, that any sale to it is being made in reliance on Rule 144A (b) it is or at the time the Notes are purchased will be, the beneficial owner of such Notes, it is not a U.S. person and located outside the United States (within the meaning of Regulation S and it is not an affiliate of the relevant Issuer or a person acting on behalf of such an affiliate;

(ii) that it is not a broker-dealer which owns and invests on a discretionary basis less than U.S.$25,000,000 in securities of unaffiliated issuers;

(iii) that it is not formed for the purpose of investing in the relevant Issuer;

(iv) that it, and each account for which it is purchasing, will hold and transfer at least the minimum denomination of the Notes;

(v) that it understands that the relevant Issuer may receive a list of participants holding positions in its securities from one or more book-entry depositories;

(vi) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable securities laws of any state of the United States and the relevant Issuer has not registered and does not intend to register as an investment company under the Investment Company Act and, accordingly, the Notes may not be offered or sold or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(vii) that, unless it holds an interest in a Unrestricted Global Note Certificate and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the expiration of the applicable required holding period determined pursuant to Rule 144 of the Securities Act from the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller, and any person acting on the seller's behalf, reasonably believes is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A, (c) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (d) pursuant to an exemption from registration provided by Rule 144 thereunder (if available) or (e) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of any states of the United States;

(viii) it will, and will require each subsequent holder to, notify any purchaser or transferee, as applicable, of the Notes from it of the resale and transfer restrictions referred to in paragraph (vii) above, if then applicable;

(ix) that Notes initially offered in the United States to QIBs will be represented by one or more Restricted Global Note Certificates and that Notes offered outside the United States in reliance on Regulation S will be represented by one or more Unrestricted Global Note Certificate;

(x) that it understands that the relevant Issuer has the power to compel any beneficial owner of Notes represented by a Restricted Global Note Certificate that is a U.S. person and is not a QIB to sell its interest in such Notes, or may sell such interest on behalf of such owner. The relevant Issuer has the right to refuse to honour the transfer of an interest in any Restricted Global Note Certificate to a U.S. person who is not a QIB. Any purported transfer of an interest in a Restricted Global Note Certificate to a purchaser that does not comply with the requirements of the transfer restrictions herein will be of no force and effect and will be void;

(xi) except as otherwise provided in a supplement to the Offering Circular, either: (i) no assets of a Benefit Plan Investor, or non-U.S. plan, governmental or church plan that are subject to Similar Law have been used to acquire such Notes or an interest therein; or (ii) the purchase, holding and subsequent disposition of such Notes or an interest therein by such person will not constitute or result in a non-exempt prohibited transaction under ERISA or the Code or violation of Similar Law. Any purported purchase or transfer of such an interest that does not comply with the foregoing shall be null and void;

(xii) to the extent Benefit Plan Investors or Similar Law plans are prohibited from purchasing a Note or any interest therein under a supplement to the Offering Circular, it is not, and for so long as it holds such Note or interest it will not be, a Benefit Plan Investor or a governmental, church or non-U.S. plan that is subject to Similar Law. Any purported purchase or transfer that does not comply with the foregoing shall be null and void;

(xiii) that the Notes in registered form, other than the Unrestricted Global Note Certificate, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THE NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT) OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATIONS UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER OR ITS AFFILIATES.";

(xiv) that the Notes in registered form which are registered in the name of a nominee of DTC will bear an additional legend to the following effect unless otherwise agreed to by the relevant Issuer:

"IF THIS NOTE CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER PERSON AS MAY BE NOMINATED BY THE DEPOSITORY TRUST COMPANY (DTC) FOR THE PURPOSE) (COLLECTIVELY, CEDE & CO.) AS NOMINEE FOR DTC, THEN, UNLESS THIS NOTE CERTIFICATE IS PRESENTED BY AN AUTHORISED REPRESENTATIVE OF DTC TO THE ISSUER OR ITS AGENT FOR REGISTRATION OR TRANSFER, EXCHANGE OR PAYMENT AND ANY NOTE CERTIFICATE ISSUED UPON REGISTRATION OF TRANSFER OR EXCHANGE OF THIS NOTE CERTIFICATE IS REGISTERED IN THE NAME OF CEDE & CO. (OR SUCH OTHER NAME AS MAY BE REQUESTED BY AN AUTHORISED REPRESENTATIVE OF DTC) AND ANY PAYMENT HEREUNDER IS MADE TO CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, SINCE THE REGISTERED OWNER HEREOF, CEDE & CO. (OR, AS THE CASE MAY BE, SUCH OTHER PERSON), HAS AN INTEREST HEREIN.";

(xv) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a) (i) outside the United States in compliance with Rule 903 or 904 under the Securities Act or (ii) to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Unrestricted Global Note Certificate will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THIS NOTES HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SECURITIES ACT), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND NEITHER THIS NOTE NOR ANY PORTION HEREOF MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS, EXCEPT PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT."; and

(xvi) it understands that the Notes offered in reliance on Rule 144A will be represented by Restricted Global Note Certificates. Before any interest in a Restricted Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in the Unrestricted Global Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws;

(xvii) it understands that the Notes offered in reliance on Rule S will be represented by Unrestricted Global Note Certificates; and prior to the expiration of the distribution compliance period, before any interest in an Unrestricted Global Note Certificate may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Restricted Global Note Certificate, it will be required to provide a Transfer Agent with a written certification (in the form provided in the Agency Agreement) as to compliance with applicable securities laws; and

(xviii) that the relevant Issuer, each Registrar, the relevant Dealer(s) and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer; and if it is acquiring any Notes for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

(xix) No sale of legended Notes in the United States to any one purchaser will be for less than U.S.$200,000 (or its foreign currency equivalent) principal amount or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount and no legended Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$200,000 (or its foreign currency equivalent) or, in the case of sales to Institutional Accredited Investors, U.S.$500,000 (or its foreign currency equivalent) principal amount of Registered Notes.

GENERAL INFORMATION

1. LISTING

Application has been made to the Hong Kong Stock Exchange for the listing of the Programme during the 12-month period after the date of this Offering Circular on the Hong Kong Stock Exchange under which Notes may be issued by way of debt issues to Professional Investors only. The issue price of Notes listed on the Hong Kong Stock Exchange will be expressed as a percentage of their nominal amount. It is expected that dealings will, if permission is granted to deal in and for the listing of such Notes, commence on or about the next business day following the date of listing of the relevant Notes. Notes to be listed on the Hong Kong Stock Exchange are required to be traded with a board size of at least HK$500,000 (or equivalent in other currencies).

2. AUTHORISATION

The establishment and update of the Programme and the issue of the Notes thereunder were authorised by Authorisation (2015) No. 317, (2018) No. 506, (2018) No. 1364 and (2019) No. 876 of Industrial and Commercial Bank of China Limited passed on 24 March 2015, 26 April 2018, 6 November 2018 and 9 August 2019 and Authorisation (2020) No. 14 and (2020) No. 54 of the Department of Assets and Liabilities Management of Industrial and Commercial Bank of China Limited passed on 24 February 2020 and 11 June 2020. The relevant Issuer has obtained, or will obtain from time to time, all necessary consents, approvals and authorisations in connection with the issue of the Notes and the performance of its obligations under the Notes.

3. LEGAL AND ARBITRATION PROCEEDINGS

The Bank is involved in legal proceedings in the ordinary course of its business. Most of the legal proceedings were initiated by the Bank for recovering NPLs, while some legal proceedings arose from customer disputes. Each of the Bank and the relevant Issuer is not or has not been involved in any governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Bank or, as the case may be, each of the relevant Issuer is aware), which may have, or have had during the 12 months prior to the date of this Offering Circular, a significant effect on the financial or trading position or profitability of the Group.

4. SIGNIFICANT/MATERIAL CHANGE

Save as disclosed in this Offering Circular, since 31 December 2022, there has been no material adverse change in the financial position or prospects nor has there been, any significant change in the financial or trading position or prospects of the Group.

5. AUDITOR

The audited consolidated financial statements of the Group as at and for the year ended 31 December 2020 incorporated by reference in this Offering Circular have been prepared and presented in accordance with IFRSs and audited by KPMG as stated in its report appearing therein.

The audited consolidated financial statements of the Group as at and for the years ended 31 December 2021 and 31 December 2022 incorporated by reference in this Offering Circular have been prepared and presented in accordance with the IFRSs and audited by Deloitte as stated in its reports appearing therein.

The Group's interim consolidated financial statements as at and for the six months ended 30 June 2023 incorporated by reference in this Offering Circular have been prepared and presented in accordance with IAS 34 and reviewed by Deloitte as stated in its report appearing therein.

6. NATIONAL DEVELOPMENT AND REFORM COMMISSION FILINGS

Effective from 10 February 2023, NDRC Order 56 has superseded the NDRC Circular. The Bank has already obtained an NDRC Certificate on 28 July 2023 (such NDRC Certificate, hereinafter, the "**NDRC Approval**") under the NDRC Order 56 and the relevant Issuer can rely on the NDRC Approval to issue the Notes.

Where applicable for a relevant Tranche of Notes, the Notes will be issued within the relevant annual or otherwise general foreign debt issuance quota granted to the Bank pursuant to the NDRC Order 56. Alternatively, separate pre-issuance registration of a particular Tranche of Notes may be completed by the Bank as set forth in the relevant Pricing Supplement. After the issuance of such relevant Tranche of Notes, the Bank intends to provide the requisite information in respect of such Notes to NDRC within the prescribed timeframes as required by NDRC in accordance with the NDRC Order 56.

According to the current interpretation of the NDRC Order 56, if a PRC enterprise or an offshore enterprise or branch controlled by a PRC enterprise wishes to issue bonds outside of the PRC with a maturity of more than one year (the "**Relevant Offshore Bonds**"), such enterprise must, in advance of issuing such bonds, file certain prescribed documents with the NDRC and procure an NDRC Certificate. Under the NDRC Order 56, the enterprise shall (i) file or cause to be filed with the NDRC the requisite information and documents within ten PRC business days after each foreign debt issuance (the "**Post-Issuance Filing**") and the expiration of the NDRC Certificate with respect to the Relevant Offshore Bonds issued by NDRC, (ii) file or cause to be filed with the NDRC the requisite information and documents within five PRC business days before the end of January and the end of July each year, and (iii) file or cause to be filed the requisite information and documents upon the occurrence of any material event that may affect the enterprise's due performance of its debt obligations. Furthermore, a decision by the NDRC not to grant an NDRC Certificate in respect of any issue of bonds or notes will not adversely affect the validity of any previous issuance of bonds or notes by the relevant enterprise. However, given the fact that neither the NDRC Order 56, nor PRC law generally, addresses such matters, it is not possible to predict with certainty how the NDRC or PRC law may treat such matters in the future.

Under the NDRC Approval, the Bank has obtained an annual foreign debt quota from the NDRC (the "**Quota**"), pursuant to which the Group may issue up to a specified aggregate amount of Relevant Offshore Bonds without the need to obtain a separate NDRC Certificate in respect thereof. Accordingly, where the relevant Issuer proposes to issue Notes under the Programme which would constitute Relevant Offshore Bonds, no separate NDRC Certificate will need to be obtained from the NDRC in respect of such issue, provided that (i) the aggregate principal amount of such Notes, taken together with any other issue(s) of Relevant Offshore Bonds previously issued under the Quota, does not exceed the Quota and (ii) the Bank duly authorises the relevant Issuer to utilise such annual foreign debt Quota for the purposes thereof. Where the Quota is not available for any issue of Notes under the Programme which constitute Relevant Offshore Bonds, a separate NDRC Certificate will be required in respect thereof. Whether or not a separate NDRC Certificate is required to be obtained under the NDRC Order 56 for a particular issue of Notes under the Programme, the relevant Issuer will (where such Notes constitute Relevant Offshore Bonds) in any event be required to make the relevant Post-Issuance Filing with the NDRC within 10 PRC business days after the issue of the Notes.

On 12 January 2017, the PBOC promulgated the PBOC Notice on Relevant Matters about Macro-Prudential Management of Cross-Border Financing in Full Aperture (中國人民銀行關於全口徑跨境融資宏觀審慎管理有關事宜的通知), which came into effect on the same date (the "**PBOC Notice**"), and which imposes certain filing, reporting and other requirements on PRC companies and financial institutions that engage in cross-border financing activities. After consultation with the PBOC regarding the relevant filing and reporting requirements under the PBOC Notice, the Bank has confirmed that its offshore branches should not be considered to be PRC residents and, therefore, the relevant filing and reporting requirements under the PBOC Notice should not be applicable to issuances of Notes by the relevant Issuer under the Programme so long as the proceeds from the issuance of the Notes will not be applied within the PRC. However, the PBOC Notice remains relatively new and the implementation rules have not yet been published. Therefore, following the date of this Offering Circular, the Bank may be required to make reporting or take other steps to

comply with the PBOC Notice, the nature and extent of which are not currently foreseeable by the Bank. No assurance can be given that the Bank will need to comply with the PBOC Notice, including, without limitation, where the proceeds from an issuance of Notes by the relevant Issuer under the Programme are applied within the PRC.

7. DOCUMENTS ON DISPLAY

Copies of the following documents may be inspected during normal business hours on any weekday (Saturdays and public holidays excepted) at the office of the Hong Kong Branch at 33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong and the specified office of the Issuing and Paying Agent at Level 24, HSBC Main Building, 1 Queen's Road Central, Hong Kong for so long as the Notes are capable of being issued under the Programme:

(i) the articles of association of the Bank;

(ii) the Group's 2020, 2021 and 2022 Financial Statements and the Group's 2023 Interim Financial Statements;

(iii) the latest annual report and audited annual consolidated financial statements, and any interim consolidated financial statements (whether audited or unaudited, reviewed or unreviewed) published subsequently to such audited annual financial statements, of the Group;

(iv) each Pricing Supplement (which will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Issuing and Paying Agent as to its holding of Notes and identity);

(v) a copy of this Offering Circular together with any supplement to this Offering Circular;

(vi) the Deed of Covenant;

(vii) the Agency Agreement (which contains the forms of the Notes in global and definitive form); and

(viii) the Programme Manual.

8. CLEARING OF THE NOTES

The Notes may be accepted for clearance through Euroclear and Clearstream. In addition, the relevant Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. Acceptance by DTC of such Notes will be confirmed in the relevant Pricing Supplement. The relevant Issuer may also apply to have Notes accepted for clearance through the CMU. The relevant CMU instrument number, CUSIP number, common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Pricing Supplement. The relevant Pricing Supplement shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

9. LEGAL ENTITY IDENTIFIER

The Legal Entity Identifier of the Bank is 5493002ERZU2K9PZDL40.

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No. 55 Fuxingmennei Avenue
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CURRENT AUDITOR OF THE BANK

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ISSUING AND PAYING AGENT AND TRANSFER AGENT

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U.S. ISSUING AND PAYING AGENT, U.S. TRANSFER AGENT AND U.S. REGISTRAR

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CMU LODGING AND PAYING AGENT AND REGISTRAR

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